THREE ESSAYS ON EXPANDED RELATIONSHIP MARKETING

by

ASHISH KALRA

DISSERTATION

Submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy at
The University of Texas at Arlington
May 2018

Arlington, Texas

Supervising Committee

Dr. Raj S. Agnihotri, Supervising Professor
Dr. Elten D. Briggs, Supervising Professor
Dr. Lawrence B. Chonko
Dr. Wendy J. Casper

ABSTRACT

THREE ESSAYS ON EXPANDED RELATIONSHIP MARKETING

Ashish Kalra, Ph.D.

The University of Texas at Arlington, 2018

Supervising Professor (s): Dr. Raj S. Agnihotri, Dr. Elten Briggs

Customer engagement has become a recent buzzword in marketing and has emerged as a hot topic among practitioners and academics. However, there is no consensus on how to define customer engagement. This has made it difficult for researchers to advance the theory of customer engagement and researchers have been unable to offer any specific managerial insights on how to enhance such behaviors. This dissertation addresses these gaps by systematically reviewing the customer engagement literature, offering a unified framework to advance theory, and subsequently developing managerially driven insights.

In the first essay, we adopt relationship marketing theory and service-dominant logic to offer a conceptual framework to define customer engagement. Based on systematic literature review, customer engagement is defined along a relationship continuum. It is proposed that customer engagement can be defined both as a psychological state and a behavior depending on the sequential flow of relation with the customer after the purchase. In the second essay, salesperson's social capital is linked to customer engagement behaviors. Survey research is utilized to test a conceptual framework. A dyadic 217 salesperson-customer matched data from a business-to-business study context provide support to the claims that social capital enhances

competitive intelligence collection and use which further enhances customer engagement behaviors. The third essay extends the theory on customers' perceptions of employee's ethics and corporate social responsibility and how they impact customer co-creation behavior. Findings from survey research conducted using a sample of customers of major US banks provide partial support to our claims. Overall, the findings of this dissertation offer several research findings and directions for future exploration of the construct by marketing researchers and practitioners.

ACKNOWLEDGMENTS

I sincerely thank my dissertation committee for their assistance in this dissertation research. I am especially grateful for the support provided by my co-chairs: Dr. Raj S. Agnihotri and Dr. Elten Briggs. Over the past years, you both have always been there for me and have nurtured my research mindset and helped me develop as a researcher. Thank you for following an open-door policy for me and for taking time to meet with me, every time I need you both for suggestions and feedback. Thank you for your patience and for your friendship. I will nurture this relationship throughout my life and I look forward to working with you for many years. I feel privileged to have known you and learn under your guidance. Thank you for everything.

I would also like to thank my committee members, Dr. Lawrence B. Chonko and Dr. Wendy J. Casper, for helping me in my research. I cannot thank you enough for being there and always providing me with your advice and encouragement. It has been a pleasure to working with you and undoubtedly, your suggestions have made this dissertation more complete.

DEDICATION

This dissertation could not have been completed without continuous and unconditional support from my loved ones. I feel humbled to dedicate this dissertation to my father, Mr. Satish Kumar Kalra and my mother, Mrs. Usha Kalra. It is because of their trust in me that I could continue on the path of the doctoral program and finally earn this degree. We all miss you dad and your absence is deeply felt. I hope I made you proud by gaining this degree.

I would also like to dedicate this dissertation to my brother-in-law Mr. Ankush Gupta, my sister Mrs. Ruchi Ankush Gupta and my darling niece Mahek. A special shout out to my brother, Ankur Kalra and his family, specifically to Ojas for making me smile every time. You all have been my friend-in-need and have been my pillars of support in tough times. Thank you again for all the love and affection.

Last, but not the least, a big thank you to my colleagues- Sijie Sun, Han Ma, Franklin Velasco and Pamela Richardson. I could not have asked for better cohort members. I have thoroughly enjoyed your friendship and I hope to continue this relationship after UTA. I wish you all good luck and I look forward to seeing you all at conferences and other related events in future.

TABLE OF CONTENTS

CHAPTER 1[1.1]

INTRODUCTION

Over the decades, the importance of maintaining strong relationships with customers has been accepted as a source of competitive advantage (e.g., Morgan & Hunt, 1999), so understanding such relationships is now fundamental to marketing (Zhang, Watson, Palmatier & Dant, 2016). Accordingly, firms have spent upwards of $12 billion annually in maintaining customer relationships to build effective and profitable organizations (Gartner Research, 2013; Zhang et al., 2016). Inevitably, researchers have long defined relational exchanges differently from transactional ones (Dwyer, Schurr & Oh, 1987; Morgan & Hunt, 1994) and have introduced various theories in this regard. The relational marketing approach (Berry, 1983; Morgan & Hunt, 1994) defines relationship marketing as "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges." (Morgan & Hunt, 1994, p. 22). According to relationship marketing theory, an organization has to maintain a variety of relationships with its stakeholders, both internal and external, to maintain its market orientation. The existence of trust and commitment in any relationship promotes efficiency and effectiveness (Morgan & Hunt, 1994) and leads "directly to cooperative behaviors that are conclusive to relationship marketing success" (Morgan & Hunt, 1994, p. 22). Key constructs-satisfaction, trust, commitment and loyalty- represent customer relations with the firm that result in long-term business profitability and growth (e.g., Crosby, Evans & Cowles, 1990; Palmatier, Dant, Grewal & Evans, 2006). Researchers have also shown a chain-of-effects across these constructs (e.g.,

Chaudhuri & Holbrook, 2001; Morgan & Hunt, 1994) such that lower order relationships are required to develop high intensity customer relations. Though there have been various definitions of relationship marketing in academic literature (Ballantyne, Christopher & Payne, 2003; Harker, 1999), interactions among parties in the exchange, which enables value exchange, have assumed an important aspect of these definitions (Sheth & Parvatiyar, 1995; Vargo & Lusch, 2004).

While research on developing customer relations and relationship marketing per se has seen incredible growth in the academic literature (Srinivasan & Moorman, 2005; Palmatier et al., 2006), the relationships between firms and customers have evolved over time. Although satisfying a customer by providing good quality products has long been the goal of businesses, modern day customers place greater emphasis on the intangible aspects of the exchange (Cronin, Brady & Hult, 2000; Parasuraman, Zeithaml & Berry, 1985; Palmatier et al., 2006). In addition, advancements in technology offer new ways for promotional and relationship building strategies. There are numerous ways to connect with the customers in today's digital era and firms are advised to emotionally connect with customers through every possible means. With this, relationship marketing theory has been extended from focusing on building strong attachments with the customers to promoting their active participation in the product and service delivery (e.g., Brodie et al. 2011), resulting in customers as part time employees of the firms (e.g., Xie, Bagozzi & Troye, 2008). This new relationship concept, called expanded relationship marketing theory (Vivek, Beatty & Morgan, 2012; Brodie, Hollebeek, Jurić, B. & Ilić, 2011) places customer engagement as the core construct of relationship marketing and highlights the importance of an engaged customer for an organization (Harmeling, Moffett, Arnold & Carlson, 2017; Kumar et al., 2010). Customer engagement has also been described as a top research priority in the Marketing Science Institute (MSI) 2016-2018 list of priorities (MSI, 2016-2018).

There has been a recent upsurge in interest in 'customer engagement' and this search has gone from zero hits in 2007 to more than 6 million search hits now (Harmeling et al., 2017). A recent Gallup study shows that an engaged customer bring 23% premium in the form of share of wallet, revenue and relationship growth (Pansari & Kumar, 2017; Venkatesan, 2017). In essence, marketing scholars have jumped on the customer engagement research bandwagon (Bowden, 2009; Harmeling et al., 2017; Kumar et al., 2010; Van Doorn et al., 2010).

Customer engagement has been defined differently by different researchers. Kumar et al. (2010) define customer engagement value as comprised of four dimensions: customer lifetime value (CLV), customer reference value (CRV), customer information value (CIV) and customer knowledge value (CKV).

"CLV is defined as customer purchasing behavior, whether it be repeat purchases or additional purchases through up-selling and cross-selling. CRV is defined as customer referral behavior as it relates to the acquisition of new customers through a firm-initiated and incentivized formal referral programs; CIV is defined as customer influencer behavior through customers' influence on other acquired customers as well as on prospects; CKV is defined as customer knowledge behavior through feedback provided to the firm for ideas for innovations and improvements, and contributing to knowledge development." (Kumar et al., 2010, p. 229)

Further, customer engagement as a process involves analysis of the underlying mechanisms through which customer loyalty is formed for new customers of service brand and the mechanisms through which loyalty may be maintained for repeat purchase customers of a service brand (Bowden, 2009). Customer engagement has also been defined as psychological

state (e.g., Vivek, Beatty & Morgan, 2012) and behaviors going beyond the transactional exchange, emerging out of motivational drivers of the consumers (Van Doorn et al., 2010; Verhoef, Reinartz & Krafft, 2010). Although defined differently, these definitions propose the central role of the consumer in the engagement process. However, while there has been an increase in customer engagement research, this concept is yet to be explored as there is paucity of research assessing the conceptual domain of customer engagement to determine what it is and what it is not (e.g., Haremling et al., 2017; Kumar et al., 2010; Venkatesan, 2017). In addition, little research has been done addressing how firms can leverage customer engagement (Kumar et al., 2010; Venkatesan, 2017).

In tandem, this dissertation analyzes past research on customer engagement and make two significant research contributions:

1) conceptual domain of customer engagement is clarified through a comprehensive review of the literature and

2) strategies assessing the role of frontline employees in engagement behaviors, in the form of empirical research, are provided to help firms leverage and enhance customer engagement.

This dissertation is divided as follows. We begin with chapter 2 with a systematic review of the customer engagement literature and propose a comprehensive framework grounded in relationship marketing theory and service-dominant logic. We theoretically show that customer engagement behaviors, defined as customers' voluntary behaviors which go beyond transactions, are synonymous with customer co-creation behaviors consisting specifically of customer

citizenship behaviors. In chapter 3, we discuss the pivotal role of the salesperson in enhancing customer engagement behaviors in a business-to-business context. Data consisting of multi-industry sample of 217 salespeople and customer dyad were analyzed to support the claim that salesperson's social capital has transcending effects on customer engagement behaviors. Finally, chapter 4 analyzes the role of firms' communications, both direct through frontline employees and indirect through corporate social responsibility. This study shows the importance of employees' ethical behavior and the role of corporate social responsibility in driving co-creation behavior. Chapter 5 concludes this dissertation.

ENDNOTE

1.1. American Psychological Association (APA) sixth edition citation style has been used

in this chapter.

REFERENCES

Ballantyne, D., Christopher, M., & Payne, A. (2003). Relationship marketing: looking back,

    looking forward. *Marketing Theory*, 3(1), 159-166.

Berry, L.L. (1983) 'Relationship Marketing', in L.L. Berry, G.L. Shostack and G.D. Upah (eds)

    Emerging Perspectives of Services Marketing, pp. 25–8. Chicago, IL: American

    Marketing Association.

Bowden, J. L. H. (2009). The process of customer engagement: A conceptual framework.

    Journal of Marketing Theory and Practice, 17(1), 63-74.

Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual

    domain, fundamental propositions, and implications for research. *Journal of Service*

    Research, 14(3), 252-271.

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect

    to brand performance: the role of brand loyalty. *Journal of Marketing*, 65(2), 81-93.

Cronin Jr, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value,

    and customer satisfaction on consumer behavioral intentions in service environments.

    Journal of Retailing, 76(2), 193-218.

Crosby, L. A., Evans, K. R., & Cowles, D. (1990). Relationship quality in services selling: An

    interpersonal influence perspective. *Journal of Marketing*, 54 (July) 68-81.

Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing*, 51 (April) 11-27.

Harker, M. J. (1999). Relationship marketing defined? An examination of current relationship marketing definitions. *Marketing Intelligence and Planning*, 17(1), 13-20.

Harmeling, C. M., Moffett, J. W., Arnold, M. J., & Carlson, B. D. (2017). Toward a theory of customer engagement marketing. *Journal of the Academy of Marketing Science*, 45(3), 312-335.

Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T., & Tillmanns, S. (2010). Undervalued or overvalued customers: Capturing total customer engagement value. *Journal of Service Research*, 13(3), 297-310.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58 (July), 20-38.

Morgan, R. M., & Hunt, S. (1999). Relationship-based competitive advantage: the role of relationship marketing in marketing strategy. *Journal of Business Research*, *46*(3), 281-290.

Marketing Science Institute (2018), 2016-2018 Research Priorities, Vol. 2016. Marketing Science Institute.

Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing*, 70(4), 136-153.

Pansari, A., & Kumar, V. (2016). Customer engagement: The construct, antecedents, and

    consequences. *Journal of the Academy of Marketing Science*, 45 (3), 294-311.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality

    and its implications for future research. *Journal of Marketing* (Fall), 41-50.

Sheth, J. N., & Parvatiyar, A. (1995). The evolution of relationship marketing. *International*

    Business Review, *4*(4), 397-418.

Srinivasan, R., & Moorman, C. (2005). Strategic firm commitments and rewards for customer

    relationship management in online retailing. *Journal of Marketing*, 69(4), 193-200.

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010).

    Customer engagement behavior: Theoretical foundations and research directions. *Journal*

    of Service Research, 13(3), 253-266.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of*

    Marketing, 68(1), 1-17.

Venkatesan, R. (2017). Executing on a customer engagement strategy. *Journal of the Academy*

    of Marketing Science. doi:10.1007 /s11747-016-0513-6

Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). Customer engagement as a new perspective

    in customer management. *Journal of Service Research*, 13(3), 247-252.

Vivek, S. D., Beatty, S. E., & Morgan, R. M. (2012). Customer engagement: Exploring customer

    relationships beyond purchase. *Journal of Marketing Theory and Practice*, 20(2), 122-

    146.

Xie, C., Bagozzi, R. P., & Troye, S. V. (2008). Trying to prosume: Toward a theory of consumers as co-creators of value. *Journal of the Academy of Marketing Science*, 36(1), 109-122.

Zhang, J. Z., Watson IV, G. F., Palmatier, R. W., & Dant, R. P. (2016). Dynamic relationship marketing. *Journal of Marketing*, 80(5), 53-75.

CHAPTER 2[2.1]

DEMYSTIFYING THE CUSTOMER ENGAGEMENT RESEARCH

Abstract

With organizations' continuous focus to improve customer relations, customer engagement has recently become the focus of practitioners and academia alike. However, past marketing scholarship has propounded ambiguous understanding about what constitutes customer engagement. Hence several research calls have been made seeking to clarify its conceptualization. In line with this notion, this paper attempts to propose a conceptual domain of this construct. We conduct an extensive review of the engagement literature and outline a conceptual of customer engagement to boost empirical research. Further, we define customer engagement along a customer relationship continuum and draw a clear distinction between customer engagement as a psychological state and customer engagement as a behavior. Our research extends previous work on customer engagement by summarizing the past research and offering clarifications for future research endeavors. Lastly, our study offers normative suggestions to aid future empirical research on customer engagement.

As marketers race to bring customers 'closer' to the firm, the concept of customer engagement has surfaced as a hot topic among practitioners and academicians alike. Researchers have also argued that it takes a lot more to engage a customer than to satisfy one (Reinartz & Kumar, 2002) hence delineating the importance of making strong emotional bonds with the customers. Though the notion of customer engagement is relatively new in the marketing domain, there has been an upsurge in the customer engagement research both in academia and in industry alike in the recent years. Customer engagement is one of the top priorities for CEO's (Accenture, 2015) and is also one of the top research priorities identified by Marketing Science Institute (MSI, 2016-2018). Although compelling on the surface, the conceptualization of the customer engagement concept is ambiguous and researchers have been called upon to conduct research to clarify exactly what constitutes customer engagement (Venkatesan, 2017). While some researchers suggest that customer engagement is a psychological state of mind that precedes behavior (e.g., Brodie, Hollebeek, Jurić, B. & Ilić, 2011), others have defined customer engagement as a behavior beyond purchase (e.g., Van Doorn et al., 2010). The marketing literature offers limited insight on this topic as it suffers from a lack of agreement in the overarching conceptual domain of engagement (e.g., Dessart, Veloutsou & Morgan-Thomas, 2016; Venkatesan, 2017).

The rationale underlying the call for clarification of the customer engagement construct is two-fold. First, from an academic standpoint, the lack of a clarity on the domain of customer engagement makes it difficult to put forth a theory concerning relationships between the construct and other variables (Dong & Sivakumar, 2017). Second, as discussed before, engagement is now one of the most heavily discussed metrics among practitioners for establishing returns on customer relationship management (Accenture, 2015; Grewal, Roggeveen, Sisodia & Nordfält, 2017). Currently, the academic community is yet to explore and

provide clarification on the customer engagement construct in a way that provides directions to practitioners. The existing research requires further conceptual development of the construct.

The aim of our research is to review how customer engagement has been defined in the marketing literature. We clarify the domain of customer engagement research to help both researchers and practitioners understand the meaning and conceptualization of the construct. We believe it is important in itself as it creates a working model for how the research literature can influence practice and vice-versa. At a minimum, the question remains as to whether customer engagement is a unique concept or just a repackaging of other constructs, which Kelley (1927) called the '*jangle*' fallacy. While research has shown a clear distinction between customer engagement and the related constructs of customer involvement, customer commitment and customer experience (Pansari & Kumar, 2016), there are other closely related constructs in the marketing research domain which require clarification as well. For example, the other important construct in the marketing literature of customer co-creation behavior (Yi & Gong, 2013) also needs to be assessed in terms of its relation to customer engagement.

The concept of engagement has been widely explored in academic research. 'To engage' simply means to do or take part in something. Within the context of higher education, academic engagement is defined as the time and effort spent in educational endeavors (Kuh, 2009). Researchers have also tested the concept of employee engagement (e.g., Kumar & Pansari, 2016) to analyze the effect of employee engagement on the job and organizational outcomes. Brand engagement has been defined as a customer's cognitive and effective commitment to a relationship with the brand (e.g., Mollen & Wilson, 2010). Further, media engagement has been defined as engagement with advertising media such as newspapers and online media (e.g., Calder, Malthouse & Schaedel, 2009). Though engagement in the marketing literature has been defined in terms of student engagement (Kuh, 2009), media engagement (e.g., Calder et al.,

2009) among others as shown above, we primarily focus on the construct of customer engagement.

Grounded in relationship marketing theory (Morgan & Hunt, 1994) and service-dominant logic (Vargo & Lusch, 2004), we make an attempt to clarify the domain of customer engagement. The central premise of relationship marketing theory is that organizations should be customer-oriented and should undertake their business activities with a sole objective of developing relations with the customers (e.g., Morgan & Hunt, 1999). Extending on the concept of customer relationships, the concept of service-dominant logic proposes that services are the unit of exchange in all business transactions wherein customer becomes a 'part' of the organization (e.g., Vargo & Lusch, 2004). Customer engagement is an outcome of deeper relationships with the customers with the objective of making them a part of the organization. Thus, both relationship marketing theory and service-dominant logic serve as key theoretical grounds in developing our customer engagement framework.

This research offers a number of contributions to academics and practitioners. We conceptualize customer engagement to answer whether the construct provides utility beyond traditional well-researched concepts such as customer satisfaction, customer involvement, customer co-creation, customer citizenship behaviors among others. In addition, our research also disentangles the previous research on customer engagement and customer co-creation in order to establish uniqueness in customer engagement construct, if any.

This paper is organized as follows. First, we provide a literature review of the customer engagement research in the marketing domain. Based on this review, we then propose key research questions. Finally, though we do not define customer engagement, we delineate the overarching idea of defining customer engagement and discuss the future directions of customer engagement research.

LITERATURE REVIEW

While engagement as a construct has been widely studied in the literature, customer engagement has recently become a buzzword in the marketing domain. The recent upsurge of this domain is eminent from an extensive review of the literature analyzing customer engagement. Table 1 summarizes the customer engagement research as has been propounded by different researchers. We include only those manuscripts in this review which have mentioned 'customer engagement' or 'consumer engagement' in some form. For example, manuscripts discussing engagement with the brand were not included if they did not mention 'customer engagement' with the brand. In addition, for present purposes, we chose to focus only on that aspect of customer engagement which has a positive valence, i.e., we are not taking a position on whether and how engagement is different from disengagement. Rather, we exclude customer engagement when it has a negative connotation, i.e., disengagement (e.g., Jaakkola & Alexander, 2014).

Insert Table 1 about here

A review of this literature, as shown in table 1, reveals that academicians have defined engagement in different ways and primarily three patterns emerge. First, customer engagement can be defined as a continuous process of enhancing customer's relationships. Bowden (2009) conceptualizes customer engagement as "a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand as well as the mechanisms by which loyalty may be maintained for repeat purchase customers" (p. 65). In other words, Bowden (2009) defines customer engagement as a process and explains the mechanics behind customer loyalty formulation for new vis-à-vis repeat customers.

Second, customer engagement is defined as a psychological state of being. Vivek, Beatty and Morgan (2012) state that customer engagement encompasses all activities undertaken by the customer towards the firm and define customer engagement as "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" (p. 127). Vivek and colleagues propose a conceptual framework and argue that customer engagement can be manifested cognitively, effectively, behaviorally or socially. They propose that customer involvement and customer participation are significant antecedents of customer engagement, loyalty, trust and commitment are potential consequences of customer engagement. Further, Brodie et al. (2011) argue that customer engagement is a psychological state and a multi-dimensional construct which includes cognitive, emotional and behavioral dimensions. Adopting service-dominant logic, Brodie and colleagues develop fundamental propositions of customer engagement to aid in defining the conceptual domain of customer engagement. They define more general dimensions of the construct which, they argue, can be applied to encompass any context.

Third, customer engagement can be defined as behaviors. Van Doorn et al. (2010) develops the concept of customer engagement and define it as a behavior of the customers towards brand/firm. Specifically, they describe that customer engagement goes beyond transactions and define it as customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers" (p. 254). They also argue that customer engagement can be directed towards other customers, firm employees or the public at large. They propose satisfaction, trust, and commitment as antecedents of customer engagement behavior which can then lead to positive consequences such as emotional, attitudinal or identity-related customer outcomes. Jaakkola and Alexander (2014) define customer engagement as "those behaviors in which customers make voluntary resource contributions that have a brand or

firm focus but go beyond what is fundamental to transactions, occur in interactions between the focal object and/or other actors, and result from motivational drivers" (p. 248). As is evident from this definition, they define customer engagement as voluntary behaviors which occur beyond the transactional relationship with the firm.

While customer engagement has been defined differently as argued above, there are some similarities in these broad definitions. First, these definitions are theoretically supported by the service-dominant logic (Vargo & Lusch, 2004) framework and relationship marketing theory. All these definitions are service-centric which is inherently customer oriented and relational (e.g., Brodie et al., 2011). All definitions posit that customer engagement is a unique way to get customers involved with the organization. Second, all these definitions focus on the interactive nature of customer engagement. Though engagement has been defined as a voluntary post-transaction behavior, these conceptualizations imply that an interaction with the organization (either through brand, brand community or the employee) is necessary to engage customers. For example, fundamental propositions of customer engagement reflect customers' interactive experiences in networked service relationships (Brodie et al., 2011). Thus, this interaction-perspective of customer engagement is important to understand the role of foci in research.

State of current empirical customer engagement research

A review of the literature shown in table 1 reveals an interesting finding which offers exciting future research directions. Of all the manuscripts reviewed, only 8 out of 30 offer empirical support while others are conceptual in nature. Though conceptual clarity is required for exploring theoretical underpinnings of a construct, empirical research offers higher implications for managers and hence can address the academia-practitioner gap in engagement research. Another interesting finding is that customer engagement is defined as a psychological state in the majority

of the conceptual papers and most of the empirical papers take a behavior based view of customer engagement.

WHY WE URGENTLY NEED A BETTER UNDERSTANDING OF CUSTOMER ENGAGEMENT

Despite the similarities of various conceptualizations offered for customer engagement construct, we believe it is important to synthesize this research domain to aid in strategy formulation. Though past researchers have attempted to explicate the uniqueness of the customer engagement construct in relation to other similar concepts in the literature (e.g., Brodie et al., 2011; Pansari & Kumar, 2016), three key research questions still require academic attention. In the next section, we elucidate possible questions that require clarification in the research and make an attempt to untangle the stream to strengthen its clarity and contributions to academicians and practitioners alike.

Research Questions

With the literature on customer engagement expanding there seems to be a disconnect on how to conceptualize customer engagement. Certain studies have defined customer engagement as processes (Bowden, 2009), as a psychological state (Brodie et al., 2011) or as a behavior (Van Doorn et al., 2010). Within this, there are also differing views on whether it involves everything happening ' beyond purchase' (See Vivek et al., 2012; Van Doorn et al., 2010) or it includes actual transactions as well (Kumar et al., 2010; Pansari & Kumar, 2016). Another related issue is the research on the relationship between different relational constructs and customer engagement. Review of the literature reveals three schools of thoughts. First, as discussed above, Bowden (2009) defines customer engagement as a psychological process and argues that

satisfaction, commitment, and trust are all ' ingredients' of this engagement process. Second, Brodie et al. (2011) define customer engagement as a psychological state which is affected by relational variables such as satisfaction and commitment. Yet, the third school, propounded by Vivek et al. (2012), argues that trust and commitment are outcomes of customer engagement. The research on customer engagement is inherently relational and is based on relationship constructs, but the present research seems to lack a unified theme on how it fits in. One reason for these different thought worlds could be the way customer engagement has been defined by the researchers. The question still remains, does customer engagement add additional explanatory power beyond traditional relationship constructs? Hence,

RQ1: How should we conceptualize customer engagement?

RQ2: How are the relational constructs of satisfaction, trust, and commitment related to customer engagement?

With service being the 'underlying motive' of all business exchanges, as propounded by the service-dominant logic (Vargo & Lusch, 2004), customers are now seen as partial employees (Prahalad & Ramaswamy, 2004). Past research on customer engagement have utilized the stream of research on customer co-creation, but have produced rather inconsistent frameworks. While both customer engagement and customer co-creation have been linked to getting the customers 'closer' to the company, there appears to be a confusion on whether customer engagement is a form of co-creation or it leads to co-creation. A similar dilemma arises from Vivek et al. (2012). They argue that participation is an antecedent of customer engagement but ironically define customer engagement as the intensity of the customer to participate in organizations' offerings. In fact, they conceptualize customer engagement as a multi-dimensional construct and argue that

19

the behavioral manifestation of customer engagement is participation. Though the relationship between participation and customer engagement seems clear, the relation between co-creation and customer engagement is a bit confusing. Verhoef, Reinartz and Krafft (2010) summarize the articles published in a special issue of JSR and show that co-creation is a component of customer engagement. In the same issue, Van Doorn et al. (2010) argue that customer engagement has positive customer consequences. These could include co-creation of value especially if co-creation is conceptualized as a behavior (Yi & Gong, 2013). This stream of research requires clarification too.

RQ3: How is customer engagement different from co-creation behavior?

ROLE OF MULTIPLE FOCI OF CUSTOMER ENGAGEMENT

The understanding of customer engagement construct in research is partial. One major reason for why this has happened is the role of 'engagement focus' in research. While the customer can be engaged with the brand, they can be engaged with several other foci such as brand communities (e.g., Wirtz et al., 2013), organization (e.g., Kumar et al., 2010) or with the product or service (e.g., Calder,Isaac & Malthouse, 2013). In addition, customers can engage with multiple foci in a given context (e.g., Dessart, Veloutsou & Morgan-Thomas, 2016; Wirtz et al., 2013). In line with this thought, our research proposes a pivotal role of salespeople/frontline employees in enhancing customer behaviors is acting as a key focus of customers being engaged. Customers' encounters with frontline employees are critical to facilitate exchange and such encounters can affect the delivery of products/services (e.g., Kalra et al., 2017).

TOWARDS UNIFIED CONCEPTUAL CUSTOMER ENGAGEMENT FRAMEWORK

We believe amalgamation of the two key theories in marketing literature- relationship marketing (Morgan & Hunt, 1994) and service-dominant logic (SDL) (Vargo & Lusch, 2004) – provides an appropriate theoretical framework for understanding the customer engagement construct. Adopting these theories, we first make an attempt to clarify the concept of customer engagement and then elaborate on its relationship with relational constructs.

Relationship marketing theory focuses on relational exchanges between an organization and its customers wherein it distinguishes between exchanges which are productive from those which are unproductive (Morgan & Hunt, 1994). Relations with the customers helps improve market share (Chaudhuri & Holbrook, 2001) and anticipated future interactions (Doney & Cannon, 1997). To compete in the competitive market where customers have a plethora of options to choose from, organizations should focus on developing relations with the customers to buffer the impact of competing products on firms' own profitability (Crosby, Evans & Cowles, 1990; Palmatier, Dant, Grewal & Evans, 2006). The theory of relationship marketing has dealt with the constructs of satisfaction, trust, commitment and loyalty and researchers have shown a chain-of-effects across these constructs (Chaudhuri & Holbrook, 2001). Thus the relational constructs defined and analyzed within relationship marketing theory provide an appropriate anchor in which to integrate customer engagement research (Vivek et al., 2012).

Our research is also inherently consistent with SDL (Vargo & Lusch, 2004) which propounds customer as always a co-creator of value and organizations as value facilitators (e.g., Vargo & Lusch, 2004; Grönroos, 2011) and focuses on interactivity with or between stakeholders, thus reflecting a conceptual fit of these research streams (Hollebeek, Srivastava & Chen, 2016). Past research (e.g., Brodie et al., 2011; Hollebeek et al., 2016) has extended the concept of SDL to customer engagement and has postulated several customer engagement based

fundamental premises (FP) of co-creation. Brodie et al. (2011) proposes five fundamental propositions defining the conceptual domain of customer engagement (pg. 7). These propositions are based on the initial fundamental premises of the SDL wherein the customer is considered a co-creator of value (FP 6) and a resource integrator (FP 9). Thus, the conceptual domain of customer engagement is derived from SDL wherein value co-creation is experiential in nature and which is phenomenologically determined by the beneficiary (FP 10).

While Brodie et al.'s (2011) fundamental propositions of customer engagement seem promising, Hollebeek et al. (2016) propose a more refined form of such propositions which are directly associated with the axioms of the SDL recently proposed by Vargo and Lusch (2016). Besides, the conceptual framework proposed by Hollebeek et al. (2016) explicitly charts out "the domain of customer engagement" (p. 8). According to Hollebeek and colleagues, customer engagement occurs within an overall context of resource integration, knowledge sharing, and customer learning. They also argue that these are antecedents of customer engagement which can also extend to form a part of the overall construct of customer engagement. The above discussion implies that the concept of customer engagement runs parallel to SDL wherein customer is often termed as the pseudo-marketer (Kozinets, De Valck, Wojnicki & Wilner, 2010) who takes an active role in value co-creation.

Having defined the theoretical background for our discussion of customer engagement, we now extend our conceptual framework of customer engagement to help provide a definite solution to RQ1, wherein it can be defined as a psychological state or as a behavior which then ultimately determines the relation of customer engagement construct with the relational constructs of satisfaction, commitment, and loyalty. Embracing the idea of engagement as a 'hierarchical' concept (Grewal et al., 2017), we argue that customer engagement is a unified framework and can be both a psychological state and also a behavior which has implications for

its relation to other constructs. Grewal et al. (2017) argue that customer engagement can occur at three hierarchical levels: 1) experience: the basic level required for engagement, 2) emotional connection: which is formed by repeat experiences and 3) shared identity: wherein customers self-identify with the retailer. We adopt this overall notion of the hierarchical nature of the customer engagement construct and propose a process based hierarchical framework.

Insert Figure 1 about here

As depicted in Figure 1, we argue that rather than defining customer engagement as either a psychological state or as a behavior, customer engagement can be defined on a continuum wherein customer engagement as a psychological state can lead to customer engagement behaviors. We adopt the definition of 'state' customer engagement from Vivek et al. (2012) and define it as "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". In addition, we define 'behavior' customer engagement to include "behaviors that go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers" (Van Doorn et al., 2010, p. 254). This conceptualization is consistent with the concept of customer engagement as an interactive process in relationships that co-creates value (Brodie et al., 2011).

Further, we adopt the multivariate approach within relationship marketing (Henning-Thurau, Gwinner & Gremler, 2002) and argue that relational elements such as satisfaction, trust

and loyalty are differentially related to customer engagement depending on the way customer engagement is defined. When customer engagement is defined as a psychological state (Vivek et al., 2012), we argue that experience and satisfaction will be a precursor for the customer to feel psychologically engaged to the firm. This follows from the past research wherein satisfaction has been postulated to be defined as an important predictor of future actions for a low-relational actor (Garbarino & Johnson, 1999). However, when customer engagement is defined as a behavior (e.g., Brodie et al., 2011; Van Doorn et al., 2010), we argue that higher relational constructs such as trust, commitment and loyalty will be antecedents to the customer engagement behavior (c.f. Garbarino & Johnson, 1999). Because customer engagement behaviors are defined as voluntary behaviors on the part of the customer, it is intuitive to believe that such voluntary efforts will be undertaken only under situations of high-relational bonds, consistent with the past customer engagement research (e.g., Vivek et al., 2012). We also acknowledge the distinction between co-production and value co-creation and argue that co-production is an antecedent to state customer engagement, which then leads to customer engagement behavior in our overall framework of value co-creation, consistent with the SDL framework. Such an integrative approach to customer engagement meaningfully encapsulates the previous work in customer engagement.

CLARIFYING THE CONCEPTUALIZATION OF CUSTOMER ENGAGEMENT

As discussed earlier in this paper, our RQ3 relates to untangling the difference, if any, between customer engagement behavior, co-creation behavior. In this section of our paper, we attempt to show that the jangle fallacy exists in the customer engagement research by arguing that though there are conceptual differences between these constructs, their empirical application is similar.

Co-creation is defined as "allowing the customer to co-construct the service experience to suit her context" (Prahalad & Ramaswamy, 2004, p. 8) and consists of two aspects: co-production and co-creation of value. Co-production involves the customer participation in the creation of the core offering itself (e.g., Lusch & Vargo, 2006). Customer participation, a broader term than co-production (Dong & Sivakumar, 2017) is defined similarly and includes the customer self-service concept as well. Proposing a three-pronged typology, Dong & Sivakumar (2017) argue that customer participation can be mandatory, replaceable and/or voluntary. While mandatory customer participation is "necessary for the services to be produced or delivered" (p. 950), replaceable customer participation is defined as "the activities which are essential that are essential for service provision (what) but can also be performed by the service provider (who)" (p. 950, see also Lovelock & Young, 1979). Voluntary customer participation, on the other hand, is the same as customer engagement as they happen after the purchase is made (Dong & Sivakumar, 2017). For example, user-designed Lego products are customer engagement behaviors while self-designed Nike shoes reflect customer participation (Dong & Sivakumar, 2017; Forbes, 2013). Hence, researchers have shown that customer co-production/customer participation is different from customer engagement, wherein the former is related to the behaviors before, at or during the purchase and latter happens only after the purchase (for exception, see Kumar & Pansari, 2016; Pansari & Kumar, 2017). While co-production is mandatory for the customer (Dong & Sivakumar, 2017), co-creation of value is an experiential concept and occurs at the intersection of the service provider and the customer, (Lusch & Vargo, 2006; Lusch, Vargo & O'Brien, 2007; Etgar, 2008). Jaakkola and Alexander (2014) clearly differentiate between customer engagement and co-production. They argue that co-production is related to involving customers in the service offering without which service will not be delivered. It consists of mandatory participation of the customer for a successful exchange

encounter. Thus, the domain of customer participation covers customer behaviors that are for

participating customers' self-consumption and form a part of the transaction, which is different

from customer engagement behaviors which occur after the transaction. However, customer

participation can lead to customer engagement (e.g., Vivek et al., 2012).

Although co-production is easily distinguishable from customer engagement, the closely

related concept of customer extra-role behavior requires deeper investigation to gain semantic

clarity. Following the conceptualization of extra-role behaviors as customer citizenship

behaviors (Bove, Pervan, Beatty & Shiu, 2009), Yi and Gong (2013) define customer co-creation

behavior as a higher order reflective-formative construct comprising of co-production behavior

and customer citizenship behavior. As discussed previously, co-production behavior are different

from customer engagement (e.g., Sivakumar & Dong, 2017; Vivek et al., 2012). Customer

citizenship behaviors (Groth, 2005), on the other hand, are defined as those extra-role behavior

which are more voluntary and discretionary in nature. Behaviors such as those of providing

feedback, helping other customers, recommendations are some examples of customer extra-role

behaviors (Yi & Gong, 2013). Bove et al. (2009) propose that customer citizenship behaviors can

either be directed towards the firm/employees, such as benevolent acts of service facilitation,

suggestions for service improvement among others', or towards other customers such as word-

of-mouth and display of relationship affiliation. While there is paucity of research in analyzing

the antecedents and consequences of customer citizenship behaviors, research, as argued before,

should view customer engagement behaviors and customer citizenship behaviors as overlapping

constructs. Extending Jaakkola and Alexander (2014)'s premise that the customer is exogenously

defined in engagement, we argue that customer co-creation behavior, especially extra-role

behavior, occurs within an overall gamut of customer engagement (e.g., Hollebeek et al., 2016)

and often coincides with customer engagement behaviors.

DISCUSSION AND IMPLICATIONS

Overall, the firms have to learn the art of managing and recent Gallup research shows that engaging customers increases the effectiveness and profitability of the organizations (Venkatesan, 2017). Moreover, customer engagement is an ever-growing research field and has also been one of the most researched terms on google scholar (Hollebeek et al., 2016). Despite the importance of engaging the customer and firms spending millions of dollars to promote customer engagement, past research offers little contribution to help practitioners in leveraging customer engagement. The purpose of this research was to conduct a systematic literature review of customer engagement research that clarifies the conceptual domain of the construct.

Through this paper, we explore the conceptual space of the customer engagement construct in the marketing domain. With a systematic comprehensive literature review of the customer engagement construct, interesting patterns were recognized to aid in clarification of this research. First, customers can be engaged with different foci so it is important to define customers' engagement with whom. As argued before, our research offers a conceptual framework for understanding customer engagement with the frontline employees. Second, a thorough review of the literature revealed that researchers have defined customer engagement as a psychological state in conceptual manuscripts and have defined it as a behavior in empirical research. This finding is interesting because while theoretical development is needed to progress marketing theory, it is also important to address the gap between academia and practitioners by proposing quantifiable measures. In this line of thought, we propose a unified customer engagement framework that will be fruitful in enhancing future research. To our knowledge, this article marks the first attempt to conceptualize customer engagement both as a psychological state and as a behavior rather than simply following either/or definition.

In addition, this paper also tried to explain the relationship between customer engagement and customer co-creation behavior. This is important to untangle the jangle fallacy in customer engagement construct and to extract the uniqueness of it when compared to other similar existing constructs. As our review shows, empirical investigation on customer engagement parallels that on customer co-creation behavior and of similar construct of customer citizenship behavior.

As our main aim in this research was to guide empirical investigation of the customer engagement construct, we raise the following propositions/guidelines which researchers can adopt to investigate the antecedents and consequences of customer engagement.

P1: Customer engagement should be conceptualized distinctively from customer participation. While customer participation is required for the service delivery, customer engagement is voluntary for customers, and occurs only after the purchase/transaction is made.

P2: Customer engagement is an integral part of relationship marketing theory and hence should be defined along a relationship continuum. In turn, customer engagement can be defined both as a psychological state and a behavior, depending on the stage of the relationship with the customer.

P3: Customer engagement as a psychological state should be defined as the intensity of an individual's participation and connection with the organization's offerings and activities initiated by either the customer or the organization (Vivek et al., 2012). Thus, the behavioral aspect of the psychological state definitions proposed by some researchers should be separated and treated as behavior engagement.

P4: Customer engagement as a behavior should be defined as customer's voluntary resource contribution to a firm's marketing function, going beyond financial patronage (Harmeling et al., 2017, Van Doorn et al., 2010). This helps distinguish the conceptualization of customer engagement behaviors from customer voluntary performance which sometimes include customer loyalty (Rosenbaum & Massiah, 2007). As we have proposed before, customer loyalty enhances customer engagement behaviors.

Understandably, the research on customer engagement continues and is indeed necessary for this new construct to evolve in the marketing literature. We make an early attempt to extend the previous findings of customer engagement which can aid the researchers in conducting empirical research in determining the antecedents and consequences of customer engagement behavior.

Table 1.1: A Review of Customer-Engagement Research in the Marketing Literature

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Beckers et al. (2017)	Firm initiated customer engagement	Empirical	The customer's behavioral manifestations toward a brand or firm, beyond purchase, resulting from motivational drivers.	B	--	Firm initiated customer engagement decreases market value.
Bowden (2009)	Customer engagement	Conceptual	A psychological *process* that models the underlying mechanisms by which customer loyalty forms for new customers of service brand as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand.	S	A,C,B	Traces the growth of customer's (new and old) relationships over time.
Brodie et al. (2011)	Customer engagement	Conceptual	Customer engagement reflects a psychological state, which occurs by virtue of interactive experiences with a focal agent/object within specific service relationships.	S	A,C,B	Five fundamental propositions for defining conceptual domain of CE.
Brodie et al. (2013)	Consumer engagement in a virtual brand community	Qualitative	Context-dependent, psychological state characterized by fluctuating intensity levels that occur within dynamic, iterative engagement processes.	S	A,C,B	Engaged customers in an online brand community exhibit enhanced loyalty, satisfaction, empowerment, connection, bonding, trust and commitment.

Table 1.1 contd.

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Chan et al. (2014)	Customer engagement in online brand community	Empirical	Level of person's cognitive, emotional and behavioral presence in brand interactions with an online community.	S	C	Community engagement mediates the relationship between community characteristics and brand loyalty.
Dessart et al. (2015)	Consumer engagement with online brand community	Qualitative	A cognitive, affective, behavioral commitment to an active relationship with the brand.	S	A,C,B	Consumer engagement with the brand community increases brand loyalty.
Dessart et al. (2016)	Consumer engagement in online brand community	Qualitative	The state that reflects consumers' individual dispositions toward engagement foci, which are context-specific. Engagement is expressed through various levels of affective, cognitive, and behavioral manifestations that go beyond exchange situations.	S	A,C,B	Consumer engagement is context dependent and can have different foci to engage with.
Gummerus et al. (2012)	Customer engagement in a facebook brand community	Empirical	Behaviors that go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers	B	--	Engagement behaviors influence social, entertainment and economic benefits which ultimately affects customer satisfaction and loyalty.

Table 1.1 contd..

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Harmeling et al. (2017)	Customer engagement marketing	Conceptual	Customer's voluntary resource contribution to a firm's marketing function, going beyond financial patronage.	B	--	Customer engagement marketing occurs before enhancing customer engagement behaviors.
Hollebeek (2011a)	Customer brand engagement	Qualitative	The level of customer's motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional, and behavioral activity in brand interactions.	S	A,C,B	
Hollebeek (2011b)	Customer brand engagement	Conceptual	The level of customer's motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional, and behavioral activity in brand interactions.	S	A,C,B	
Hollebeek et al. (2014)	Consumer brand engagement	Conceptual	A consumer's positive valence brand related cognitive, emotional and behavioral activity during or related to focal consumer/brand interactions.	S	A,C,B	

Table 1.1 contd..

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Hollebeek et al. (2016)	Customer engagement	Conceptual	A customer's motivationally driven, volitional investment of focal operant resources (including cognitive, emotional, behavioral and social knowledge and skills), and operand resources (e.g., equipment) into brand interactions in service systems	S	A,C,B,S	Develops S-D logic motivated CE framework. They also argue that cocreation is a consequence of CE and can overlap with CE.
Hollebeek (2017)	Business customer engagement	Conceptual	An industrial customer's investment of operant (e.g. skills) and operand (e.g. equipment) resources in focal supplier interactions via particular B2B engagement-platforms.	S	C,B	
Islam and Rehman (2016a)	Customer engagement	Empirical	A multidimensional concept comprising cognitive, emotional, and/ or behavioral dimensions, and plays a central role in the process of relational exchange where other relational concepts are engagement antecedents and/or consequences in iterative engagement processes within the brand community.	S	A,C,B	Customer involvement leads to customer engagement which in turn leads to trust and word-of-mouth.
Islam and Rehman (2016b)	Customer engagement	Conceptual	Customer engagement is a multi-dimensional concept comprising of cognitive, emotional, behavioral and social dimensions.	S	A,C,B,S	

Table 1.1 contd..

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Islam and Rehman (2017)	Customer engagement (in a brand community)	Empirical	The readiness of a customer to actively participate and interact with the focal object (e.g.,brand/organization/website/organizational activity), [which] varies in direction and magnitude depending upon the nature of a customer's interaction with the various touch points (physical/virtual).	S	C,B (implied)	
Jaakkola and Alexander (2014)	Customer engagement behavior	Empirical	Those behaviors in which customers make voluntary resource contributions that have a brand or firm focus but go beyond what is fundamental to transactions, occur in interactions between the focal object and/or other actors and result from motivational drivers.	B	--	Identifies four different types of engagement behaviors
Kumar et al. (2010)	Customer engagement Value	Conceptual	CLV: Customer purchasing behavior, whether it be repeat purchases or additional purchases through up-selling and cross-selling; CRV: Customer referral behavior as it relates to the acquisition of new customers through a firm-initiated and incentivized formal referral programs; CIV: Customer influencer behavior through customers' influence on other acquired customers as well as on prospects; CKV: Customer knowledge behavior through feedback provided to the firm for ideas for innovations and improvements, and contributing to knowledge development.	B	--	Four components: customer lifetime value, customer knowledge value, customer referral value, customer influencer value.

Table 1.1 contd…

| Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Kumar and Pansari (2016)	Customer engagement	Empirical	Same as Kumar et al. 2010	B	--	16-item scale to measure CE.
Maslowska et al. (2016)	Customer engagement ecosystem	Conceptual	No formal definition but propose four components of customer engagement: brand experience, brand dialogue behaviors, brand consumption and shopping behaviors. All of these components affect each other as part of a dynamic, nonlinear, iterative process and comprise what they call the engagement ecosystem.	Both	--	
Pansari and Kumar (2016)	Customer engagement	Conceptual	The mechanics of a customer's value addition to the firm, either through direct and/or indirect contribution.	B	--	Customer satisfaction and emotions are antecedents to customer engagement which is positively related to firm performance and other customer benefits.

Table 1.1 contd…

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Patterson et al. (2006)	Customer engagement	Conceptual	The level of a customer's physical, cognitive and emotional presence in their relationship with a service organization.	S	A,C,B	
Sashi (2012)	Customer engagement	Conceptual	Customer engagement focuses on satisfying customers by providing superior value than competitors to build trust and commitment in long-term relationships.	Both	--	Propose that building customer engagement constitutes a customer engagement cycle.
Van Doorn et al. (2010)	Customer engagement behaviors	Conceptual	Customers' behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers (e.g., word-of-mouth activity, recommendations, helping other customers, blogging, writing reviews, and engaging in legal action)	B	--	Valence, form/modality, scope, nature of impact and goals are dimensions of the framework.
Verhoef et al. (2010)	Customer engagement	Conceptual	Customer engagement behaviors go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers	B	--	

Table 1.1 contd…

Author	Name of the construct	Nature of the study	Definition	Nature (Psychological State (S)/Behavior (B)	Dimensions of Psychological State	Comments/Remarks
Verleye et al. (2013)	Customer engagement behaviors	Qualitative and Empirical	Behavioral manifestations of customer engagement toward a firm, after and beyond the purchase	B	--	
Vivek et al. (2012)	Customer engagement	Conceptual	The intensity of an individual's participation and connection with the organization's offerings and activities initiated by either the customer or the organization.	S	A,C,B,S	
Vivek et al. (2014)	Customer engagement	Qualitative	Customer engagement goes beyond purchase and is the level of the customer's (or potential customer's) interactions and connections with the brand or firm's offerings or activities, often involving others in the social network created around the brand/offering/activity	S	A,C,B,S	Scale development article
Wirtz et al. (2013)	Customer engagement on online brand communities	Conceptual	Identification with the online brand community that results in participation in that community.	S	A,C,B	Outcomes of engagement with the brand community include satisfaction, loyalty, commitment among others.

* A: Affective/Emotional; C: Cognitive; B: Behavior; S: Social

Figure 1.1: Conceptual framework of Customer Engagement and Relationship Outcomes
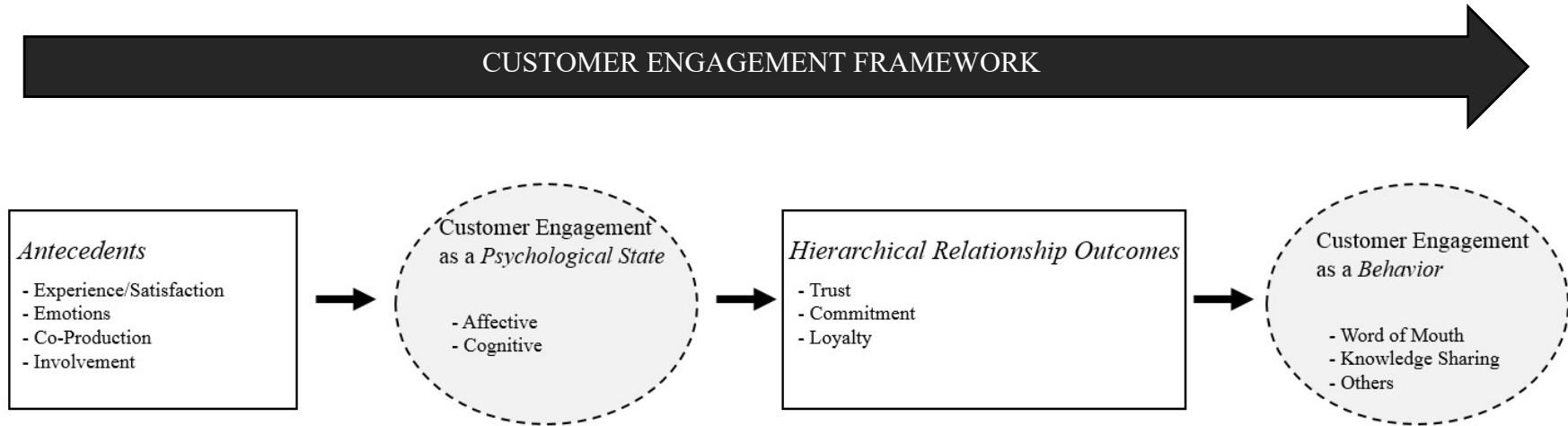
*Brodie et al. 2011; Grewal et al. 2017; Kumar et al. 2010; Pansari and Kumar 2016; Van Doorn et al. 2010; Vivek et al. 2012; Jaakkola and Alexander 2014

ENDNOTE

2.1 Citation style for Journal of Business Research has been used across this chapter.

REFERENCES

Accenture (2015), "Improving Customer Experience is Top Business Priority for Companies
Pursuing Digital Transformation, According to Accenture Study," News Release
(October 27) *https://newsroom.accenture.com/news/improvingcustomer-experience-is-
top-business-priority-for-companiespursuing-digital-transformation-according-to-
accenture-study.htm*

Beckers, S. F., van Doorn, J., & Verhoef, P. C. (2017). Good, better, engaged? The effect of
company-initiated customer engagement behavior on shareholder value. *Journal of the
Academy of Marketing Science.* (In press). https://doi.org/10.1007/s11747-017-0539-4.

Bove, L. L., Pervan, S. J., Beatty, S. E., & Shiu, E. (2009). Service worker role in encouraging
customer organizational citizenship behaviors. *Journal of Business Research, 62*(7), 698-
705.

Bowden, J. L. (2009). The process of customer engagement: A conceptual framework. *Journal of
Marketing Theory and Practice, 17*(1), 63-74.

Bove, L. L., Pervan, S. J., Beatty, S. E., & Shiu, E. (2009). Service worker role in encouraging
customer organizational citizenship behaviors. *Journal of Business Research*, *62*(7), 698-
705.

Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual
domain, fundamental propositions, and implications for research. *Journal of Service
Research, 14*(3), 252-271.

Brodie, R. J., Ilic, A., Juric, B., & Hollebeek, L. (2013). Consumer engagement in a virtual brand community: An exploratory analysis. *Journal of Business Research, 66*(1), 105-114.

Calder, B. J., Isaac, M. S., & Malthouse, E. C. (2013). Taking the customer's point-of-view: Engagement or satisfaction? Marketing Science Institute Working Paper Series 2013. Cambridge, CA.

Calder, B. J., Malthouse, E. C., & Schaedel, U. (2009). An experimental study of the relationship between online engagement and advertising effectiveness. *Journal of Interactive Marketing, 23*(4), 321-331.

Chan, T. K., Zheng, X., Cheung, C. M., Lee, M. K., & Lee, Z. W. (2014). Antecedents and consequences of customer engagement in online brand communities. *Journal of Marketing Analytics, 2*(2), 81-97.

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of marketing*, *65*(2), 81-93.

Crosby, L. A., Evans, K. R., & Cowles, D. (1990). Relationship quality in services selling: An interpersonal influence perspective. *Journal of Marketing*, 54 (July) 68-81.

Dessart, L., Veloutsou, C., & Morgan-Thomas, A. (2015). Consumer engagement in online brand communities: A social media perspective. *Journal of Product & Brand Management, 24*(1), 28-42.

Dessart, L., Veloutsou, C., & Morgan-Thomas, A. (2016). Capturing consumer engagement: Duality, dimensionality and measurement. *Journal of Marketing Management, 32*(5-6), 399-426.

Dong, B., & Sivakumar, K. (2017). Customer participation in services: domain, scope, and boundaries. *Journal of the Academy of Marketing Science*, *45*(6), 944-965.

Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer-seller relationships. *Journal of Marketing*, 61 (April), 35-51.

Etgar, M. (2008). A descriptive model of the consumer co-production process. *Journal of the Academy of Marketing Science, 36*(1), 97-108.

Forbes. (2013). Just how does Coca-Cola reinvent itself in a changed world? Retrieved 9 Jan 2016, from http://www.forbes. com/sites/avidan/2013/10/07/just-how-does-coca-cola-reinventitself-in-a-changed-world

Garbarino, E., & Johnson, M. S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. *The Journal of Marketing,* 63 (April), 70-87.

Grewal, D., Roggeveen, A. L., Sisodia, R., & Nordfält, J. (2017). Enhancing customer engagement through consciousness. *Journal of Retailing, 93*(1), 55-64.

Grönroos, C. (2011). Value co-creation in service logic: A critical analysis. *Marketing Theory, 11*(3), 279-301.

Groth, M. (2005). Customers as good soldiers: Examining citizenship behaviors in internet service deliveries. *Journal of Management, 31*(1), 7-27.

Gummerus, J., Liljander, V., Weman, E., & Pihlström, M. (2012). Customer engagement in a facebook brand community. *Management Research Review, 35*(9), 857-877.

Harmeling, C. M., Moffett, J. W., Arnold, M. J., & Carlson, B. D. (2017). Toward a theory of customer engagement marketing. *Journal of the Academy of Marketing Science, 45*(3), 312-335.

Hennig-Thurau, T., Gwinner, K. P., & Gremler, D. D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research, 4*(3), 230-247.

Hollebeek, L. (2011). Exploring customer brand engagement: Definition and themes. *Journal of Strategic Marketing, 19*(7), 555-573.

Hollebeek, L. D. (2011). Demystifying customer brand engagement: Exploring the loyalty nexus. *Journal of Marketing Management, 27*(7-8), 785-807.

Hollebeek, L. D. (2017). Developing business customer engagement through social media engagement-platforms: An integrative SD logic/RBV-informed model. *Industrial Marketing Management*. (In Press). https://doi.org/10.1016/j.indmarman.2017.11.016

Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing, 28*(2), 149-165.

Hollebeek, L. D., Srivastava, R. K., & Chen, T. (2016). SD logic–informed customer

    engagement: Integrative framework, revised fundamental propositions, and application to

    CRM. *Journal of the Academy of Marketing Science*. Doi: 10.1007/s11747-016-0494-5

Islam, J. U., & Rahman, Z. (2016). Linking customer engagement to trust and word-of-mouth on

    facebook brand communities: An empirical study. *Journal of Internet Commerce, 15*(1), 40-

    58.

Islam, J. U., & Rahman, Z. (2016). The transpiring journey of customer engagement research in

    marketing: A systematic review of the past decade. *Management Decision, 54*(8), 2008-

    2034.

Islam, J. U., & Rahman, Z. (2017). The impact of online brand community characteristics on

    customer engagement: An application of stimulus-organism-response paradigm. *Telematics*

    and Informatics, 34(4), 96-109.

Jaakkola, E., & Alexander, M. (2014). The role of customer engagement behavior in value co-

    creation: A service system perspective. *Journal of Service Research, 17*(3), 247-261.

Kalra, Ashish, Raj Agnihotri, Nawar N. Chaker, Rakesh K. Singh, and Barttanu K. Das. 2017.

    "Connect within to connect outside: Effect of salespeople's political skill on relationship

    performance." *Journal of Personal Selling & Sales Management* 37 (4): 332-48.

Kelley, T. L. (1927). Interpretation of educational measurements. New York, NY: World Book

Kozinets, R. V., De Valck, K., Wojnicki, A. C., & Wilner, S. J. (2010). Networked narratives: Understanding word-of-mouth marketing in online communities. *Journal of Marketing, 74*(2), 71-89.

Kuh, G. D. (2009). What student affairs professionals need to know about student engagement. *Journal of College Student Development, 50*(6), 683-706.

Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T., & Tillmanns, S. (2010). Undervalued or overvalued customers: Capturing total customer engagement value. *Journal of Service Research, 13*(3), 297-310.

Kumar, V., & Pansari, A. (2016). Competitive advantage through engagement. *Journal of Marketing Research, 53*(4), 497-514.

Lovelock, C. H., & Young, R. F. (1979). Look to consumers to increase productivity. *Harvard business review*, *57*(3), 168-178.

Lusch, R. F., & Vargo, S. L. (2006). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory, 6*(3), 281-288.

Lusch, R. F., Vargo, S. L., & O'brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing, 83*(1), 5-18.

Marketing Science Institute (2018), 2016-2018 Research Priorities, Vol. 2016. Marketing Science Institute.

Maslowska, E., Malthouse, E. C., & Collinger, T. (2016). The customer engagement ecosystem. *Journal of Marketing Management, 32*(5-6), 469-501.

Mollen, A. & Wilson H. (2010). Engagement, Telepresence and Interactivity in Online Consumer Experience: Reconciling Scholastic and Managerial Perspectives. *Journal of Business Research*, 63 (9-10), 919-925.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *The Journal of Marketing,* 58(July), 20-38.

Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing*, 70(4), 136-153.

Pansari, A., & Kumar, V. (2016). Customer engagement: The construct, antecedents, and consequences. *Journal of the Academy of Marketing Science.* 45 (3), 294-311.

Patterson, P., Yu, T., & De Ruyter, K. (2006). Understanding customer engagement in services. Paper presented at the *Advancing Theory, Maintaining Relevance, Proceedings of ANZMAC 2006 Conference, Brisbane,* 4-6.

Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing, 18*(3), 5-14.

Reinartz, W., & Kumar, V. (2002). Customer loyalty. *Harvard Business Review,* 80 (July), 86-94.

Rosenbaum, M. S., & Massiah, C. A. (2007). When customers receive support from other

    customers: Exploring the influence of intercustomer social support on customer voluntary

    performance. *Journal of Service Research*, *9*(3), 257-270.

Sashi, C. (2012). Customer engagement, buyer-seller relationships, and social media.

    Management Decision, 50(2), 253-272.

Dong, B., & Sivakumar, K. (2017). Customer participation in services: Domain, scope, and

    boundaries. *Journal of the Academy of Marketing Science, 45*(6), 944-965.

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010).

    Customer engagement behavior: Theoretical foundations and research directions. *Journal of

    Service Research, 13*(3), 253-266.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of

    Marketing, 68*(1), 1-17.

Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: An extension and update of

    service-dominant logic. *Journal of the Academy of Marketing Science, 44*(1), 5-23.

Venkatesan, R. (2017). Executing on a customer engagement strategy. *Journal of the Academy

    of Marketing Science*. doi:10.1007 /s11747-016-0513-6

Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). Customer engagement as a new perspective

    in customer management. *Journal of Service Research, 13*(3), 247-252.

Verleye, K., Gemmel, P., & Rangarajan, D. (2014). Managing engagement behaviors in a

    network of customers and stakeholders: Evidence from the nursing home sector. *Journal of*

    Service Research, 17(1), 68-84.

Vivek, S. D., Beatty, S. E., Dalela, V., & Morgan, R. M. (2014). A generalized multidimensional

    scale for measuring customer engagement. *Journal of Marketing Theory and Practice,*

    22(4), 401-420.

Vivek, S. D., Beatty, S. E., & Morgan, R. M. (2012). Customer engagement: Exploring customer

    relationships beyond purchase. *Journal of Marketing Theory and Practice, 20*(2), 122-146.

Wirtz, J., Den Ambtman, A., Bloemer, J., Horváth, C., Ramaseshan, B., Van De Klundert, J., . . .

    Kandampully, J. (2013). Managing brands and customer engagement in online brand

    communities. *Journal of Service Management, 24*(3), 223-244.

Yi, Y., & Gong, T. (2013). Customer value co-creation behavior: Scale development and

    validation. *Journal of Business Research, 66*(9), 1279-1284.

CHAPTER 3[3.1]

ENHANCING CUSTOMER RELATIONS IN A BUYER-SELLER DYAD: THE ROLE OF

SALESPERSONS' SOCIAL CAPITAL

Abstract

This study explores the pivotal role of social capital in enhancing customer relations in a business-to-business buyer-seller dyad. Grounded in social capital theory, we explore the effects of salesperson's social capital on customer loyalty and customer engagement behavior. We empirically test the hypothesized relationships using a multi-source, multi-industry data collected from B2B salespeople working in an emerging economy. The results indicate that salesperson's social capital positively contributes to his/her competitive intelligence collection and competitive intelligence use. Customer demandingness moderates these relationships. We further show that competitive intelligence use positively affects salesperson's service behavior, namely information communication, which has transcending effect customer loyalty and customer engagement behavior. In the light of these results, we also propose several implications for managers and conclude by suggesting directions for future research.

Keywords: social capital; competitive intelligence collection; competitive intelligence use; customer demandingness; customer loyalty; customer engagement behavior

Sales researchers have long analyzed the factors affecting sales performance. Factors ranging from salesperson skills (such as customer orientation (e.g., Goad and Jaramillo 2014), emotional intelligence (e.g., Briggs, Kalra, and Agnihotri 2017)), organizational climate (Gabler et al. 2017), and leader's influence (Jaramillo, Bande, and Varela 2015) among others have been shown to impact sales performance. But the literature has remained largely limited in this regard (e.g., Bolander et al. 2015, Verbeke, Dietz, and Verwaal 2011) and sales scholars are often advised to research other factors which can effectively explain variation in sales performance. As a response, researchers have recently started analyzing the role of salesperson's social networks (both internal and external), defined as complex pattern of interpersonal social ties whereby the presence of a tie between parties serves as a conduit for information and resource flow (Balkundi and Harrison 2006; Bolander et al. 2015; Wasserman and Faust 1994), and the benefits which accrue to the salesperson from such networks (such as more information and social support) in predicting performance (Methot et al. 2016). A particular focus of researchers in this line of thought has been on assessing the role of social capital. Social capital, defined as "the resources accumulated through the relationships among people" (Coleman 1988, p. 100) has been a well-researched construct in other domains such as management and sociology, however, marketing scholars have only recently embarked on assessing the role of social capital in the context of boundary spanners (e.g., Bolander et al. 2015; Madhavaram and Hunt 2017; Merlo et al. 2006) and have made calls to explore the effects of social capital in business networks (Batt 2008).

Though in its infancy, this research stream has shown that social capital positively affects sales performance. Further, salespeople are often tasked with maintaining a portfolio of relationships not only with their managers but also with colleagues and specifically develop relationships with their customers. The effect of such relationships is further reinforced in a

business-to-business context because of the complex selling processes in such a selling environment, which require intense pre-approach and after-sales strategies to make an effective sale. In fact, recent sales managers are including customer response variables as one of the major metrics for measuring salesperson performance. While research on social capital has only analyzed the downstream effect on performance, it is important to assess the effect of social capital on customer outcomes because salespeople can impact customer is relationship with the firm (e.g., Kalra et al. 2017; Plouffe et al. 2016), which ultimately impacts future profitability and growth of sales organizations.

Extending this discussion, the nature of the selling environment and specifically of the role of the salesperson has evolved over time. Salespeople should indulge in consultative selling by becoming experts about the product they sell to give valuable advice to the customers (e.g., Anderson and Dubinsky 2004; Agnihotri, Rapp, and Trainor 2009). Salespeople should not only live the brand they sell, they should also be aware of their competitor's products to offer value-added advantage to customers. This enables them to establish effective relations with the customers as communications strengthen relationships in an exchange process (Morgan and Hunt 1994). As a result, the role of salespeople has transformed into that of a knowledge broker wherein they should effectively communicate with the customer while keeping abreast of latest knowledge about competition and their own product (Rapp et al. 2014).

Against this background, we empirically assess the role of salesperson social capital as a driver of enhancing customer relations, a key metric of measuring effective sales performance. We explain this process and highlight the role of salespeople as knowledge brokers wherein they are often required to gather information and transmit the collected information effectively to the customer. Specifically, this research seeks to answer the following research questions: 1) what is

the role of salesperson's social capital in improving competitive intelligence? 2) how do competitive intelligence use effects customer loyalty and customer engagement? and 3) what is the role of customer demandingness in social capital-competitive intelligence relationship? Our hypothesized model is shown in Figure 2.1.

Insert Figure 2.1 about here

To guide our conceptual framework, we adopt social capital theory (Lin 1999). Social capital theory suggests that salespeople have access to unique resources from the network of connections they possess and helps elaborate on the linkage between specific salesperson's behavior displayed during the interaction with the customer and reciprocity from the customer in the form of customer loyalty and customer engagement behavior. Using a multi-industry sample of 217 unique business-to-business salespeople and customer dyads, we find that salesperson's social capital increases competitive intelligence collection and use which in turn impacts service behavior, ultimately transcending to customer loyalty and customer engagement behavior. In addition, we also find that customer demandingness positively moderates the relationship between competitive intelligence collection and competitive intelligence use.

Our research offers a number of important implications for both researchers and managers. First, we advance research on salesperson's social capital by considering its impact on customer outcomes (e.g., customer loyalty, customer engagement) which, as discussed before, has been ignored in the past research. Second, we shed light on the outcomes of social capital, namely, competitive intelligence collection and competitive intelligence use. This is consistent

with the research on knowledge generation and dissemination among salespeople (Mariadoss et al. 2017) which helps them better serve their customers. Additionally, previous work on social capital has been done in more developed and western countries. We extend the research on social capital in the context of emerging economy i.e. India and explain the pivotal role of social capital in enhancing sales outcomes. Lastly, customer engagement has become one of the research priorities for marketing scholars (MSI 2016-2018). The effect of salespeople in enhancing customer engagement has echoed in the past research (e.g., Kumar and Pansari 2016), but has not received much attention. We contribute to this emerging research (e.g., Grewal et al. 2017; Harmeling et al. 2017; Kumar et al. 2010) by highlighting the key role of salespeople. Our model extends the research on the value creation process in the sales domain by offering strategic insights to help managers develop future actions.

The paper is organized as follows. First, we discuss the theoretical foundation of our study by adopting social capital theory. Second, based on this theoretical background, we propose a model that specifies social capital as a key variable which enhances competitive intelligence collection and use, which in turn, affects customer outcomes such as information communication, customer loyalty, and customer engagement behavior. Third, we describe the research method and present our findings. The paper then provides a discussion of the results and implications for management. Lastly, limitations and future directions of the research are provided.

CONCEPTUAL BACKGROUND

Social capital theory (Lin 1999) posits that the value people derive from their social connections offers a unique advantage in the form of knowledge creation and dissemination. The term "social capital" originally appeared in studies assessing and highlighting the importance of interpersonal relations in community survival (Jacobs 1965). The notion of 'capital' in 'social capital' is akin to the classical theory of capital where capital is essentially treated as a surplus value that represents an investment with expected returns (Lin 1999). The term 'social capital' encompasses 'embeddedness' of individuals within a community with attendant benefits that accrue through strong interpersonal relationships based on trust, cooperation and collective action (Nahapiet and Ghoshal 1998). Thus, social capital alludes to the investment an individual makes in interpersonal ties with a view to benefiting from it at a later date. In other words, social capital is about the value of social networks and connections, focusing on two key types of relations: internal relations of bonding and on external relations of bridging between a diverse set of people.

More recently, firms have been conceptualized as social communities whose purpose is to create and share knowledge (Kogut and Zander 1996). This has contributed to the belief that firms having superior social capital enjoyed greater organizational advantage (Nahapiet and Ghoshal 1998; Moran and Ghoshal 1999).

Social capital has been defined by a general metaphor as "that the people who do better are somehow better connected." (Burt 2000, p. 347). Furthermore, several scholars have addressed the underlying mechanisms through which individuals and firms accrue and deploy social capital. While Bourdieu (1986) viewed social capital as the sum of resources that accrued to the individual or the network based on network connections, Coleman (1988) provided a

functional approach to social capital based on social network structure associated with the individual and what they could expect to achieve by occupying that position in the network.

Past research has argued that because social capital can be a process difficult to empirically measure (Williams 2006), it can be defined as an outcome rather than as a network itself. Embracing this idea of social capital, we differentiate between two forms of social capital: bonding social capital and bridging social capital (Putnam 2000). The concept of bonding and bridging social capital is analogous to the concept of weak ties and strong ties proposed by Granovetter (1973). While bridging social capital is inclusive, bonding social capital is considered exclusive (Williams 2006). Research has also shown that bridging and bonding social capital are distinct but related concepts (Williams 2006, p. 610).

The creation of a weak network, referred to as the bridging social capital, creates a personal resource for salespeople which they can utilize to draw information and maintain further relations with network members and broaden worldviews (Burke, Kraut and Cameron 2011). Similarly, the bonding dimension's contribution to social capital stems from the expectation and obligations members have towards one another based on personal and emotional attachment. When salespeople have connections and they interact repeatedly they form bonds based on trust and reciprocity. These connections, naturally, may vary from person to person based on the history of interactions among them (Granovetter 1992). Such connections bind the members of the network together through a common identity and relational norms (Burt 2000). Further, some members could extend their network reach through other actors with whom they share a strong bond.

A comprehensive review of past research on social capital reveales that though the construct has been well researched in management and psychology domains, research in the

marketing domain using boundary spanners has received limited attention. A review of this research appears in table 2.1.

Insert Table 2.1 about here

A deeper analysis of this research reveals that social capital in the marketing domain has been conceptualized at three levels: organization (Ellinger et al. 2011; Ellinger et al. 2013; Merlo et al. 2006; Madhavaram and Hunt 2017), team (Bachrach et al. 2017) and individual (Bolander et al. 2015; Hughes, Bon, and Rapp 2013). Ellinger et al. (2011) introduced the notion of investments in social capital and conceptualized it as the norms that the members of an organization share which shapes the relationships within organizations for effective workflow. While Ellinger et al. (2011) developed a scale to measure investments in social capital, Ellinger et al. (2013) provided empirical support for the role of social capital in a service employee setting. By conceptualizing social capital at the organizational level, Ellinger et al. (2013) argue that investments in social capital positively enhance service employee's commitment to the firm and to service quality. Such employee's commitment then transcends to job performance and organizational citizenship behavior. Following Nahapiet and Ghoshal's (1998) definition of social capital as "the collection of actual and potential resources embedded within, available through, and derived from the internal network of relationships within the firm", Madhavaram and Hunt (2017) measured the impact of internal social capital on employee's intellectual capital and customized offerings. Focusing only on the internal relations, they argue that such relationships help exchange of information which leads to employee's intellectual capital

measured in terms of knowledge of customers, technical knowledge and abilities, and creativity. These measures of intellectual capital then enhance customized product offerings.

Measuring social capital at the team level, Bachrach et al. (2017) conceptualize social capital as the actions taken to develop and strengthen connections among individuals in an organization which results in cooperation and trust among members. Analyzing a multi-industry sample in a business-to-business context, these authors empirically showed that investments in a team's social capital enhances market driven capabilities such as team goal monitoring, learning effort and commitment to service quality. Such market-driven capabilities then enhance the performance of salespeople.

Social capital has also been measured at the individual employee level. Hughes, Bon, and Rapp (2013) define social capital as the goodwill that emerges from social relations and that can be harnessed by an individual and/or collective for some benefit. Hughes and colleagues argue that several bonding mechanisms followed by salespeople such as customer orientation, extra-role behavior, and relationship quality lead to the creation of social capital which enhances customers' willingness to share information which in turn impacts customers' share-of-wallet. Thus, though Hughes, Bon, and Rapp (2013) adopt the social capital as the framework, they do not directly measure social capital. Instead, the creation and advantages of social capital are subsumed in the process of bonding mechanisms affecting customer's intentions to share information. On the other hand, Bolander et al. (2015) define social capital as social resources and investment into the social marketplace and the returns generated from such investment in terms of helping people fulfill instrumental needs. Bolander and colleagues measure social capital based on the salesperson's positions in the network wherein social capital is assumed to accrue to people holding an influential position within their networks. They argue that a

salesperson's political skills affect sales performance through relational centrality and positional centrality, both of which are defined as desirable network positions.

To summarize, though social capital is measured at different levels, it enhances individual outcomes and thus occupy a pivotal place in sales research assessing the drivers of salesperson's performance.

MODEL DEVELOPMENT

Salesperson social capital and competitive intelligence collection

Collecting information about the environment, especially competitors, is crucial to the success of an organization (Hughes, Bonn, and Rapp 2013) and is analogous to the concept of market-orientation for an organization. Competitive intelligence is defined as the collection and usage of market-related information to gain a competitive advantage over others (Rapp, Agnihotri, and Baker 2011). While competitive intelligence has been measured at the organizational level, recent researchers have analyzed the individual level of a salesperson who acts as both a collector and immediate user of competitive intelligence (e.g., Hughes, Bonn, and Rapp 2013). In our research, we follow this line of thought and define competitive intelligence at the salesperson level as "individual level knowledge about competitors and competitive environment" (Rapp, Agnihotri, and Baker 2011, p. 143).

Social capital is comprised of bridging ties and bonding ties. Bridging ties, consisting of weak-ties in a salesperson's network consist of those people who are 'less-like' the salesperson and have access to more information and opportunities. Because customers and colleagues from a part of salesperson's relationships, more such ties will be related to higher intelligence collection by the salesperson. Relationships with people in the network can provide insights into

the customers' requirements (Yli-Renko, Autio and Sapienza 2001) which salesperson can then accumulate for future sales interactions. On the other hand, bonding social capital is derived from much deeper relationships who offer further substantive support for the salespeople collecting such information. In a sales job, these people, referred to as strength of weak-ties (Granvovetter 1973), offer an opportunity for the salesperson to gather information and emotional support. Such support from customers and co-workers leads to greater trust among the parties in the relationship which further enhances clear communication about needs and wants of the customers. Taken together, bridging social capital and bonding social capital provides an immense resource to the salesperson from whence he/she can gather the information about the competition and gain support required to do such tasks. Hence, we propose the following:

H1: Social capital is positively related to competitive intelligence collection.

Competitive intelligence collection and competitive intelligence use

The relationship between competitive intelligence collection and use has been established in previous work (Rapp et al. 2015). Rapp and colleagues argue that salespeople who have collected competitive intelligence are more likely to use it because using such information helps reduce the uncertainty associated with interacting with the customers. Further, using the competitive intelligence also makes rational sense because competitive intelligence gives salespeople an advantage. They can effectively alter their sales pitch by applying the most appropriate strategies and tactics to influence customer outcomes. Thus, we hypothesize the following:

H2: Competitive intelligence collection is positively related to competitive intelligence usage.

The moderating role of customer demandingness

Wang and Netemeyer (2002) define customer demandingness as a salesperson's belief that customers have high expectations about the salesperson's offerings. Because demanding customers are the reality of any sales job now, salespeople must acknowledge the effect of customer demandingness on their job. Recent researchers have analyzed the impact of customer demandingness in defining a sales job by increasing the inherent meaning of the task involved (Jaramillo, Mulki, and Boles 2013) and in amplifying the effects of salesperson's ambidextrous behavior on adaptive selling (Agnihotri et al. 2017). We argue that customer demandingness is a significant contingency factor in our framework which can impact the outcomes of salesperson's social capital by positively moderating the relationship between social capital and competitive intelligence collection.

Social capital represents the benefits derived from the relationships which help salespeople improve their intellectual capital by access to a variety of information. While bridging social ties provides novelty and uniqueness in information (Putnam 2000), bonding social capital is inclusive and provides additional support during such information gathering processes undertaken by the salesperson. Combined together, high social capital, implying higher value derived from the relationships, provides an opportunity to the salesperson to gather information about the competition from these relationships. When faced with a demanding customer, salespeople will be inclined towards this challenging environment and will be intrinsically motivated to perform to the best of their ability (Pink 2011). As demanding

customers offer opportunities to the salesperson to advance learning (Jaramillo and Mulki 2008), salespeople operating in such conditions will be more inclined to use the relationships in their networks to extract more value from such relationships in terms of more information. Such intelligence collection will help them sell effectively (Rapp et al. 2015) by understanding and fulfilling customer's needs and expectations. Thus, we hypothesize:

H3a: Customer demandingness positively moderates the relationship between social capital and competitive intelligence collection.

Similarly, we also argue that customer demandingness will positively moderate the relationship between competitive intelligence collection and competitive intelligence use. As argued before, salespeople are motivated to perform their best when faced with demanding customers. Such motivation, then, leads to increased efforts on the part of the salesperson to satisfy customer needs. Further, intelligence collection is only fruitful when used in an actual sales encounter as it helps reduce the uncertainty associated with a sales job, especially which occurs due to the presence of demanding customers. In the presence of demanding customers, salespeople are likely to improvise their selling efforts by thinking on their feet and responding in the moment (Banin et al. 2016). Because collected competitive intelligence is bound to perish quickly due to the time-sensitive nature of such intelligence (Rapp, Agnihotri, and Baker 2011), the salesperson should be more inclined to use this information when it matters the most. Hence, salespeople are more likely to use the intelligence they have collected in order to ensure effective communication with the customer. Thus, we hypothesize:

H3b: Customer demandingness positively moderates the relationship between competitive intelligence collection and competitive intelligence use.

Customer outcomes

Competitive intelligence use and information communication

The importance of information communication in a sales encounter has been explored in past research. Following Ahearne, Jelinek, and Jones (2007), we define information communication as regularly conveying product information to the customer in a clear and concise manner. When salespeople use competitive intelligence, they shape their own strategies and tactics to incorporate different customer directed efforts based on the information obtained about the competition, which helps them offer a unique value proposition. In addition, salespeople with such information will have better developed cognitive skills which will help them predict customers' needs and wants and offer effective and concise information required to meet such needs (Agnihotri, Rapp, and Trainor 2009). As competitive intelligence use is related to using an effective information sharing strategy, customers will see such usage as effective, knowledgeable and objective. Salesperson can make comparisons between different products and services, giving a clear signal of effective information communication. Thus, we hypothesize:

H4: Competitive intelligence use is positively related to information communication.

Information communication and customer engagement behavior

Customer engagement behaviors are defined as those which "go beyond transactions and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus,

beyond purchase, resulting from motivational drivers" (Van Doorn et al. 2010, p. 254). We argue that information communication will lead to higher customer engagement. Supporting this claim, Ahearne, Jelinek, and Jones (2007) argue that information communication is a key service behavior for developing customer relations as it helps provide updated information to the customers. Information communication acts as a 'glue that holds together' as it signals transparency and assurance of effective sales and service delivery. Customers who perceive salespeople using information sharing behaviors, both at the time of sales and in the after-sales service, will perceive higher value in the transaction (Agnihotri et al. 2012). It gives them an added sense of "assurance" (Ahearne, Jelinek, and Jones 2007) of the value conveyed during the interaction. A salesperson exerting more effort into communicating product features and advantages, and offering customized solutions to customers will be seen as more engaged in the selling process. Hence, customers will feel more comfortable and confident in engaging with such salesperson (Kumar and Pansari 2016). We hypothesize the following:

H5: Information communication is positively related to customer engagement behavior.

Information communication and customer loyalty

Customer loyalty is defined as the preference for a company over others (Zeithaml, Berry, and Parasuraman 1996). Using customers of a major bank, Ndubisi (2007) proposed that clear and objective communication will result in a better relationship which directly impacts customer loyalty. Further, Ball, Coelho, and Machás (2004) argue that written and helpful communication helps the customer to determine the utility of such information with ease which ultimately transfers to customer loyalty. We argue that this relationship will also hold in a sales context for two reasons. 1) Information communication is a key service behavior which helps in enhancing

customer relationships by showing concern and competence. Information communication

behavior will help improve the relationship with the customers. Such relationship-enhancing

behaviors are positively related to customer loyalty (Palmatier, Scheer and Steenkamp 2007) by

creating tangible customer benefits or reducing customer costs (Sirdeshmukh, Singh and Sabol

2002) and, 2) because salespeople are boundary spanners who often are responsible for

projecting an image of their organizations in the mind of the customers, information

communication service behavior signals and socializes the customer with the norms and

standards of the organizations (Auh et al. 2007) thus helping the customer to relate to the firm.

Hence, we hypothesize the following:

H6: Information communication is positively related to customer loyalty.

Customer loyalty and customer engagement behavior

Conceptualizing customer engagement as a hierarchical construct, Grewal and colleagues (2017)

argue that effective associations of customers induce them to engage in voluntary behaviors, as

loyal customers exhibit higher levels of associations with the firm and have positive cognitive

evaluations of the firm (Bartikowski and Walsh 2011). A meta-analytic study by De Matos and

Rossi (2008) found that customers who are loyal more likely to give positive recommendations

of the firm to others. Loyal customers see firms as a part of their self and have higher willingness

to engage in voluntary behaviors (Srinivasan, Anderson, and Ponnavolu 2002) as a form of

reciprocity to the firms. Therefore, we hypothesize the following:

H7: Customer loyalty is positively related to customer engagement behavior.

METHODOLOGY AND RESULTS

To test our conceptual framework, dyadic survey data was collected in collaboration with a marketing research company that utilizes a broad network of B2B sales organizations across different industries. Before the data collection, we pre-tested each of the two questionnaires to check the clarity and relevance of each question in the selling context. Based on recommendations from respondents, questions were refined with appropriate directions and wording for a better fit within the specific B2B context.

The data collected comprises two sources of survey input: salespeople and customers. For each salesperson invited to participate in this study, the independent research firm solicited a response from one of their respective customers three months following the salesperson survey. Customer selection was done randomly from the census list of existing customers that was provided by each salesperson and reviewed by the research firm to control for self-reported bias. Complete anonymity and confidentially were maintained for both customers and salespeople who participated in our study. We also emphasized the point that salespeople will not be evaluated based on the data collected in order to attenuate any social desirability bias of customers. After collecting the customer survey responses, we had 217 unique salesperson-customer dyads for our analysis. The demographics were male = 88%, average work experience = 5.35 years, average age = 29.5 years, and 100% with a college degree or more education.

Measures

All the measures in this study were adapted from previous literature and in some cases were modified to fit the requirements of this study. A 7-point Likert scale was used with "1-Strongly Disagree" and "7-Strongly Agree". The measure for social capital was adopted from Williams

(2006). Social capital (α = 0.74; CR = 0.82) was created as a second-order formative indicator

(e.g., Hau et al. 2013) comprising of two first-order reflective latent indicators: bridging social

capital and bonding social capital. Bridging social capital was measured using a 3 item measure

(e.g., *Interacting with people makes me feel like a part of a larger community*) and bonding

social capital was measured using a 3 item measure (e.g., *There are several people I can trust to*

help solve my problems) adapted from Williams (2006) (see also Huang 2016). Competitive

intelligence collection was measured using a three-item scale (α = 0.89; CR = 0.93) (e.g., *When I*

am in the field, I try to gather and transmit reliable information) and was adopted from Rapp et

al. 2015. Three item scale of competitive intelligence use (α = 0.93; CR = 0.95) (e.g., *Over the*

last three months, the competitors' information I receive from different source has helped shape

my customer strategies) was also adopted from Rapp et al. 2015. Customer demandingness was

measured using a 3-item scale (α = 0.93; CR = 0.95) (e.g., *Over the last three months, the*

competitors' information I receive from different source has helped shape my customer

strategies) adapted from Wang and Netemeyer (2002). Information communication was

measured using 3 item scale (α = 0.80; CR = 0.91) (e.g., This sales rep makes an objective

comparison between products/service) representing information communication behaviors and

was adopted from Ahearne, Jelinek, and Jones (2007). Three item measure of customer

engagement behavior, representing customer knowledge value, was adapted from Kumar and

Pansari (2016) (α = 0.75; CR = 0.89) (e.g., *I am willing to provide the market relevant*

information). Customer loyalty was operationalized as a second-order reflective construct (α =

0.66; CR = 0.82) comprising of two first order latent reflective constructs: customer intentions to

repurchase (e.g., *My company will consider this sales rep's company as the first choice from*

which to buy products/services) and customer intentions to increase share of wallet (e.g., *My*

company will continue to do business with this sales rep's company even if its prices increase somewhat) and was adopted from Homburg, Müller, and Klarmann (2011). We included customer satisfaction as a control variable for customer loyalty and customer engagement behavior. This satisfaction was measured using a single item measure asking the overall satisfaction of the customer with the sales rep. All these measures are shown in table 2.2. Correlation between the constructs and the descriptive statistics of all constructs is shown in table 2.3.

Insert Table 2.2 and Table 2.3 about here

Common method bias: Though the data has been obtained from two sources, we still checked the presence of common method bias. We employed two statistical measures to ensure that this is not an issue. First, we applied Harman's (1976) single-factor test. More than one factor with eigenvalue greater than 1 was obtained hence showed no signs of common method bias (e.g., McGrath 2001). Second, because this test suffers from certain limitations (Kemery and Dunlap 1986), we also adopted the common latent method approach (Podsakoff et al. 2003). This procedure controls that portion of the variance in the observed variables which is attributed due to data collected from the same source. A comparison of the estimated path model both with and without the unmeasured latent variable shows no differences in support of our hypotheses. Thus, neither the traditional single factor test nor the unmeasured latent method approach suggests the threat of common method bias (Podsakoff et al. 2003).

Since 100% of our respondents received an undergraduate or higher degree, our approach is aligned with literature promoting the utilization of highly educated respondents in order to mitigate common method bias risks (Rindfleisch, Malter, Ganesan and Moorman, 2008). In addition, we also employed three additional checks to control for common method bias: a) we temporally separated the variables among the sources to assess the longitudinal data b) we counterbalanced the order of the measurement of the predictor and criterion variables in the survey instrument and c) we used validated, unambiguous and clearly defined items.

Analysis

We estimated the hypothesized relationships using SmartPLS 3.0 (Ringle, Wende, and Becker 2015). We selected PLS-SEM as an appropriate technique for two major reasons. First, PLS-SEM allows the analysis of the complex models involving both formative and reflective latent variables. Because we conceptualize social capital construct as a higher order reflective-formative latent variable, PLS-SEM permits the estimation of such models. Second, our objective in this research is to assess the predictive power of our core construct of social capital which aligns best with the inherent predictive advantage of PLS-SEM methodology.

We assessed the reliability and validity of each construct by assessing composite reliability (CR) and average variance extracted (AVE). Composite reliabilities of all constructs exceeded the 0.70 cutoff, providing evidence of reliability (Fornell and Larcker 1981). Convergent validity was assessed by analyzing the factor loadings. All of the standardized loadings were above 0.50 and significant at $\alpha = 0.01$ providing evidence of convergent validity. The AVE of each multi-item construct exceeded the squared correlation between all pairs

involving the construct, providing evidence of discriminant validity (Fornell and Larcker 1981).

As a final step, we used Stone-Geisser's Q^2 value (Geisser 1974) to determine the predictive relevance of our latent constructs. Using blindfolding procedure in SmartPLS (Hair et al. 2014), Q^2 values of competitive intelligence collection, competitive intelligence use, service behaviors, customer engagement behavior, customer repurchase intentions and customer intentions to increase the size of wallet were above zero depicting predictive relevance of our latent endogenous variables.

Results

Overall, the results of the structural model test support our hypothesized framework. Table 2.4 provides the list of hypothesized relationships and the associated standardized coefficients.

Insert Table 2.4 about here

As shown in the table, social capital is positively related to competitive intelligence collection (β = 0.41; p < 0.001) supporting H1. Competitive intelligence collection is positively related to competitive intelligence use (β = 0.77; p < 0.001) supporting H2. Though not hypothesized, we analyzed the mediating effect of competitive intelligence collection on social capital → competitive intelligence use. Following Hayes (2012, model 4) procedure of testing mediation, we uncovered a significant mediating effect of competitive intelligence collection on social capital → competitive intelligence use relationship (95% BCI = 0.28 to 0.86).

To test our two interaction hypotheses, we followed the product-indicator approach in SmartPLS3.0, which creates an interaction term by multiplying all possible pairs of items in both scales (Chin, Marcolin, and Newsted 2003). This technique also does not inflate measurement error (Chin et al. 2003). Although the interaction effect of customer demandingness and social capital on competitive intelligence collection is in the hypothesized direction, the effect was not significant ($\beta = 0.27$; ns) failing to provide support for H3a. Supporting H3b, interaction effect between customer demandingness and competitive intelligence collection on competitive intelligence use was significant ($\beta = 0.26$; $p < 0.001$). To further aid in the interpretation of these findings, we plotted this interaction in figure 2.2. As figure 2.2 shows, the relationship between competitive intelligence collection and competitive intelligence use is stronger at higher levels of customer demandingness.

Insert Figure 2.2 about here

As shown in Figure 2.2, the relationship between competitive intelligence collection and competitive intelligence use is stronger when customer demandingness is high and is weaker in case of low customer demandingness. This finding echoes our research hypothesis that customer demandingness is an important contingency factor which enhances salesperson's motivations to use the intelligence he/she has collected through his/her relationships.

Further, in support of H4, competitive intelligence use is positively related to information communication ($\beta = 0.13$; $p < 0.001$). Information communication is positively related to

customer engagement behavior (β = 0.52; p < 0.001) but is not related to customer loyalty (β = 0.01; ns) supporting H5 but failing to support H6 respectively. The positive relationship between customer loyalty and customer engagement behavior was significant (β = 0.32; p < 0.001) supporting H7.

DISCUSSION

Determining antecedents of salesperson's performance has interested sales scholars since time immemorial. Despite the varied research published on assessing the determinants of sales performance, literature has remained limited (Bolander et al. 2015). Recent sales scholars have started paying attention to the role of formal and informal ties of a salesperson in an organization (e.g., Batt 2008; Merlo et al. 2006), but more needs to be done to define the critical role of salesperson's social network in driving sales performance. In addition, enhancing customer relations is an important aspect of a sales job and salespeople must carry out these tasks to add value to the customers (Rapp et al. 2014). Further, though recent research has identified the important role of social capital in enhancing customer outcomes, there is still a paucity of research in this domain and researchers have maintained their call to adopt this construct in sales research (e.g., Ellinger et al. 2013). Our study contributes to this research domain as we test our model assessing the positive effects of social capital on customer relations through enhancing the competitive intelligence of salespeople. We tested our model using data collected from salespeople and customers in a business-to-business context in an emerging economy i.e. India. This is also important as previous research on social capital has tested its effects only in the context of developed economies. We, thus, broaden the understanding of the role of salesperson's social capital and expand the research in a meaningful way.

Our findings suggest that salespeople's social capital enhances their competitive intelligence collection and use. As argued before, gathering competitive intelligence is a source of competitive advantage for any organization, as it helps to increase organizational performance. Salespeople are often taxed with the job of collecting such intelligence because of their boundary-spanning role. As our model shows, a salesperson's social capital positively affects their competitive intelligence. Interestingly, we also uncovered that social capital effects competitive intelligence use through competitive intelligence collection. Hence, our model also explains the process through which social capital enhances salesperson's outcomes.

Further, we contribute to the research on information communication in strengthening customer relations. Service behaviors are critical in developing customer outcomes (Ahearne, Jelinek and Jones 2007), and salespeople often exhibit ambidexterity in the modern day sales job- making a sale while also providing excellent service- to carry out their sales jobs. In fact, providing supreme service to customers has become a necessity in effectively making sales to a business-to-business customer, which leads to positive results for the organizations. We contribute to this research domain by showing how the value derived from a salesperson's relationships can enhance his/her service behaviors, specifically in the form of effective information communication. As our empirical results show, social capital enhances customer's perceptions of effective information communication as salespeople with high social capital collect more competitive intelligence from their networks of colleagues and customers which further helps them communicate effectively with their customers.

The empirical test of our hypothesized model also reveals an interesting finding that a salesperson's social capital creates positive perceptions of information communication, such perceptions do not necessarily translate to customer loyalty. We believe this is an important

insight in the salesperson-customer relationship. Though contrary to our prediction, our results replicate previous research findings that service perceptions of the employee do not always translate to loyal purchase behavior (Rauyruen and Miller 2007). This further extends the argument that though salespeople are important in driving customer outcomes, customer relations with the supplier are deemed important to achieve and enhance customer's future purchase behavior.

In addition, relationship marketing has been reframed to include customer engagement as a key and crucial construct for organizations looking to better serve the customers (e.g., Harmeling et al. 2017). Because customer engagement behaviors are voluntary actions from the customers which are beneficial to the organizations, it is important to understand the drivers of such behaviors. While research has shown that salespeople can impact customer engagement, this research has not received much attention yet. Contributing to this line of research, we show that customer engagement behaviors can be enhanced by communicating effectively with the customer and by strengthening customer loyalty.

Lastly, we also identify the moderating role of customer demandingness in our framework. We show that customer demandingness, combined with higher competitive intelligence collection, leads to higher competitive intelligence use by the salesperson while interacting with the customer. Customers are demanding more and more from the salesperson, and such demands provide additional incentives for salespeople to effectively collect and use competitive intelligence.

IMPLICATIONS

The present findings make significant and substantive contribution to the academic literature in two key ways. First, salespeople are often advised to accumulate knowledge to build relationships with their customers in order to enhance organizational performance (Palmatier et al. 2006). Salespeople are also told to adopt information use behaviors to provide additional value in the exchange process (Rapp et al. 2014). While past research has analyzed the antecedents of information communication (e.g., Agnihotri, Rapp, and Trainor 2009), the effect of salesperson's social capital on information communication and customer relationships has not been analyzed in past research. In our attempt to address this gap, we show that social capital is an intangible resource which offers salespeople numerous advantages through which they can successfully build customer relations.

Second, relationship marketing theory has been expanded to include customer engagement as a key construct (Vivek, Beatty, and Morgan 2012) but there is a paucity of empirical research on how salespeople can enhance customer engagement (for exception, see Kumar and Pansari 2016). We contribute to this research domain by empirically investigating pivotal role of salespeople in getting customers engaged with the organization.

In addition, our research also offers important implications for managers. First, our results suggest that enabling salespeople to develop their social capital will enhance the competitive intelligence of an organization. Because sales organizations rely on accurate competitive information to offer value-added benefits to their customers, we suggest that sales managers should foster building relationships within their organizations. Past research has documented that competitive intelligence can be gained by enhancing identification with the organizations (Rapp et al. 2015). We offer a further extension of this implication and argue that

salesperson's social capital, built through the relationships with their colleagues offer another interesting avenue for collecting such intelligence. In line with this notion, we suggest that sales managers should promote frequent contacts with the customers so that salespeople can develop their relations with their co-workers and also with their previous and current customers. Salesperson's colleagues and customers offer rich information which salesperson can appropriate using his/her relations with these parties.

Second, ours is the first study to formally analyze and empirically test the effects of salesperson's competitive intelligence on customer outcomes. While past research has shown that competitive intelligence is positively related to sales performance (e.g., Mariadoss et al. 2014; Rapp et al. 2015), our study offers support for managers in promoting competitive intelligence among salespeople. As we show, competitive intelligence use is positively related to the positive evaluation of a salesperson's information communication by customers.

Third, as argued before, organizations today are competing to bring customers closer to their firms by enhancing voluntary behaviors, which are beneficial to the organizational success. We show that salespeople act as a linchpin in bringing customers closer to the firms in the way of positively impacting their engagement behaviors. Sales managers should, therefore, develop programs through training or experiential learning to enhance salesperson's social capital as it can lead to higher engagement among their customers.

Lastly, information communication was interestingly found to be a non-significant predictor of customer loyalty. Because sales managers aim to develop purchase behaviors among their customers, we show that using salespeople to develop customer loyalty to the firm might not be the best strategy. While salespeople can enhance customer engagement, they do not necessarily help in enhancing customer loyalty. Thus, managers should take appropriate actions

to maintain and understand the clear line of distinction between relations with the salesperson and relation with the firm (e.g., Rauyruen and Miller 2007).

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

As with all research, the findings presented here suffer certain limitations which offer fruitful avenues for future research. First, we measured social capital using measured adopted from Williams (2006)'s scale. However, there are other existing scales on social capital which have been adopted in the past research (e.g., Merlo et al. 2006). While there is a conceptual overlap between these two literatures, it will be worthwhile to replicate the findings using other available measures.

Second, the focus of our research was to provide a preliminary investigation into the positive effects of social capital. Needless to say, our research takes social networks and capital derived from such networks as exogenous to the hypothesized model. Past research has analyzed the effects of salesperson's skills in developing social networks (Bolander et al. 2015; Kalra et al. 2017). Future researchers should amalgamate the antecedents of social capital into our framework to provide a holistic framework of enhancing customer relationships.

Third, while the richness in our data enabled us to analyze relationships from a dyadic perspective, our data was collected from salespeople working across different industries. It will be fruitful for researchers to replicate our findings with the data collected from a single firm, which can control for industry level effects in explaining the relationships observed.

Fourth, we consider only the positive effects of social capital. Some of the past research has argued that social capital can have negative effects or may be non-linear effects in terms of

intelligence creation (e.g., Villena, Revilla, and Choi 2011). However, our major goal in this research was to introduce the concept of salesperson's social capital and its effects on customer relationships. Future studies should analyze whether non-linear effects can be found for social capital in a selling environment.

Fifth, although we show that social capital enhances customer engagement behaviors, we did not measure organizational performance in our model. Such engagement and loyalty behaviors should eventually lead to a higher organizational performance in terms of profitability. Future studies should implement and analyze these multi-level effects of social capital in a business-to-business context. While we uncover an interesting finding that salespeople's behaviors might not always lead to customer loyalty, future studies should analyze the factors which can enhance customer loyalty towards the firm using salespeople as a key communication source.

ENDNOTE

3.1 Citation style for Journal of Personal selling and Sales Management has been used
across this chapter.

Figure 2.1: Hypothesized Model
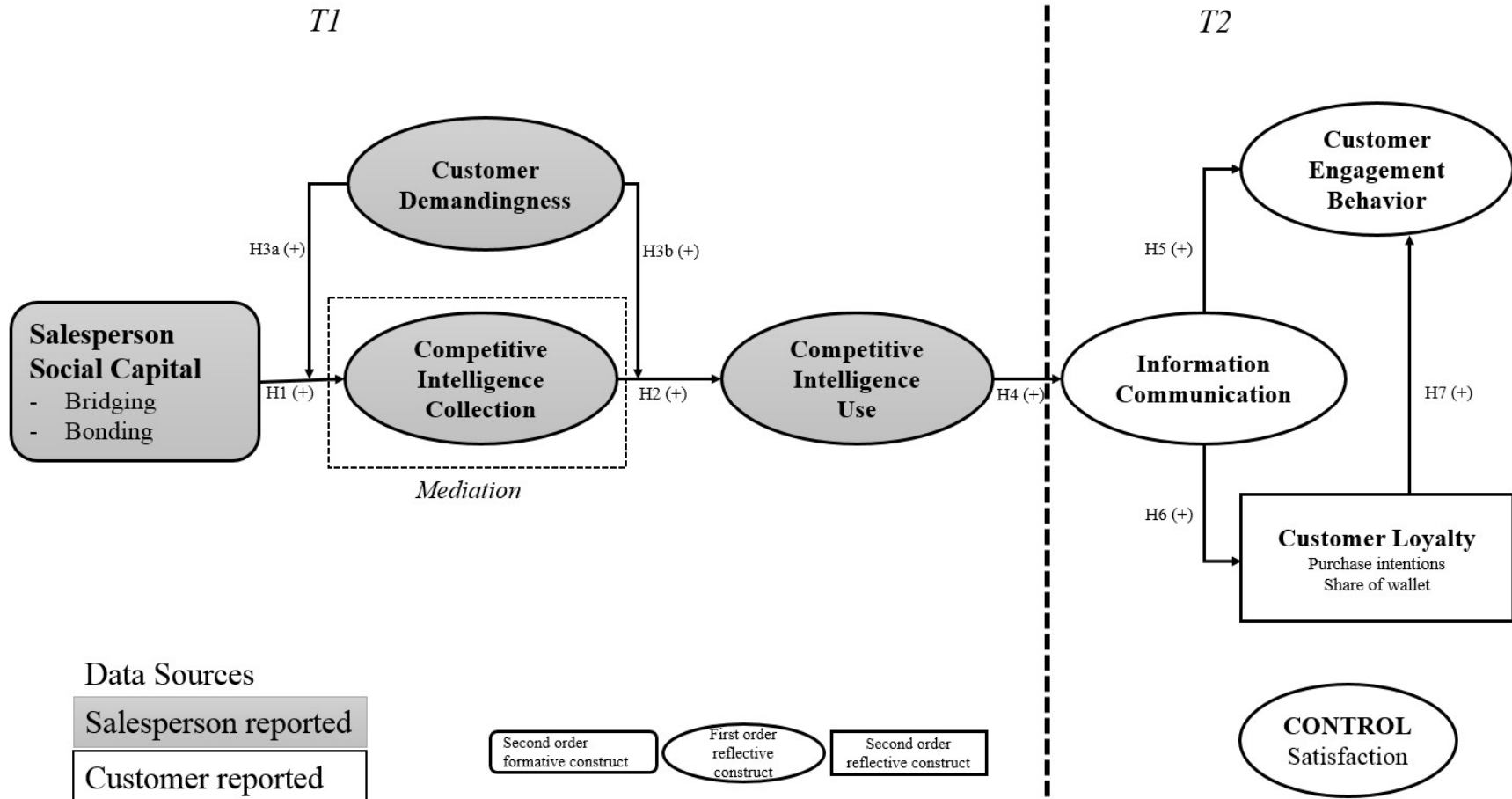
Table 2.1 Review of social capital literature[1]

Authors	Level of analysis	Conceptualization	Antecedents	Consequences	Findings/Hypothesis
Bachrach et al. (2017)	Team	"actions taken to make authentic connections between individuals, engender interpersonal trust, and foster cooperation".	Social capital	Team goal monitoring, learning effort and commitment to service quality, sales performance	Investments in team social capital enhances commitment to service quality, team goal monitoring, learning effort which ultimately impacts sales performance.
Bolander et al. (2015)	Individual	"social resources and investment into the social marketplace and the returns generated from such investment in terms of helping people fulfill instrumental needs".	Political skills	Social capital measured by relational centrality and positional centrality, sales performance	Political skills positively enhances relational centrality and positional centrality which finally positively impacts sales performance.
Ellinger et al. (2013)	Organization	"a set of informal values and norms and subjectively-felt obligations that group members share, which are instrumental in shaping the relationships that make organizations work effectively".	Social capital	Commitment to the firm, commitment to service quality, job performance, organizational citizenship behavior	Organizational investments in social capital are positively related to employee's commitment to the firm, commitment to the service quality, job performance and organizational citizenship behavior.

---

[1] Empirical literature on social capital published using sample of employees who are in direct touch with the customers i.e. either salespeople or frontline employees.

Table 2.1 contd…

Authors	Level of analysis	Conceptualization	Antecedents	Consequences	Findings/Hypothesis
Hughes et al. (2013)	Individual	"goodwill that emerges from social relations and that can be harnessed by an individual and/or collective for some benefit".	Customer orientation, salesperson extra-role behavior, relationship quality	Competitive intelligence sharing, information use behaviors, share of wallet, perceived value, profit margin	Customer orientation, extra-role behavior and relationship quality enhances customer's competitive intelligence sharing which impacts information use behaviors. Information use behaviors, in turn, positively impacts share of wallet, perceived value and margin on sales.
Madhavaram and Hunt (2017)	Organization	"the collection of actual and potential resources embedded within, available through, and derived from the internal network of relationships within the firm".	Social capital	Intellectual capital, customized products	Internal social capital leads to employee's social capital which ultimately influences customized products.
Merlo et al. (2006)	Organization	"the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit".	Social capital	Customer service orientation, store creativity, store performance	Social capital increases customer service orientation and creativity which further enhances store performance.

Table 2.2. Items and Constructs

Constructs	Factor Loadings
Social Capital (Williams 2006) (α = 0.74; CR = 0.82)	
Bridging Social Capital	
I am interested in what goes on in my social network.	0.79
Interacting with people makes me feel like a part of a larger community.	0.89
Interacting with people reminds me that everyone in the company is connected.	0.80
Bonding Social Capital	
There are several people I can trust to help solve my problems.	0.59
If I need an immediate help, I know someone I can turn to.	0.84
The people I interact with would be good job references for me.	0.80
Competitive Intelligence Collection (Rapp et al. 2015) (α = 0.89; CR = 0.93)	
When I am in the field, I try to gather and transmit reliable information.	0.87
I always assign myself objectives to gather and transmit reliable information.	0.93
I ask customers about the competition's products and strategies.	0.92
Competitive Intelligence Use (Rapp et al. 2015) (α = 0.93; CR = 0.95)	
Over the last three months, the competitors' information I receive from different source…..	
…has helped shape my customer strategies.	0.95
…improved my understanding of the market.	0.94
….changed my customer behaviors.	0.91
Customer Demandingness (Wang and Netmeyer 2002) (α = 0.79; CR = 0.83)	
My clients have high expectations for service and support.	0.89
My clients require a perfect fit between their needs and our product/service offering.	0.77
My clients expect me to deliver the highest levels of product and service quality.	0.57
Information Communication (Ahearne et al. 2007) (α = 0.80; CR = 0.91)	
This sales rep makes objective comparisons between products/services.	0.91
This sales rep frequently uses reprints to support his/her claims.	0.92
This sales rep uses company brochures to emphasize points.*	--
Customer Engagement Behavior (Kumar and Pansari 2016) (α = 0.75; CR = 0.89)	
I feel comfortable in sharing market information.	0.74
I am willing to provide the market relevant information.	0.83
I am willing to answer the queries related to the market updates.*	--
Customer Loyalty (Homburg et al. 2011; Zeithaml et al. 1996) (α = 0.66; CR = 0.82)	
Customer intentions to repurchase	
My company will consider this sales rep's company as the first choice from which to buy products/services.	0.96
My company will do more business with this sales rep's company in the next few years.	0.69
Customer intentions to increase share of wallet	
My company will continue to do business with this sales rep's company even if its prices increase somewhat.	0.82
My company will pay a higher price than competitors charge for the benefits currently received from this sales rep's company.	0.87

* Item dropped due to low factor loading. CR- Composite Reliability

Table 2.3: Descriptive statistics, correlations and the square root of AVE

|	M	S.D.	1	2	3	4	5	6	7	8
Social capital (1)	5.90	0.86	(0.66)							
Competitive intelligence collection (2)	5.72	1.62	0.37***	(0.91)						
Competitive intelligence use (3)	5.57	1.63	0.31***	0.77***	(0.93)					
Customer demandingness (4)	6.17	0.99	0.05	-0.05	-0.07	(0.74)				
Customer satisfaction (5)	6.71	0.64	-0.16	0.02	-0.03	0.08	--			
Information communication (6)	4.37	1.20	0.06	0.09	0.13**	0.30***	0.06	(0.92)		
Customer loyalty (7)	4.11	0.51	0.09	-0.02	-0.02	0.11	0.09	-0.05	(0.77)	
Customer engagement behavior (8)	4.34	0.97	0.16**	0.10	0.15**	-0.15**	-0.01	0.53***	0.07	(0.89)
Bridging social capital	5.83	1.06	--	0.40***	0.38***	0.01	-0.05	-0.02	0.09	0.09
Bonding social capital	5.97	0.99	--	0.14**	0.14**	0.09	0.03	0.13*	0.05	0.18**

Significance Levels (Two-tailed): *** $p \leq 0.001$; ** $p \leq 0.05$; * $p \leq 0.10$.

Table 2.4: Model Results

Relationships	Std. Coefficients	T-values	Result
Controls			
Customer satisfaction → Customer loyalty	0.03	0.24	--
Customer satisfaction → Customer engagement behavior	-0.06	0.59	--
Hypothesized Relationships			
H1: Social capital → Competitive intelligence collection	0.41	5.35***	Supported
H2: Competitive intelligence collection → Competitive intelligence use	0.77	16.26***	Supported
H3a: Social capital X Customer demandingness → Competitive intelligence collection	0.27	0.83	Not Supported
H3b: Competitive intelligence collection X Customer demandingness → Competitive intelligence use	0.26	4.93***	Supported
H4: Competitive intelligence use → Information communication	0.13	2.43**	Supported
H5: Information communication → Customer engagement behavior	0.52	10.69***	Supported
H6: Information communication → Customer loyalty	0.01	0.09	Not Supported
H7: Customer loyalty → Customer engagement behavior	0.32	4.07***	Supported
Bridging social capital → Social capital	0.71	13.08***	--
Bonding social capital → Social capital	0.46	8.73***	--

Significance Levels (Two-tailed): *** $p < 0.001$; ** $p < 0.05$; * $p < 0.10$.

Figure 2.2: Competitive intelligence collection X Customer demandingness → Competitive intelligence use
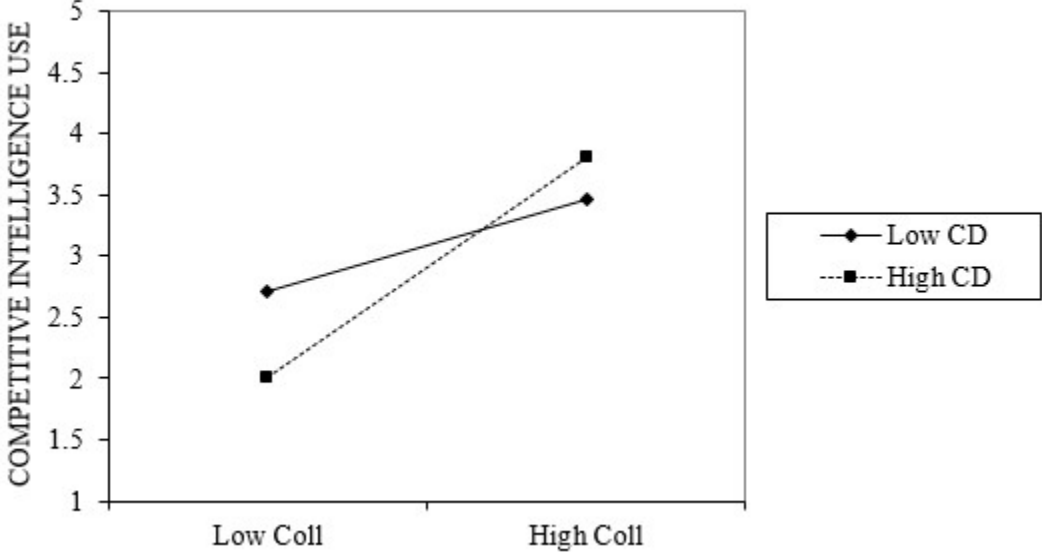
Coll: Competitive Intelligence Collection; CD: Customer Demandingness

REFERENCES

Agnihotri, Raj, Colin B. Gabler, Omar S. Itani, Fernando Jaramillo, and Michael T. Krush. 2017. "Salesperson ambidexterity and customer satisfaction: Examining the role of customer demandingness, adaptive selling, and role conflict." *Journal of Personal Selling & Sales Management* 37 (1): 27-41.

Agnihotri, Raj, Prabakar Kothandaraman, Rajiv Kashyap, and Ramendra Singh. 2012. "Bringing "social" into sales: The impact of salespeople's social media use on service behaviors and value creation." *Journal of Personal Selling & Sales Management* 32(3): 333-348.

Agnihotri, Raj, Adam Rapp, and Kevin Trainor. 2009. "Understanding the role of information communication in the buyer-seller exchange process: Antecedents and outcomes." *Journal of Business & Industrial Marketing* 24 (7): 474-86.

Ahearne, Michael, Ronald Jelinek, and Eli Jones. 2007. "Examining the effect of salesperson service behavior in a competitive context." *Journal of the Academy of Marketing Science* 35 (4): 603-16.

Anderson, Rolph E., and Alan J. Dubinsky. 2004. Personal Selling: Achieving Customer Satisfaction and Loyalty, Houghton Mifflin, Boston, MA.

Auh, Seigyoung, Simon J. Bell, Colin S. McLeod, and Eric Shih. 2007. "Co-production and customer loyalty in financial services." *Journal of Retailing* 83 (3): 359-70.

Bachrach, Daniel G., Ryan R. Mullins, and Adam A. Rapp. 2017. "Intangible sales team resources: Investing in team social capital and transactive memory for market-driven behaviors, norms and performance." *Industrial Marketing Management* 62 (April): 88-99.

Balkundi, Prasad and David A. Harrison. 2006. "Ties, Leaders, and Time in Teams: Strong Inference About Network Structure's Effects on Team Viability and Performance," *Academy of Management Journal* 49 (1): 49–68.

Ball, Dwayne, Pedro S. Coelho, and Alexandra Machás. 2004. "The role of communication and trust in explaining customer loyalty: An extension to the ECSI model." *European Journal of Marketing* 38 (9/10): 1272-93.

Banin, Abena Y., Nathaniel Boso, Magnus Hultman, Anne L. Souchon, Paul Hughes, and Ekaterina Nemkova. 2016. "Salesperson improvisation: Antecedents, performance outcomes, and boundary conditions." *Industrial Marketing Management* 59 \: 120-30.

Bartikowski, Boris, and Gianfranco Walsh. 2011. "Investigating mediators between corporate reputation and customer citizenship behaviors." *Journal of Business Research* 64 (1): 39-44.

Batt, Peter J. 2008. "Building social capital in networks." *Industrial Marketing Management* 37 (5): 487-91.

Bolander, Willy, Cinthia B. Satornino, Douglas E. Hughes, and Gerald R. Ferris. 2015. "Social networks within sales organizations: Their development and importance for salesperson performance." *Journal of Marketing* 79 (6): 1-16.

Bourdieu, Pierre. 1986. "The forms of capital." *Cultural Theory: An Anthology*: 81-93.

Briggs, Elten, Ashish Kalra, and Raj Agnihotri. 2017. "Contrasting effects of salespeople's emotion appraisal ability in a transaction-oriented environment." *Journal of Business & Industrial Marketing* 33(1): 84-94.

Burke, Moira, Robert Kraut, and Cameron Marlow. 2011. "Social capital on facebook: Differentiating uses and users." Paper presented at Proceedings of the SIGCHI conference on human factors in computing systems. 571-580 New York: ACM. doi:10.1145/1978942.1979023

Burt, Ronald S. 2000. "The network structure of social capital." *Research in Organizational Behavior* 22: 345-423.

Chin, Wynne W., Barbara L. Marcolin, and Peter R. Newsted. 2003. "A partial least squares latent variable modeling approach for measuring interaction effects: Results from a monte carlo simulation study and an electronic-mail emotion/adoption study." *Information Systems Research* 14 (2): 189-217.

Coleman, James S. 1988. "Social capital in the creation of human capital." *American Journal of Sociology* 94: S95-S120.

De Matos, Celso Augusto, and Carlos A. V. Rossi. 2008. "Word-of-mouth communications in marketing: A meta-analytic review of the antecedents and moderators." *Journal of the Academy of Marketing Science* 36 (4): 578-96.

Ellinger, Alexander E., Carolyn Casey Findley Musgrove, Andrea D. Ellinger, Daniel G. Bachrach, Ayşe Banu Elmadağ Baş, and Yu-Lin Wang. 2013. "Influences of organizational

investments in social capital on service employee commitment and performance." *Journal of Business Research* 66 (8): 1124-33.

Ellinger, Andrea D., Alexander E. Ellinger, Daniel G. Bachrach, Yu-Lin Wang, and Ayş Banu Elmadağ Baş. 2011. "Organizational investments in social capital, managerial coaching, and employee work-related performance." *Management Learning* 42 (1): 67-85.

Fornell, Claes, and David F. Larcker. 1981. "Structural equation models with unobservable variables and measurement error: Algebra and statistics." *Journal of Marketing Research* 18(1): 39-50.

Gabler, Colin B., Jessica L. Ogilvie, Adam Rapp, and Daniel G. Bachrach. 2017. "Is there a dark side of ambidexterity? Implications of dueling sales and service orientations." *Journal of Service Research* 20 (4): 379-92.

Geisser, Seymour. 1974. "A predictive approach to the random effect model." *Biometrika* 61 (1): 101-7.

Goad, Emily A., and Fernando Jaramillo. 2014. "The good, the bad and the effective: A meta-analytic examination of selling orientation and customer orientation on sales performance." *Journal of Personal Selling & Sales Management* 34 (4): 285-301.

Goff, Brent G., James S. Boles, Danny N. Bellenger, and Carrie Stojack. 1997. "The influence of salesperson selling behaviors on customer satisfaction with products." *Journal of Retailing* 73 (2): 171-83.

Granovetter, Mark. 1992. "Economic institutions as social constructions: A framework for analysis." *Acta Sociologica* 35 (1): 3-11.

Granovetter, Mark S. 1973. "The strength of weak ties." *American Journal of Sociology* 78 (6): 1360-80.

Grewal, Dhruv, Anne L. Roggeveen, Rajendra Sisodia, and Jens Nordfält. 2017. "Enhancing customer engagement through consciousness." *Journal of Retailing* 93 (1): 55-64.

Hair, Joseph F. Jr., G. Tomas, M. Hult, Christian Ringle, and Marko Sarstedt. 2014. "A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)." Thousand Oaks, CA: Sage Publications.

Harman, H. H. 1976. "*Modern factor analysis*." 3rd ed. Chicago, IL: U. of Chicago Press.

Harmeling, Colleen M., Jordan W. Moffett, Mark J. Arnold, and Brad D. Carlson. 2017. "Toward a theory of customer engagement marketing." *Journal of the Academy of Marketing Science* 45 (3): 312-35.

Hau, Yong S., Byoungsoo Kim, Heeseok Lee, and Young-Gul Kim. 2013. "The effects of individual motivations and social capital on employees' tacit and explicit knowledge sharing intentions." *International Journal of Information Management* 33 (2): 356-66.

Hayes, Andrew F. 2012. PROCESS: A Versatile Computational Tool for Observed Variable Mediation, Moderation, and Conditional Process Modeling. Ohio State University: White Paper. Available at www.afhayes.com/public/process2012.pdf.

Homburg, Christian, Michael Müller, and Martin Klarmann. 2011. "When does salespeople's customer orientation lead to customer loyalty? The differential effects of relational and functional customer orientation." *Journal of the Academy of Marketing Science* 39 (6): 795-812.

Huang, Li-Ting. 2016. "Flow and social capital theory in online impulse buying." *Journal of Business Research* 69 (6): 2277-83.

Hughes, Douglas E., Joël Le Bon, and Adam Rapp. 2013. "Gaining and leveraging customer-based competitive intelligence: The pivotal role of social capital and salesperson adaptive selling skills." *Journal of the Academy of Marketing Science* 41 (1): 91-110.

Jacobs, Jane 1965. "The death and life of great American cities." London: Penguin Books.

Jaramillo, Fernando, and Jay P. Mulki. 2008. "Sales effort: The intertwined roles of the leader, customers, and the salesperson." *Journal of Personal Selling & Sales Management* 28 (1): 37-51.

Jaramillo, Fernando, Jay P. Mulki, and James S. Boles. 2013. "Bringing meaning to the sales job: The effect of ethical climate and customer demandingness." *Journal of Business Research* 66 (11): 2301-7.

Jaramillo, Fernando, Belén Bande, and Jose Varela. 2015. "Servant leadership and ethics: A dyadic examination of supervisor behaviors and salesperson perceptions." *Journal of Personal Selling & Sales Management* 35(2): 108-124.

Kalra, Ashish, Raj Agnihotri, Nawar N. Chaker, Rakesh K. Singh, and Barttanu K. Das. 2017. "Connect within to connect outside: Effect of salespeople's political skill on relationship performance." *Journal of Personal Selling & Sales Management* 37 (4): 332-48.

Kemery, Edward R. and William P. Dunlap. 1986. "Partialling Factor Scores does Not Control Method Variance: A Reply to Podsakoff and Todor." Journal of Management 12: 525-30.

Kogut, Bruce, and Udo Zander. 1996. "What firms do? Coordination, identity, and learning." *Organization Science* 7 (5): 502-18.

Kumar, V., Lerzan Aksoy, Bas Donkers, Rajkumar Venkatesan, Thorsten Wiesel, and Sebastian Tillmanns. 2010. "Undervalued or overvalued customers: Capturing total customer engagement value." *Journal of Service Research* 13 (3): 297-310.

Kumar, V., and Anita Pansari. 2016. "Competitive advantage through engagement." *Journal of Marketing Research* 53 (4): 497-514.

Lin, Nan. 1999. "Building a network theory of social capital." *Connections* 22 (1): 28-51.

Madhavaram, Sreedhar, and Shelby D. Hunt. 2017. "Customizing business-to-business (B2B) professional services: The role of intellectual capital and internal social capital." *Journal of Business Research* 74: 38-46. doi:10.1016/j.jbusres.2017.01.007

Mariadoss, Babu John, Chad Milewicz, Sangwon Lee, and Arvin Sahaym. 2014. "Salesperson competitive intelligence and performance: The role of product knowledge and sales force automation usage." *Industrial Marketing Management* 43 (1): 136-45.

McGrath, Rita G. 2001. "Exploratory Learning, Innovative Capacity, and Managerial Oversight." *Academy of Management Journal* 44: 118-31.

Merlo, Omar, Simon J. Bell, Bülent Mengüç, and Gregory J. Whitwell. 2006. "Social capital, customer service orientation and creativity in retail stores." *Journal of Business Research* 59 (12): 1214-21.

Methot, Jessica R., Jeffery A. Lepine, Nathan P. Podsakoff, and Jessica Siegel Christian. 2016. "Are workplace friendships a mixed blessing? Exploring tradeoffs of multiplex relationships and their associations with job performance." *Personnel Psychology* 69 (2): 311-55.

Moran, Peter, and Sumantra Ghoshal. 1999. "Markets, firms, and the process of economic development." *Academy of Management Review* 24 (3): 390-412.

Morgan, Robert M., and Shelby D. Hunt. 1994. "The commitment-trust theory of relationship marketing." *Journal of Marketing* 58 (3): 20-38.

Marketing Science Institute (2018), 2016-2018 Research Priorities, Vol. 2016. *Marketing Science Institute*.

Nahapiet, Janine, and Sumantra Ghoshal. 1998. "Social capital, intellectual capital, and the organizational advantage." *Academy of Management Review* 23 (2): 242-66.

Oly Ndubisi, Nelson. 2007. "Relationship marketing and customer loyalty." *Marketing Intelligence & Planning* 25 (1): 98-106.

Palmatier, Robert W., Lisa K. Scheer, and Jan-Benedict EM Steenkamp. 2007. "Customer

loyalty to whom? Managing the benefits and risks of salesperson-owned loyalty." *Journal of

Marketing Research* 44 (2): 185-99.

Palmatier, Robert W., Rajiv P. Dant, Dhruv Grewal, and Kenneth R. Evans. 2006. "Factors

influencing the effectiveness of relationship marketing: a meta-analysis." Journal of

Marketing, 70 (4): 136-53.

Pink, Daniel H. 2011. *Drive: The surprising truth about what motivates us.* (2nd ed.). New York:

Riverhead books

Plouffe, Christopher R., Willy Bolander, Joseph A. Cote, and Bryan Hochstein. 2016. "Does the

customer matter most? Exploring strategic frontline employees' influence of customers, the

internal business team, and external business partners." *Journal of Marketing* 80 (1): 106-

23.

Podsakoff, Philip M., Podsakoff, Philip M., Scott B. MacKenzie, Jeong-Yeon Lee, and Nathan P.

Podsakoff. 2003. "Common Method Biases in Behavioral Research: A Critical

Review of the Literature and Recommended Remedies." *Journal of Applied Psychology*

88: 879 - 903.

Putnam, Robert D. 2000. "Bowling alone: America's declining social capital." In *Culture and

politics*, 223-234. Springer.

Rapp, Adam, Raj Agnihotri, Thomas L. Baker, and James "Mick" Andzulis. 2015. "Competitive

intelligence collection and use by sales and service representatives: How managers'

recognition and autonomy moderate individual performance." *Journal of the Academy of Marketing Science* 43 (3): 357-74.

Rapp, Adam, Daniel G. Bachrach, Nikolaos Panagopoulos, and Jessica Ogilvie. 2014. "Salespeople as knowledge brokers: a review and critique of the challenger sales model." *Journal of Personal Selling & Sales Management* 34 (4): 245-259.

Rapp, Adam, Raj Agnihotri, and Thomas L. Baker. 2011. "Conceptualizing salesperson competitive intelligence: An individual-level perspective." *Journal of Personal Selling & Sales Management* 31 (2): 141-55.

Rauyruen, Papassapa, and Kenneth E. Miller. 2007. "Relationship quality as a predictor of B2B customer loyalty." *Journal of Business Research* 60 (1): 21-31.

Reynolds, Kristy E., and Mark J. Arnold. 2000. "Customer loyalty to the salesperson and the store: Examining relationship customers in an upscale retail context." *Journal of Personal Selling & Sales Management* 20 (2): 89-98.

Rindfleisch, A., Malter, A. J., Ganesan, S., & Moorman, C. (2008). Cross-sectional versus longitudinal survey research: Concepts, findings, and guidelines. *Journal of marketing research*, *45*(3), 261-279.

Ringle, Christian M., Sven Wende, and Jan-Michael Becker. 2015. Smartpls 3. *Boenningstedt: SmartPLS GmbH, Http://www.Smartpls.Com*.

Sirdeshmukh, Deepak, Jagdip Singh, and Barry Sabol. 2002. "Consumer trust, value, and loyalty in relational exchanges." *Journal of Marketing* 66 (1): 15-37.

Srinivasan, Srini S., Rolph Anderson, and Kishore Ponnavolu. 2002. "Customer loyalty in e-commerce: An exploration of its antecedents and consequences." *Journal of Retailing* 78 (1): 41-50.

Van Doorn, Jenny, Katherine N. Lemon, Vikas Mittal, Stephan Nass, Doreén Pick, Peter Pirner, and Peter C. Verhoef. 2010. "Customer engagement behavior: Theoretical foundations and research directions." *Journal of Service Research* 13 (3): 253-66.

Verbeke, Willem, Bart Dietz, and Ernst Verwaal. 2011. "Drivers of sales performance: A contemporary meta-analysis. have salespeople become knowledge brokers?" *Journal of the Academy of Marketing Science* 39 (3): 407-28.

Villena, Verónica H., Elena Revilla, and Thomas Y. Choi. 2011. "The dark side of buyer–supplier relationships: A social capital perspective." *Journal of Operations Management* 29 (6): 561-76.

Vivek, Shiri D., Sharon E. Beatty, and Robert M. Morgan. "Customer engagement: Exploring customer relationships beyond purchase." *Journal of marketing theory and practice* 20, no. 2 (2012): 122-146.

Wang, Guangping, and Richard G. Netemeyer. 2002. "The effects of job autonomy, customer demandingness, and trait competitiveness on salesperson learning, self-efficacy, and performance." *Journal of the Academy of Marketing Science* 30 (3): 217-28.

Wasserman, Stanley and Katherine Faust. 1994. Social Network Analysis: Methods and Applications. Cambridge, UK: Cambridge University Press.

Williams, Dmitri. 2006. "On and off the'Net: Scales for social capital in an online era." *Journal of Computer-Mediated Communication* 11 (2): 593-628.

Yli-Renko, Helena, Erkko Autio, and Harry J. Sapienza. 2001. "Social capital, knowledge acquisition, and knowledge exploitation in young technology-based firms." *Strategic Management Journal* 22 (6-7): 587-613.

Zeithaml, Valarie A., Leonard L. Berry, and Ananthanarayanan Parasuraman. 1996. "The behavioral consequences of service quality." *Journal of Marketing* 60 (April): 31-46.

PROMOTING CUSTOMERS' INTENTIONS TO CO-CREATE: EXAMINING CO-CREATION THROUGH ETHICAL LENS

Abstract

Despite some research on the antecedents of co-creation, there is a dearth of research on the effect of comprehensive effects of communication encounters on customer outcomes. Our study provides a unified framework for the determinants of customer's co-creation behavior. Grounded in social identity theory, we argue that company's CSR activities, an indicator of indirect communication encounter and employee's ethical behavior, an indicator of direct communication encounter, affect customers' co-creation behavior by respectively developing identification with the organization and identification with the employee. Results obtained from two samples provide support the majority of our hypotheses. From a practical standpoint, the authors argue that customer perceptions of organizations and frontline employees' behavior significantly affect customer outcomes.

INTRODUCTION

The concept of exchange is undergoing change and is transforming the way customers and firms interact. Firms are increasingly focusing on drawing consumers closer to them in pursuit of long-term benefits. This is in line with the objectives of the firms to be more market-oriented (Vargo and Lusch 2004) and to deliver services which leads to higher customer satisfaction and higher repurchase intentions. With service being the 'underlying motive' of all business exchanges, as propounded by the service-dominant logic (Vargo and Lusch 2004), businesses are now relying on competing through services to gain competitive advantage (Lusch et al. 2007). In this view, any form of communication, either direct or indirect, between the company and the customer is deemed as an important one (Gronroos and Voima 2013) because it either helps in communicating the company's information or in knowing more about the customers. These indirect communications, or communication encounters (Payne et al. 2008), and direct communications, or service encounters (Payne et al. 2008), serve as critical moments of truth which can impact customers' outcomes and are considered necessary for organizational learning and profitability. As rightly summarized by Prahalad and Ramaswamy (2004) p. 11, "in this emerging concept of a market, the focus is squarely on consumer-company interaction and that the roles of the company and the consumer converge".

In line with this notion, Auh et al. (2007) argue that "the product is likely to become less and less finished good and more and more a process" (p. 359). This process-based perspective of co-creation (Grönroos and Voima 2013) places the customer at the point of origin and in the core of the marketing concept. One important aspect of getting customers closer to the company is breaking down the boundaries between producers and consumers and the corresponding fundamental logic of co-creation (Vargo and Lusch 2004; Lusch and Vargo 2006). Exchange as a whole is inseparable from the value creation process (Prahalad and Ramaswamy 2004) and in-

fact consumers are now sometimes referred to as 'prosumers' (Humphreys and Grayson 2008; Xie et al. 2008) as they actively play the role of consumers and producers and produce products for their own consumption. This perspective has an affinity to the concept of the customer being termed as the part-time employee of the organization (e.g. Xie et al. 2008) and as the operant resources which can be employed to create and define value in the consumption process.

Though the value can only be determined ultimately by the end-users (e.g. Vargo and Lusch 2004) consistent with the service-dominant logic, organizations can still play a critical role of value facilitator (e.g. Vargo and Lusch 2004; Grönroos 2008) or sometimes even that of value creator and hence promote value co-creation. Thus, any encounters with the customers serve as critical touchpoints (Gremler 2004) that can be effective in involving and influencing customers. Parties to such touchpoints- organizations, employees, and customers- are hence often advised to co-create the service to ensure greater benefits for both. Since co-creation enables the firm to create personalized offerings for customers, besides the economic motive of reduced costs (Auh et al. 2007), it is imperative to understand the factors which fuel the co-creation process.

Researchers are often advised to explore and gain a deeper understanding of how consumers decide whether to engage in co-creation (Etgar 2008; Grönroos and Voima 2013). Infact, Grönroos and Voima (2013) propose that analyzing customer co-creation from the customer perspective is needed to better understand the nature of co-creation. Similarly, the process of supplier side and customer side co-producing activities in co-creation process has echoed in past research (Payne et al. 2008) but not much has been done on this front. Past research has discussed the consumer factors which positively influence intentions to co-create and how consumers engage in co-production (e.g. Bendapudi and Leone 2003; Payne et al. 2008), there is paucity of research on how the organizational, employee and customer factors,

collectively affect customers' intentions to co-create and has attracted the interest of recent research (e.g. Heinonen et al 2010).

The purpose of this study is to extend the previous literature by examining how the interplay between organizational and employee factors ultimately leads to customers' co-creation behavior. Grounded in social identity theory (Tajfel and Turner 1979; Sen and Bhattarcharya 2001), we argue that both indirect and direct interactions play a crucial role in influencing customers' co-creation behavior. In particular, we propose that customer perceptions of organizations' CSR initiatives and of frontline employees' ethical behavior enhance the customers' identification with the organization and the employee respectively, which ultimately leads to higher customers' intentions to co-create.

Insert Figure 3.1 about here

Our research extends previous work in several ways. First, we contribute to the growing literature on service-dominant logic and co-creation. We argue that the joint efforts of the organization and its employees to affect customers' perceptions can create opportunities to engage customers with the organization. Second, we contribute to the growing literature on the effect of ethics on customer outcomes by blending the literature on ethics and co-creation. We argue that building an ethical environment across the organization has a significant positive impact on customer outcomes. Though past research has considered the effect of ethical perceptions on customer outcomes such as loyalty and satisfaction (e.g. Valenzuela et al. 2010; Bateman and Valentine 2015), we propose that customers' co-creation behavior is an additional

variable which is affected by an organizations' ethical stance. Third, though CSR has been examined in a retailing context in the past research (Bolton and Mattila 2015; Korschun et al. 2014), it has not received much attention within a unified framework assessing organizational and employees' factors. With our conceptual framework, we apply both CSR and ethics to the retailing arena.

This article is organized as follows. First, we provide a brief overview of research related to service dominant logic and co-creation. Second, we develop a conceptual framework which explains how organizations and frontline employees can provide impetus to customers' co-creation behavior. We then explain our data collection approach followed by methodology adopted to empirically test our framework. Finally, we discuss several managerial implications of our research.

MODEL DEVELOPMENT AND HYPOTHESIS

Co-Creation

The service centered view of marketing, termed as service-dominant logic, implicitly implies that marketing is a continuous process that is largely focused on customers as operant resources to enables firms to make better value propositions to the customers (Lusch and Vargo 2004). Service-dominant logic propounds service as the underlying medium of exchange wherein customers are always considered as the co-creator of value (Fundamental Proposition (FP) 6, Vargo and Lusch 2008). Co-creation is defined as "allowing the customer to co-construct the service experience to suit her context" (Prahalad and Ramaswamy 2004, p.8) and consists of two aspects: co-creation of value and co-production. While co-creation of value is an experiential

concept and occurs at the intersection of the service provider and the customer, co-production involves the customer participation in the creation of the core offering itself (Lusch and Vargo 2006; Lusch et al. 2007; Etgar 2008). Yi and Gong (2013) have proposed a multi-dimensional conceptualization of value co-creation behavior wherein it comprises of both co-production and customer extra-role behaviors. We duly acknowledge this distinction and hence we conceptualize co-creation behavior more closely to the definition of customer extra-role behavior and argue that co-creation behaviors are conceptualized as a higher-order construct.

As elaborated earlier, the newly defined role of being active customers rather than a passive member to an exchange requires a shift to a buyer-centric model where consumers become operant resources to act as appliances to the co-creation (Xie et al 2008). Co-creation is a process of integrating and performing resources (FP9 Vargo and Lusch 2004) which require interactions. Similarly, Grönroos (2008) argues that interaction rather than exchange is the fundamental construct in marketing. Interaction is a dialogical process (Ballantyne and Varey 2006) and is defined as the mutual or reciprocal action where two or more parties have an effect upon one another (Grönroos 2011). These interactions serve as communication encounters (Payne et al. 2008) wherein the company can interact with the customers to promote and enact dialogue or as service encounters wherein company comes in direct contact with the service personnel.

Service encounters take place when there is an interaction between the customer and the company. The DART paradigm, proposed by Prahalad and Ramswamy (2004), places dialogue between the customer and the company as central to the practice of value creation and as building blocks for customer-company interactions. Similarly, Grönroos and Voima (2013)

purport that co-creation is a function of interaction and emphasizes the pivotal role of direct interactions for value co-creation opportunities.

Additionally, communication encounters can take place even before the customer directly interacts with the company. Though such encounters are important, as discussed before, past literature has not considered the effect of such encounters on co-creation. Such supplier-side co-creation processes have an extended role in co-creation and should be evaluated to understand the complete co-creation process. As we discuss below, firms' corporate social responsibility (CSR) activities provide an essential communication stage to interact with the customer to potentially influence their intentions to co-create, besides through the direct interactions.

Corporate Social Responsibility and customers' co-creation behavior

Corporate Social Responsibility (hereafter CSR), also known as prosocial corporate endeavors (Murray and Vogel 1997) or even corporate citizenship (Lin et al 2010) is a key relationship enhancing activity (Waddock and Smith 2000) and is not merely "the right thing to do", but also "the smart thing to do" (Smith 2003, p. 52). A growing number of organizations endeavor to engage in CSR related initiatives (Maon and Lindgreen 2015) and CSR has become mainstream in today's corporate world (Bolton and Mattila 2015). Infact, Siegel and Vitaliano (2007) emphasized that the activity of corporate citizenship should be integrated into a firm's differentiation strategy. Customer citizenship is considered necessary for organizations to define their roles in society and adhere to social, ethical and responsible standards (Luo and Bhattarcharya 2006; Maon et al. 2009). CSR also helps attract and retain customers (Sen et al. 2006; Bolton and Mattila 2015). CSR is a multi-faceted construct (Mishra and Modi 2016) and has been defined as either both communal development and welfare, or as meeting stakeholder

obligations (Maignan and Ferrell 2004). We follow the definition taken by a majority of marketing scholars and define CSR as discretionary business practices and contributions of corporate resources intended to improve societal well-being (Kotler and Lee 2005; Korschun et al. 2014).

Though past research has argued that people's reactions to marketplace and CSR is important and affects factors such as product buying intentions (e.g. Sen and Bhattarcharya 2001; Sen et al. 2006), seeking employment (e.g. Greening and Turban 2000), investing in the company (e.g., Sen et al. 2006) or even resiliency to negative information (Du et al. 2007), research has consistently propounded that the effects of CSR on outcomes are multi-dimensional (Sen et al. 2006) and that new perspective should be analyzed in terms of the potential outcomes. In line with this, we argue that CSR perceptions can also affect customers' co-creation behavior.

Additionally, past research has adopted stakeholder theory to determine the effectiveness of CSR where customers are indeed the primary stakeholders of an organization (Homburg et al. 2013) and albeit an important one (Bhattarcharya and Sen 2004). Research has also argued that objective measures of CSR differs from perceptions of the stakeholders such as customers (Bhattarcharya et al. 2009) and by understanding consumer perceptions and reactions to CSR, firms can develop CSR strategies that are optimal from not only a normative perspective but also a business one (Bhattarcharya and Sen 2004). Because customers often engage in sophisticated attribution processes in analyzing CSR (Du et al. 2010) and often account for societal needs, in addition to their own, when determining their relationship with the firms (Handelman and Arnold 1999; Mishra and Modi 2016), we focus on CSR construct as the one which captures the ultimate effectiveness of CSR actions. Following Oberseder et al. (2013), we define customers

perceptions of CSR as one which measures the global assessment of CSR initiatives as perceived by the customers.

Grounded in social identity theory (Tajfel and Turner 1979), people typically go beyond their personal identity to develop a social identity which helps them articulate a sense of themselves. Thus, customers do so by identifying themselves as members of social categories (Bhattacharya and Sen 2003). Customers are more likely to identify with those organizations which they consider a part of their own self and hence leads to customer-company identification which we define as consumers' psychological attachment to a company based on a substantial overlap between their perceptions of themselves and their perceptions of the company (Du et al. 2007). In other words, consumers are more likely to identify with a company when they perceive that it matches with their own sense of who they are and change the reference to "We" versus "I" (Bhattarcharya et al. 2009).

Research has suggested that people's identification with an organization is based on their perceptions of the organizations' perceived identity (Bhattacharya and Sen 2003). CSR communicates firms' values and systems (Turban and Greening 1997; Sen and Bhattacharya 2001) and reveals its identity (Du et al. 2010). Higher perceptions of CSR imply customers share the same concern for the issues and hence can create a feeling of bonding to the firm (Maignan and Ferrell 2004). Because customers account for societal needs, in addition to their own, when determining their relationship with the firms (Handelman and Arnold 1999), customers will identify more with organizations for which they perceive higher CSR efforts. Moreover, when a corporation behaves in a manner that is perceived socially responsible, consumers are likely to infer that it has desirable traits that resonate with their sense of self (Lichtenstein et al. 2004). Hence, we propose the following,

Hypothesis 1: CSR perceptions are positively related to customer-company identification.

Employee's Ethical Behavior and Customers' co-creation behavior

Direct interactions between the customers and the employees are critical touchpoints wherein service providers can influence customers' outcomes. In such direct interactions, customers search for evidence to judge the intangible qualities of the service provider including ethics (Thomas et al. 2002) which are considered as an important part of societal norms (Robertson and Anderson 1993). Though past research has shown that frontline employees ethics' are a key relationship-building instrument (e.g., Hansen and Riggle 2009), there is a dearth of research relating ethics to the customer outcomes. Besides, research has consistently ignored the underlying mechanism through which employees' ethical behavior can potentially affect customers.

Hansen and Riggle (2009) argue that ethics represent a moral code of conduct governing individuals and societies in determining what is right or wrong. These judgments are based on the extent to which the behavior is considered right versus wrong, good versus evil or just versus unjust (Hunt and Vitell 1986). Salespeople who behave in an ethical manner are factual in their communications and promise only what can be delivered. Similarly, people who act in an ethical manner are more effective in building strong customer relationships- their customers are more satisfied with them and have more trust in them. (Hansen and Riggle 2009; Roman and Ruiz 2005). Customer will perceive the ethical behavior of the frontline employee as ethical if it meets or exceeds the ethical norms that are expected by that customer (Thomas et al. 2002). However, Thomas and colleagues also argue that displaying ethical behaviors does not directly affect customers' outcomes. Hence, we consider customers perceptions of employees' ethics and define

customers' perceptions of employee's ethics as the customers' perceptions of being treated just and fair by that employee.

If the employee is perceived as ethical, the buyer will believe that salesperson has a core set of values that consistently guides his or her behavior and can be confident in the belief that the employee can be trusted. Analogous to our discussion about identification with the company, we argue that customers can also identify with the employees they interact with. Customers will perceive the ethical behavior of the employee as ethical if it meets or exceeds the ethical norms that are expected of that customer. Thus, this perception can transpire to the higher definition of bonding with the employee as the employee's now can be treated as an extended part of the self. As discussed before, in accordance with social identity theory, people's identification with a social member is based on their perceptions of that members' identity. Since the ethical behavior of the employee also symbolizes his/her values, customers will develop a feeling of being identified with the employee because of the common interests and values regarding ethical behavior. We call this identification as customer-employee identification and define it as the extent to which the customer senses a degree of sameness or oneness with the employee. Thus, we propose the following,

> *Hypothesis 2: Employee's ethical behavior positively leads to customer-employee identification.*

The moderating role of CSR

We also argue that firms CSR activities and employees' ethical behavior collaboratively enhance their ultimate positive effects. As argued before, CSR is an indirect communication with the

customer while interacting with the employee forms a part of the direct interaction. Because service processes are a continuous process (e.g., Grönroos and Voima 2013), customer's perceptions of the firm, framed due to the exposure to that firm's CSR activities, play a crucial role in determining the ultimate satisfaction within the service encounter. According to the expectation disconfirmation paradigm (Oliver and Swan 1989), if the customers' belief about firms' ethicality are met during the service encounter, they will hold on to their perceptions and hence will lead to positive outcomes such as identification. Similarly, employee's ethical behavior will have higher effects on identification when customers see those ethics in the way firm conducts its business. Hence, we propose the following,

Hypothesis 3: CSR perceptions positively moderates the relationship between employee's ethical behavior and customer-employee identification.

Identification and customer's co-creation behavior

Bhattacharya et al. (2009) define identification as a relationship quality instrument. As identification represents relationship quality, it creates a strong psychological bond with the company and thereby triggering company-benefiting behaviors (Korschun et al. 2014). Identification causes people to become psychologically attached to and care about the organization which motivates them to put more voluntary efforts on its part and interacts cooperatively with the organizational members (Bhattacharya and Sen 2003). Strong customer-company identification leads to strong relationships between the company and the customers and helps the customers satisfy one or more important self-definitional needs (Bhattacharya and Sen 2003). Consumers are more likely to support corporations with which they identify and are willing to provide resources as input to the firm (Maignan and Ferrell 2004). Hence, customers

will be willing to devote their time and knowledge to the organizations they identify with. We capture this will willingness to devote time and knowledge to customers' intentions to co-create. Hence, we propose the following,

> *Hypothesis 4: Customer-company identification positively leads to customers' co-creation behavior.*

Such identification with the employees can lead to potentially employee benefitting behaviors by customers. Expectancy disconfirmation model (Oliver and Swan 1989) suggests that fairness leads to higher amounts of satisfaction among the customers. Similarly, Roman and Ruiz (2005) argue that employees' ethical behavior can play a critical role in the formation and maintenance of long-term relationships (see also Gundlach and Murphy 1993). Hansen and Riggle (2009) posit that customers who perceive employee as more ethical and feel comfortable in sharing their information with the employees. Because co-creation requires customers to share their needs and wants and their desire to contribute their time and knowledge, we argue that customers' perception of employee ethicality can transpire in customers' willingness to co-create the service. This occurs because if the customers believe that they are being treated fairly, this feeling may transpire to the customer willingness in maintaining those relationships. Hence, we propose the following,

> *Hypothesis 5: Customer-employee identification is positively related to co-creation behavior*

METHODOLOGY AND RESULTS

Context: We tested our conceptualized framework within financial services industry. Past research has tested similar constructs in financial services industry as ethics and CSR matters most in these context. Consistent with the past research (e.g., Luo and Bhattarcharya 2006), we selected top rated banks based on FAMA's (Fortune's America's Most Admired) 2005 ratings of financial service organizations. From this list, we selected only retail banks to fit the context of our research on ethics and CSR (e.g., Park et al. 2017). FAMA measures subjective ratings of organizations on CSR and provides ratings ranging from 1 to 10, with 10 as the highest. This technique of assessing ratings are better suited to rank-order organizations than by ranking the organizations based on objective data on CSR (e.g., Luo and Bhattacharya 2006). In addition, past studies have consistently shown evidence of validity and reliability of this data source (Houston and Johnson 2000; McGuire et al. 1988).

Data Collection: To gather empirical support to our hypothesized model in figure 1, we ran a pretest in which survey research was conducted with respondents from AmazonMechanicalTurk who were paid for completing the responses on the survey. To participate in the study, respondents were required to meet the following screening criteria: 1) must be 18 years of age or older, 2) must be a customer of any one of the top five banks identified under FAMA, 3) must have purchased a high involvement product/service from the bank(s), 4) must have been in a relationship with the bank for more than 6 months (Roman and Ruiz, 2005) and 5) must be aware of CSR activities of these banks. The survey was accessed by 1185 respondents but only 52 passed the filter questions and attention check questions providing a pseudo-response rate of 4 %. This response rate is considerably lower than obtained in previous studies but was deemed

sufficient to fit the research needs: pre-test the survey items and obtain some direction of relationships in our conceptual framework. After passing these filter questions, participants responded to our main research constructs. Lastly, they also responded to various demographic questions. Payment to these respondents was made after manually authenticating the quality of responses and analyzing their responses on attention check questions embedded within the survey.

Measures: All the measures in this study were adapted from previous literature and were modified to fit the context of this study. The measure of employee's ethical behavior was adopted from (CR = 0.28; α = 0.89) (e.g., This employee lies about the availability of product and/or service in order to make a sale). These items were reverse-coded for the analysis. The five-item scale of CSR activities (e.g., [This bank] is concerned with local community) was adopted from Diallo and Lambey-Checchin 2017 (see also Lai et al. 2010). This construct displayed sufficient reliability and validity (CR = 0.88; α = 0.83). Customer-company identification (CR = 0.95; α = 0.94) (e.g., I strongly identify with this bank) and customer-employee identification (CR = 0.92; α = 0.90) (e.g., I strongly identify with this employee) were measured using five-item scale from Mael and Ashforth (1992) with modified items to fit the target of identification. Following Yi and Gong (2013), customer co-creation behavior was conceptualized as a second-order reflective construct (CR = 0.91; α = 0.89) with four first order constructs measuring: feedback (e.g., If I have a useful idea on how to improve the employee know), helping (e.g., I assist other customers of this bank if they need my help), advocacy (e.g., I say positive things about this bank and the employee to others) and tolerance (e.g., If service is not delivered as expected, I would be willing to put up with it).

While the majority of the constructs in our pretest exhibited sufficient reliability and validity, the construct of employee's ethical behavior did not. We conducted the main study by collecting data sample from AmazonMechanical Turk with following modifications 1) customers of all banks were allowed to take this survey to increase the response rate to increase the response rate 2) all positively worded items were used to measure employee's ethical behavior. The survey was assessed by 191 respondents providing 60 useable responses based on filter questions and attention check questions, providing a pseudo-response rate of 31 %. As in the previous analysis, we analyzed the discriminant validity and reliability of our constructs. We also included several other covariates for constructs in our model: relationship length, consumer's attitude towards banking industry, consumer's attitude towards sales industry and consumer's CSR awareness.

As before, we assessed the reliability and validity of each construct by assessing composite reliability (CR) and average variance extracted (AVE). Composite reliabilities of all constructs exceeded the 0.70 cutoff, providing evidence of reliability (Fornell and Larcker 1981). Convergent validity was assessed by analyzing the factor loadings. All of the standardized loadings were above 0.50 and significant at $\alpha = 0.01$ providing evidence of convergent validity. The AVE of each multi-item construct exceeded the squared correlation between all pairs involving the construct, providing evidence of discriminant validity (Fornell and Larcker 1981). Correlations between constructs, AVE, CR, descriptive statistics of the constructs are shown in table 3.2.

Insert Table 3.1 and Table 3.2 about here

Common Method Bias: As the data have been obtained from the same source, it is susceptible to common method bias. While statistical tests will not be reliable due to low sample size, we undertook several measures to reduce the influence of common source. 1) 100% of our respondents received an undergraduate or higher degree. This approach is aligned with literature promoting the utilization of highly educated respondents in order to mitigate common method bias risks (Rindfleisch et al. 2008), 2) We measured our constructs using different likert-scales anchoring (Podsakoff et al. 2003). Employee's ethical behavior was measured on a 5 point liker-scale with 1 (never) to 5 (always). Corporate social responsibility and customer co-creation behavior were measured using 5 point likert-scale from 1 being strongly disagree to 5 being strongly agree. Lastly, customer-company identification and customer-employee identification was measured on a 7 point-likert scale (strongly disagree to strongly agree), 3) We counterbalanced the order of the measurement of the predictor and criterion variables in the survey instrument and lastly 4) We used validated, unambiguous and clearly defined items.

Analysis: We empirically tested our model through SmartPLS3.0 (Ringle et al. 2015), which is appropriate for this study for several reasons. First, our sample size is very small and hence does not satisfy "ten times rule of thumb" (MacCallum et al. 1992). Hence, using PLS can provide robust estimates for small sample sizes. Second, constructs in our study were not multivariate normal which is a prerequisite for conducting covariance-based structural equation modeling (CB-SEM). Third, our model included the complex structure of constructs (both second-order and first-order factors) which justifies the use of PLS in our analysis (e.g., Bolander et al. 2015).[i]

We tested our model in a stepwise approach: we first analyzed the measurement (outer) model to check the validity and reliability of our constructs and we then tested the structural

(inner) model. As the last step, we tested an extended model with several covariates as explained below. We also standardized all our variables in the model to reduce the effect of different scales used in measuring the constructs.

Results: Overall, the results of the structural model test partially supports our hypothesized framework. Table 3.3 provides the list of hypothesized relationships and the associated standardized coefficients.

Insert Table 3.3 about here

As shown in the table, CSR perceptions are positively related to customer-company identification ($\beta = 0.62$; $p < 0.001$) supporting H1. H2 was supported as employee's ethical behavior was positively related to customer-employee identification ($\beta = 0.22$; $p < 0.05$). CSR perceptions did not moderate the relationship between employee's ethical behavior and customer-employee identification ($\beta = -0.13$; ns) failing to support H3. Further, customer-company identification and customer-employee identification are positively related to customer co-creation behavior supporting H4 ($\beta = 0.46$; $p < 0.001$) and H5 ($\beta = 0.35$; $p < 0.05$) respectively. We also explored the mediating effect of customer-company identification on CSR → customer co-creation behavior relationship. This indirect effect was significant ($\beta = 0.31$; 95% BCI = 0.13 to 0.55). Further, indirect effect of customer-employee identification on employee's ethical behavior → customer co-creation behavior relationship was significant as well ($\beta = 0.28$; 95% BCI = 0.12 to 0.51).

Extended Analysis- Assessment of Competitive Models: To assess the robustness of the results and explicate the relationships, we tested two competing models. First, we included consumer characteristics (age, gender, education) as control variables to determine their effects on our hypothesized relationships. None of our hypothesized results changed after including these variables. Hence, our results are not likely to be affected by consumer's characteristics. Second, we included several other covariates for constructs in our model. Because past research has shown that attitude towards the industry can affect the relationship between employee's ethical behavior and customer outcomes (e.g., Roman and Ruiz 2005), we included customer's attitude towards the sales industry (CR = 0.87; α = 0.79) (e.g., The sales industry performs a useful function for society) and customer's attitude towards the banking industry (CR = 0.90; α = 0.85) (e.g., banks perform useful function for society) as control variables for customer-employee and customer-company identification respectively. These attitudes were measured on 100 point basis. Further, we controlled for the impact of CSR awareness (CR = 0.92; α = 0.87) (e.g., I have good knowledge about the engagement in the corporate social responsibility of this bank) on customer-bank identification because past research has shown it to impact customer relationships (e.g., Homburg et al. 2013). This scale was measured using 5-point likert-scale from strongly disagree (5) to strongly agree (1). Lastly, we controlled for customer's relationship length (in years) with the bank. Our model relationships were significant after accounting for these control variables.

DISCUSSION

Academic research continues to explore the factors which can enhance customer co-creation behaviors. The aim of this study was to extend the previous research on co-creation by assessing

both direct and indirect communication encounters which take place between the service provider and the customer. As our results show, employee's ethical behavior and organization's CSR activities work synergistically to enhance customer co-creation behavior. While there is no direct relationship between the employee's ethical behavior and customer co-creation and between CSR and customer co-creation, we uncovered that this effect is mediated through customer identification with the employee and with the organization respectively. Moreover, the proposed results of our study also show that organizations should also realize that employees act as CSR ambassadors (Schons et al. 2018) and thus can enhance the positive effect of CSR on customer's relationship with the organization. To our knowledge, this study is the first to examine how direct and indirect forms of communication, separately and jointly, predicts customer's identification and reciprocation in the form of co-creation behavior.

IMPLICATIONS

Our research adds to marketing literature in three key ways. First, this paper significantly contributes to the growing research domain of co-creation. Our focus on ethics, CSR and customer co-creation is a fundamental step towards expanding the domain of co-creation. Research has consistently argued that customer factors such as their ability and motivation (e.g., Dellande et al. 2004; Auh et al. 2007) determine whether customers co-create the service or not. As discussed above, we argue that customers' intentions to co-create can be enhanced by some organizational factors such as CSR perceptions. Because CSR signals the organization's value system, knowledge, and perceptions of such value systems brings customers closer to the organizations as it leads to higher identification with the organization. Similarly, customers' perceptions of employees' behaviors also affect customer outcomes. Because interactions with

the employees constitute an integral aspect of such moments of truth, congruency between values signaled through employees' behavior and those signaled through organizations' CSR activities has a multiplier effect on the identification and hence customers' intentions to co-create.

Second, though the linkage between ethics and co-creation has echoed in the past research (e.g., Neghina et al. 2014), there is a dearth of research relating ethics and co-creation. We contribute to this stream of literature and argue that customers tend to co-create with an organization which functions as a critical member of the society and understands its societal obligations. Besides serving society, FLE of an organization should also behave more ethically and treat customers as just and fair. Research has shown that customers who perceive an interaction process as fair tend to contribute efforts towards the organization (e.g., Auh et al. 2007). Consistent with this logic, ethical behavior of FLE serves as an important signal of justice and fairness and hence can lead to higher customers' intentions to co-create.

Third, we also extend recent research on the dual-identification process (Chan et al. 2017). Past research has argued that customers can hold multiple identities (Yim et al. 2008). We extend this line of thought by including both identification, customers' identification with the employee and with the organization, in our framework to meaningfully extend the holistic framework on customer relationships.

Further, our research also has several important implications for practitioners. First, social relationships with the customer can occur at different levels. Alongside the relationship with the organization, they can also develop relationship with the employee. Managers can leverage these key components to enhance customer co-creation behavior. A few prior studies have shown the effect of employees' behavior on customer's voluntary behaviors (e.g., Chan et

al. 2017); we further extend this research to argue that managers can enhance customers' co-creation by promoting ethical behavior among the employees.

Second, managers should recognize that the effects of CSR on customer co-creation requires deeper relationships with the customers. Thus, promoting customers' identification with the organization and with the employee is the key to enhancing customer co-creation behaviors. This study echoes our basic premise that organizations should be consistent in projecting their positive image. While undertaking CSR activities leads to positive image creation, promoting ethical behavior of employees can also enhance the effects of customer relationships such as identification. Hence, ethical behavior is not only the right thing to do but also has economic advantages by promoting a positive mental model across consumers' minds.

LIMITATIONS AND FUTURE RESEARCH

Although this study sheds lights on interesting phenomenon through which organizations can promote customer co-creation behaviors, we acknowledge few limitations of our study which can provide directions for future research. First, our sample size is extremely small when compared to similar published studies in the marketing domain. Although the sample size is sufficient to meet the preliminary objectives our research, a larger sample size is required to strengthen the applicability of our findings. In relation to this limitation, we also acknowledge that our data is collected from a single source. Notwithstanding that collecting data from customers were required to empirically test our conceptualized framework, a larger sample size can help us statistically check for common method bias which we could not implement in our current study. Second, our data collection was cross-sectional in nature and hence no causal relationships can be established. While cross-sectional studies help in exploratory research

objectives as in our case, a longitudinal dataset will be required to develop causal relations

between the variables. Third, while we analyzed only two immediate outcomes of CSR activity

and employee's ethical behavior, future research should include examinations of other

relationship constructs such as trust, commitment among others.

Figure 3.1- Hypothesized Model

Corporate Social Responsibility Perceptions → H1 (+) → Customer-Company Identification → H4 (+) → Customer's Co-Creation Behavior

Corporate Social Responsibility Perceptions → H3 (+) → Customer-Employee Identification

Employee's Ethical Behavior → H2 (+) → Customer-Employee Identification → H5 (+) → Customer's Co-Creation Behavior

→ Hypothesized Relationships

--------→ Non-Hypothesized Relationships

CONTROLS
Age
Length of Relationship
Attitude towards the Banking Industry
Attitude towards the Sales Industry
CSR Awareness

121

Table 3.1. Items and Constructs	Factor Loadings
Employee's Ethical Behavior (Roman and Ruiz 2005)	
This employee never lies about availability in order to make a sale.	0.84
This employee never lies about competition in order to make the sale.	0.87
This employee never gives answers when he/she does not really know the answers.	0.85
This employee never applies sales pressure even though he/she knows the product is not right for me.	0.84
This employee never paints rosy pictures of the products to make them sound as good as possible.	0.84
Corporate Social Responsibility (CSR) Perceptions (Diallo and Lambey-Checchin 2015; Lai et al. 2010)	
[Name of the bank] is concerned with local community.	0.84
[Name of the bank] is very concerned with environment protection.	0.85
[Name of the bank] is very concerned with buyer's benefits.	0.85
[Name of the bank] is very concerned with the rights of female and disabled employees.	0.81
[Name of the bank] actively participates in social initiatives.	0.84
Customer-Company Identification (Mael and Ashforth 1992)	
I strongly identify with this bank.	0.88
I feel good about being a customer of this bank.	0.91
I like to tell others that I am a customer of this bank.	0.92
This bank fits me well.	0.92
I feel attached to this bank.	0.83
Customer-Employee Identification (Mael and Ashforth 1992)	
I strongly identify with this employee.	0.90
I feel good to be a customer of this employee.	0.87
I like to tell others that I am a customer of this employee.	0.92
This employee fits me well.	0.92
I feel attached to this employee.	0.89
Customer Co-creation Behavior (Yi and Gong 2013)	
Feedback	
If I have a useful idea on how to improve service, I let the employee know.	0.80
When I receive good service from the employee, I comment about it.	0.75
When I experience a problem, I let the employee know about it.	0.80
Advocacy	
I say positive things about [name of the bank] and the employee to others.	0.95
I recommend [name of the bank] and the employee to others.	0.95
I encourage friends and relatives to use [name of the bank].	0.96
Helping	
I assist other customers if they need my help.	0.92
I help other customers if they seem to have problems.	0.94
I teach other customers to use the product/service correctly.	0.92
I give advice to other customers.	0.94
Tolerance	
If service is not delivered as expected, I would be willing to put up with it.	0.77
If [name of the bank]'s employee makes a mistake during a service delivery, I would be willing to be patient.	0.92
If I have to wait longer than I normally expected to receive the service, I would be willing to adapt.	0.84

Table 3.1 contd..	Factor Loadings
Attitudes towards the Banking Industry (Roman and Ruiz 2005)	
Banks perform a useful function for society.	0.87
I do not dislike banks.	0.77
My image of banks is positive.	0.93
Attitudes towards the Sales Industry (Roman and Ruiz 2005)	
The sales industry perform a useful function for society.	0.85
I do not dislike the sales industry.	0.82
My image of the sales industry is positive.	0.95
Corporate Social Responsibility Awareness (Homburg et al. 2013)	
I have good knowledge about the engagement in corporate social responsibility of [name of the bank].	0.83
I learn often about the engagement in corporate social responsibility of [name of the bank].	0.81
I can easily evaluate the engagement in corporate social responsibility of [name of the bank].	0.87

Table 3.2: Correlations, Means, Standard Deviations and AVE

	M	SD	1	2	3	4	5	6	7	8	9	10
CSR perceptions (1)	3.47	0.92	**0.71**									
Employee's ethical behavior (2)	3.45	1.05	0.53***	**0.72**								
Customer-company identification (3)	4.99	1.45	0.80***	0.51***	**0.80**							
Customer-employee identification (4)	3.40	1.04	0.73***	0.47***	0.79***	**0.81**						
Customer co-creation behavior (5)	3.47	0.83	0.71***	0.34**	0.74***	0.71***	**0.52**					
CSR awareness (6)	3.77	0.69	0.36**	0.22*	0.23*	0.32**	0.51***	**0.70**				
Customer's attitude towards banking industry (7)	65.42	24.02	0.62***	0.40**	0.66***	0.63***	0.51***	0.13	**0.73**			
Customer's attitude towards sales industry (8)	60.27	24.93	0.63***	0.34**	0.67***	0.61***	0.61***	0.19	0.84***	**0.76**		
Age (9)	37.33	9.73	-0.14	-0.22*	-0.23*	-0.26*	-0.22*	-0.07	0.00	-0.04		
Length of relationship (10)	8.65	6.73	-0.13	-0.09	-0.07	-0.17	-0.17	-0.13	-0.02	0.04	0.52***	--
Cronbach's alpha	--	--	0.90	0.90	0.94	0.94	0.92	0.79	0.82	0.84	--	--
Composite reliability	--	--	0.92	0.93	0.95	0.96	0.93	0.88	0.89	0.91	--	--

Significance Levels (two-tailed): *** $p < 0.001$; ** $p < 0.05$; * $p < 0.10$. AVE of each construct appear in boldface on the diagonal of the correlation matrix.

CSR: corporate social responsibility

Table 3.3: Hypothesized Results

Relationships	Std. Coefficients	T-values	Result
Controls			
CSR awareness → Customer-company identification	-0.04	0.38	--
Customer's attitude towards banking industry→ Customer-company identification	0.27	2.61**	--
Customer's attitude towards sales industry→ Customer-employee identification	0.66	8.49***	--
Age → Customer-company identification	-0.19	2.66**	--
Age → Customer-employee identification	-0.14	1.41*	--
Age → Customer co-creation behavior	0.03	0.04	--
Length of relationship → Customer-company identification	0.12	1.29*	--
Length of relationship → Customer-employee identification	0.02	0.21	--
Length of relationship → Customer co-creation behavior	-0.18	1.72**	--
Hypothesized Relationships			
H1: CSR perceptions → Customer-company identification	0.62	6.55***	Supported
H2: Employee's ethical behavior → Customer-employee identification	0.22	2.64**	Supported
H3: Employee's ethical behavior X CSR perceptions → Customer-employee identification	-0.13	0.85	Not Supported
H4: Customer-company identification → Customer co-creation behavior	0.46	3.83***	Supported
H5: Customer-employee identification → Customer co-creation behavior	0.35	2.87**	Supported
Non-Hypothesized Relationships			
CSR perceptions → Customer co-creation behavior	0.23	1.43*	--
Employee's ethical behavior → Customer co-creation behavior	-0.12	1.09	--

Significance Levels (Two-tailed): *** $p < 0.001$; ** $p < 0.05$; * $p < 0.10$.

ENDNOTE

4.1. Citation style for Journal of Business Ethics has been used across this chapter.

4.2. It is also important to note that PLS-SEM results provides as good estimates as CB-

SEM (e.g., Bolander et al. 2015, Hair et al. 2014).

REFERENCES

Auh, S., Bell, S. J., McLeod, C. S., & Shih, E. (2007). Co-production and customer loyalty in financial services. *Journal of Retailing, 83*(3), 359-370.

Ballantyne, D., & Varey, R. J. (2006). Creating value-in-use through marketing interaction: The exchange logic of relating, communicating and knowing. *Marketing Theory, 6*(3), 335-348.

Bateman, C., & Valentine, S. (2015). The impact of salesperson customer orientation on the evaluation of a salesperson's ethical treatment, trust in the salesperson, and intentions to purchase. *Journal of Personal Selling & Sales Management, 35*(2), 125-142.

Bendapudi, N., & Leone, R. P. (2003). Psychological implications of customer participation in co-production. *Journal of Marketing, 67*(1), 14-28.

Bhattacharya, C., Korschun, D., & Sen, S. (2009). Strengthening stakeholder–company relationships through mutually beneficial corporate social responsibility initiatives. *Journal of Business Ethics, 85*(2), 257-272.

Bhattacharya, C. B., & Sen, S. (2004). Doing better at doing good: When, why, and how consumers respond to corporate social initiatives. *California Management Review, 47*(1), 9-24.

Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationships with companies. *Journal of Marketing, 67*(2), 76-88.

Bolander, W., Satornino, C. B., Hughes, D. E., & Ferris, G. R. (2015). Social networks within

    sales organizations: Their development and importance for salesperson performance.

    Journal of Marketing, 79(6), 1-16.

Bolton, L. E., & Mattila, A. S. (2015). How does corporate social responsibility affect consumer

    response to service failure in buyer–seller relationships? *Journal of Retailing, 91*(1), 140-

    153.

Chan, K. W., Gong, T., Zhang, R., & Zhou, M. (2017). Do employee citizenship behaviors lead

    to customer citizenship behaviors? the roles of dual identification and service climate.

    Journal of Service Research, 20(3), 259-274.

Dellande, S., Gilly, M. C., & Graham, J. L. (2004). Gaining compliance and losing weight: The

    role of the service provider in health care services. *Journal of Marketing, 68*(3), 78-91.

Diallo, M. F., & Lambey-Checchin, C. (2017). Consumers' perceptions of retail business ethics

    and loyalty to the retailer: The moderating role of social discount practices. *Journal of*

    Business Ethics, 141(3), 435-449.

Du, S., Bhattacharya, C. B., & Sen, S. (2007). Reaping relational rewards from corporate social

    responsibility: The role of competitive positioning. *International Journal of Research in*

    Marketing, 24(3), 224-241.

Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social

    responsibility (CSR): The role of CSR communication. *International Journal of*

    Management Reviews, 12(1), 8-19.

Etgar, M. (2008). A descriptive model of the consumer co-production process. *Journal of the Academy of Marketing Science, 36*(1), 97-108.

Fortune (2005). "America's Most Admired Companies," (March 7), 68.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research,* 18(1) , 39-50.

Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & Society, 39*(3), 254-280.

Gremler, D. D. (2004). The critical incident technique in service research. *Journal of Service Research, 7*(1), 65-89.

Grönroos, C. (2008). Service logic revisited: Who creates value? and who co-creates? *European Business Review, 20*(4), 298-314.

Grönroos, C. (2011). Value co-creation in service logic: A critical analysis. *Marketing Theory, 11*(3), 279-301.

Grönroos, C., & Voima, P. (2013). Critical service logic: Making sense of value creation and co-creation. *Journal of the Academy of Marketing Science, 41*(2), 133-150.

Gundlach, G. T., & Murphy, P. E. (1993). Ethical and legal foundations of relational marketing exchanges. *The Journal of Marketing,* 57(October), 35-46.

Handelman, J. M., & Arnold, S. J. (1999). The role of marketing actions with a social dimension: Appeals to the institutional environment. *The Journal of Marketing,* 63 (July), 33-48.

Hansen, J. D., & Riggle, R. J. (2009). Ethical salesperson behavior in sales relationships. *Journal of Personal Selling & Sales Management, 29*(2), 151-166.

Hayes, Andrew F. 2012. PROCESS: A Versatile Computational Tool for Observed Variable Mediation, Moderation, and Conditional Process Modeling. Ohio State University: White Paper. Available at www.afhayes.com/public/process2012.pdf

Heinonen, K., Strandvik, T., Mickelsson, K., Edvardsson, B., Sundström, E., & Andersson, P. (2010). A customer-dominant logic of service. *Journal of Service Management, 21*(4), 531-548.

Homburg, C., Stierl, M., & Bornemann, T. (2013). Corporate social responsibility in business-to-business markets: How organizational customers account for supplier corporate social responsibility engagement. *Journal of Marketing, 77*(6), 54-72.

Humphreys, A., & Grayson, K. (2008). The intersecting roles of consumer and producer: A critical perspective on Co-production, Co-creation and prosumption. *Sociology Compass, 2*(3), 963-980.

Hunt, S. D., & Vitell, S. (1986). A general theory of marketing ethics. *Journal of Macromarketing, 6*(1), 5-16.

Houston, M, & Shane J. (2000). "Buyer-Supplier Contracts Versus Joint Ventures: Determinants and Consequences of Transaction Structure," Journal of Marketing Research, 37 (February), 1-15.

Korschun, D., Bhattacharya, C. B., & Swain, S. D. (2014). Corporate social responsibility, customer orientation, and the job performance of frontline employees. *Journal of Marketing, 78*(3), 20-37.

Kotler, P., & Lee, N. (2005). Best of breed: When it comes to gaining a market edge while supporting a social cause,"corporate social marketing" leads the pack. *Social Marketing Quarterly, 11*(3-4), 91-103.

Lai, C., Chiu, C., Yang, C., & Pai, D. (2010). The effects of corporate social responsibility on brand performance: The mediating effect of industrial brand equity and corporate reputation. *Journal of Business Ethics, 95*(3), 457-469.

Lichtenstein, D. R., Drumwright, M. E., & Braig, B. M. (2004). The effect of corporate social responsibility on customer donations to corporate-supported nonprofits. *Journal of Marketing, 68*(4), 16-32.

Lin, C., Lyau, N., Tsai, Y., Chen, W., & Chiu, C. (2010). Modeling corporate citizenship and its relationship with organizational citizenship behaviors. *Journal of Business Ethics, 95*(3), 357-372.

Luo, X., & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfaction, and market value. *Journal of Marketing, 70*(4), 1-18.

Lusch, R. F., & Vargo, S. L. (2006). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory, 6*(3), 281-288.

Lusch, R. F., Vargo, S. L., & O'Brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing, 83*(1), 5-18.

MacCallum, R. C., Roznowski, M., & Necowitz, L. B. (1992). Model modifications in covariance structure analysis: The problem of capitalization on chance. *Psychological Bulletin*, 111(3), 490–504.

Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *Journal of Organizational Behavior, 13*(2), 103-123.

Maignan, I., & Ferrell, O. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science, 32*(1), 3-19.

Maon, F., & Lindgreen, A. (2015). Reclaiming the child left behind: The case for corporate cultural responsibility. *Journal of Business Ethics, 130*(4), 755-766.

Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics, 87*(1), 71-89.

McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance. *Academy of management Journal*, *31*(4), 854-872.

Mishra, S., & Modi, S. B. (2016). Corporate social responsibility and shareholder wealth: The role of marketing capability. *Journal of Marketing, 80*(1), 26-46.

Murray, K. B., & Vogel, C. M. (1997). Using a hierarchy-of-effects approach to gauge the

    effectiveness of corporate social responsibility to generate goodwill toward the firm:

    Financial versus nonfinancial impacts. *Journal of Business Research, 38*(2), 141-159.

Neghina, C., Caniëls, M. C., Bloemer, J. M., & van Birgelen, M. J. (2014). Value cocreation in

    service interactions dimensions and antecedents. *Marketing Theory,* 15(2), 221-242.

Öberseder, M., Schlegelmilch, B. B., & Murphy, P. E. (2013). CSR practices and consumer

    perceptions. *Journal of Business Research, 66*(10), 1839-1851.

Oliver, R. L., & Swan, J. E. (1989). Consumer perceptions of interpersonal equity and

    satisfaction in transactions: A field survey approach. *The Journal of Marketing,* 53 (April),

    21-35.

Park, E., Kim, K. J., & Kwon, S. J. (2017). Corporate social responsibility as a determinant of

    consumer loyalty: An examination of ethical standard, satisfaction, and trust. *Journal of*

    Business Research, 76, 8-13. doi: http://dx.doi.org/10.1016/j.jbusres.2017.02.017

Payne, A. F., Storbacka, K., & Frow, P. (2008). Managing the co-creation of value. *Journal of*

    the Academy of Marketing Science, 36(1), 83-96.

Podsakoff, P. M., MacKenzie, S. B., Lee, J., & Podsakoff, N. P. (2003). Common method biases

    in behavioral research: A critical review of the literature and recommended remedies.

    Journal of Applied Psychology, 88(5), 879.

Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value

    creation. *Journal of Interactive Marketing, 18*(3), 5-14.

Rindfleisch, A., Malter, A. J., Ganesan, S., & Moorman, C. (2008). Cross-sectional versus longitudinal survey research: Concepts, findings, and guidelines. *Journal of Marketing Research, 45*(3), 261-279.

Ringle, Christian M., Sven Wende, and Jan-Michael Becker. (2015). "SmartPLS 3 Bönningstedt: SmartPLS." Retrieved from http://www.smartpls.com.

Robertson, D. C., & Anderson, E. (1993). Control system and task environment effects on ethical judgment: An exploratory study of industrial salespeople. *Organization Science, 4*(4), 617-644.

Roman, S., & Ruiz, S. (2005). Relationship outcomes of perceived ethical sales behavior: The customer's perspective. *Journal of Business Research, 58*(4), 439-445.

Schons, L. M., Lengler-Graif, L., Scheidler, S., & Wieseke, J. (2018). Frontline employees as corporate social responsibility (CSR) ambassadors: A quasi-field experiment. Journal of Business Ethics. https://doi.org/10.1007/s10551-018-3790-9.

Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? consumer reactions to corporate social responsibility. *Journal of Marketing Research, 38*(2), 225-243.

Sen, S., Bhattacharya, C. B., & Korschun, D. (2006). The role of corporate social responsibility in strengthening multiple stakeholder relationships: A field experiment. *Journal of the Academy of Marketing Science, 34*(2), 158-166.

Siegel, D. S., & Vitaliano, D. F. (2007). An empirical analysis of the strategic use of corporate social responsibility. *Journal of Economics & Management Strategy, 16*(3), 773-792.

Smith, N. C. (2003). Corporate social responsibility: Whether or how? *California Management Review, 45*(4), 52-76.

Tajfel, H., & Turner, J. C. (1979). An integrative theory of intergroup conflict. In W. G. Austin & S. Worchel (Eds.), The social psychology of intergroup relations (pp. 33–47). Monterey, CA: Brooks-Cole

Thomas, J. L., Vitell, S. J., Gilbert, F. W., & Rose, G. M. (2002). The impact of ethical cues on customer satisfaction with service. *Journal of Retailing, 78*(3), 167-173.

Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal, 40*(3), 658-672.

Valenzuela, L. M., Mulki, J. P., & Jaramillo, J. F. (2010). Impact of customer orientation, inducements and ethics on loyalty to the firm: Customers' perspective. *Journal of Business Ethics, 93*(2), 277-291.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing, 68*(1), 1-17.

Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science, 36*(1), 1-10.

Waddock, S., & Smith, N. (2000). Relationships: The real challenge of corporate global citizenship. *Business and Society Review, 105*(1), 47-62.

Xie, C., Bagozzi, R. P., & Troye, S. V. (2008). Trying to prosume: Toward a theory of

consumers as co-creators of value. *Journal of the Academy of Marketing Science, 36*(1),

109-122.

Yi, Y., & Gong, T. (2013). Customer value co-creation behavior: Scale development and

validation. *Journal of Business Research, 66*(9), 1279-1284.

Yim, C. K., Tse, D. K., & Chan, K. W. (2008). Strengthening customer loyalty through intimacy

and passion: Roles of customer–firm affection and customer–staff relationships in services.

Journal of Marketing Research, 45(6), 741-756.

CHAPTER 5[5.1]

CONCLUSION

Maintaining strong relationships with the customers is a source of competitive advantage (Morgan & Hunt, 1999) and organizations are investing billions of dollars to strengthen their relationships with the customers (Zhang, Watson, Palmatier & Dant, 2016). In addition, a new theory, called as expanded relationship marketing, has been introduced which stresses the important role of customer engagement. The focus of this dissertation was to contribute to this new expanded relationship marketing approach (Vivek, Beatty & Morgan, 2012). Through three-essays, this dissertation contributes to the emerging domain of customer engagement and analyzes the role of organizational frontline employees in driving engagement behaviors.

Three essays were presented in which literature was comprehensively reviewed and empirical strategies provided that can enhance understanding of customer engagement behaviors. As shown in chapter 2, we conceptualized the customer engagement construct along a relationship continuum wherein we proposed that customer engagement can be defined as both a psychological state (e.g., Brodie, Hollebeek, Jurić, B. & Ilić, 2011; Vivek et al. 2012) and a behavior (e.g., Kumar et al. 2010; Van Doorn et al. 2010). Applying insights from relationship marketing theory (Morgan & Hunt, 1994) and service-dominant logic (Vargo & Lusch, 2004), we examined the relationships between different relational constructs. Specifically, we propose that satisfaction, co-production, and involvement lead to customer engagement as a psychological state which leads to behaviors through trust, commitment and loyalty. In addition,

we also demonstrate that customer engagement behavior is similar to customer co-creation behavior (Yi & Gong, 2013), with both defined as voluntary behaviors of the customers toward the firm arising out of motivational drivers (Van Doorn et al., 2010) and those which happen after the transaction has taken place (Dong & Sivakumar, 2017).

Chapter 3 discusses the influential role of salespersons' social capital (Bolander et al. 2015; Williams 2006) in driving customer engagement behaviors (Kumar et al. 2010). Salespersons' social capital, comprising of bridging social capital and bonding social capital, enhances competitive intelligence (Rapp, Agnihotri & Baker, 2015) which affects customer engagement behaviors through information communication (Ahearne, Jelinek & Jones, 2007) and customer loyalty (Zeithaml, Berry & Parasuraman 1996).

Lastly, in chapter 4, we proposed a conceptual framework to analyze co-creation behavior (Yi & Gong, 2013) through an ethical lens. We proposed that employee's ethical behavior (Roman & Ruiz, 2005) and corporate social responsibility (CSR) (Lai, Chiu, Yang & Pai, 2010) perceptions enhance customer co-creation behavior through the identification mechanism. Grounded in social identity theory (Mael & Ashforth, 1992), employee's ethical behavior increases customer-employee identification and CSR perceptions enhance customer-company identification, both of which lead to higher customers' intentions to co-create.

With recent calls being made to better understand customer engagement, this dissertation is an attempt to contribute to this research domain by providing a conceptual framework and empirical analysis. This dissertation provides managers specific insights on the role of organizational frontline employees as a resource to enhance engagement and make customers 'advocate' of the organizations. While we believe this dissertation offers tremendous contributions to both academia and practitioners, we only focused on the positive aspect of

customer engagement. Future researchers can extend our framework to include negative

engagement behaviors to further aid in the development of an engagement marketing theory.

ENDNOTE

5.1. American Psychological Association (APA) 6th edition reference style has been used across this chapter.

REFERENCES

Ahearne, M., Jelinek, R., & Jones, E. (2007). Examining the effect of salesperson service behavior in a competitive context. *Journal of the Academy of Marketing Science*, *35*(4), 603-616.

Bolander, W., Satornino, C. B., Hughes, D. E., & Ferris, G. R. (2015). Social networks within sales organizations: Their development and importance for salesperson performance. *Journal of Marketing* 79 (6), 1-16.

Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of Service Research, 14*(3), 252-271.

Dong, B., & Sivakumar, K. (2017). Customer participation in services: Domain, scope, and boundaries. *Journal of the Academy of Marketing Science, 45*(6), 944-965.

Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T., & Tillmanns, S. (2010). Undervalued or overvalued customers: Capturing total customer engagement value. *Journal of Service Research*, 13(3), 297-310.

Lai, C., Chiu, C., Yang, C., & Pai, D. (2010). The effects of corporate social responsibility on brand performance: The mediating effect of industrial brand equity and corporate reputation. *Journal of Business Ethics, 95*(3), 457-469.

Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the

   reformulated model of organizational identification. *Journal of Organizational Behavior,*

   13(2), 103-123.

Morgan, R. M., & Hunt, S. (1999). Relationship-based competitive advantage: the role of

   relationship marketing in marketing strategy. *Journal of Business Research*, *46*(3), 281-

   290.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing.

   The Journal of Marketing, 58(July), 20-38.

Rapp, A., Agnihotri, R., & Baker, T. L. (2015). Competitive intelligence collection and use by

sales and service representatives: how managers' recognition and autonomy moderate individual

performance. *Journal of the Academy of Marketing Science*, *43*(3), 357-374.

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010).

   Customer engagement behavior: Theoretical foundations and research directions. *Journal*

   of Service Research, 13(3), 253-266.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of*

   Marketing, 68(1), 1-17.

Vivek, S. D., Beatty, S. E., & Morgan, R. M. (2012). Customer engagement: Exploring customer

   relationships beyond purchase. *Journal of Marketing Theory and Practice*, 20(2), 122-

   146.

Williams, D. (2006). On and off the'Net: Scales for social capital in an online era. *Journal of Computer‑Mediated Communication*, 11 (2), 593-628.

Yi, Y., & Gong, T. (2013). Customer value co-creation behavior: Scale development and validation. *Journal of Business Research, 66*(9), 1279-1284.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing,* 60 (April), 31-46.

Zhang, J. Z., Watson IV, G. F., Palmatier, R. W., & Dant, R. P. (2016). Dynamic relationship marketing. *Journal of Marketing*, 80(5), 53-75.