CHAPTER – I

INTRODUCTION

CONTENTS:

1.1 Introduction
1.2 Review of Literature
1.3 Statement of the Problem
1.4 Relevance of the Study
1.5 Objectives of the Study
1.6 Scope of the Study
1.7 Conceptual Framework
1.8 Research Design and Methodology of the Study
1.9 Chapter Scheme
Reference
CHAPTER-1
INTRODUCTION

This chapter highlights Review of literature; Statement of the problem; Relevance of the study; Objectives of the study; Scope of the study; Conceptual framework; Research design and methodology of the study; and Chapters scheme.

1.1 INTRODUCTION

In today's progressively more competitive business atmosphere, most of the companies face a two-fold dilemma, i.e., in many product and service categories, and are recognizing the need to foster interaction with their customers. Despite the importance of sustained customer's relationship, many companies still are following ad-hoc approach to manage and retain their customers where the high risk factor is associated. As the customers' experience is the key to make or break of their self decision to purchase from and stay loyal to particular brands/companies, companies need to look beyond meeting customer's basic expectations rather to engage them in a deeply committed and passionate relationship, create a sense of belongingness among the customers/consumers, provides social platform for easy interaction among the customers and between the company and customers as well. Building personal two-way relationship with customers aims to create and maintain competitive advantage. Increasingly, executives are finding that the winning differentiator is no longer the product or the price, but the level of engagement-the degree to which a company succeeds in creating an intimate long-term relationship with the customer or external stakeholders. Although the term "Engagement" is sometimes used to describe customer marketing, loyalty, satisfaction and retention practices, companies are now realizing that engagement also is a more strategic way of looking at customer or stakeholders relationships (Verhoef et al., 2010).

The engagement concept has its roots in a variety of parent disciplines including (social) psychology and organizational behaviour (May et al., 2004). Engagement has also been found to enhance morale, cohesion and rapport via psychological “contagion process” (Salanova et al., 2005). Customer engagement is a “psychological process that models the underlying mechanism by which customer loyalty forms for new customers of a service brand as well as the mechanism by which loyalty may be maintained for repeat purchase customers of a service brand” (Bowden,2009,b). The importance of engaging the consumer has been recognized in the existing literature. Several themes emerge from the existing
literature on customer engagement. First, customer engagement has been recognized as an emotional connection between a company and its customers (Rieger & Kamins, 2006). Second, customer engagement is focused on interaction with and participation of customers (Wagner & Majchrzak 2007; Nambisan, 2002). Third, knowledge exchanges with and between customers are the key to engaging customers. Information and communication technologies are providing great opportunities for organizations to exchange knowledge and engage with the customer (Erat et al., 2006; Joshi & Sharma, 2004). Fourth, the existing literature suggests certain antecedents and outcomes of customer engagement. Organizational processes, enabling technologies, goal alignment with customers, organizational monitoring processes, and the different roles customers want to take affect the extent to which customer can be engaged (Wagner & Majchrzak 2007; Bakker et al., 2007; Nambisan, 2002). Moreover, businesses are primarily engaging customers into the product development life-cycles, involving customers in product and process innovations.

An extensive study of the available literature identified the research gap in the mentioned context and creates the demand and interest to pertain customer engagement study in fast moving consumer goods (FMCG) sector. The present study is an attempt to investigate the customer engagement practices followed by selected fast moving consumer goods companies over personal care product category in India. The study further aspires to develop a customer engagement framework (model) suitable for Indian market. As of now, no such scholarly studies have been reported especially for the fast moving consumer goods (FMCG) sector in India. Therefore, the present study has affirmative relevance for a systematic investigation.

1.2 REVIEW OF LITERATURE

There are a good number of literatures on different aspect of consumer behaviour, particularly on consumer/customer perception, customer satisfaction, brand loyalty, customer relationship management, brand equity, brand building and customer engagement as well. Recent consumer behavior research concentrating on how information about a product influences attributions, how the discounting effect influences liking for products, and how self-perception processes influence willingness to participate in marketing research. Research examining consequences of causal inferences focus on product satisfaction. Nowadays, repurchase intention depends on perceived value, brand preference and customer satisfaction. In today’s competitive and technologically advanced marketing environment customers’ retention and their commitment to the brand as well as the companies depends upon the level of engagement. In this context, long term strategic approach is beneficial and the companies and marketers should follow the same. Though importance of engaging the consumer has
been recognized in the existing literature, very few systematic or empirical as well as conceptual studies were outlined in this respect. The extensive review of the existing literature confirmed that there is dearth of relevant studies relating to the research questions set for the present study. A review of the existing studies relating to the customer engagement is highlighted below:

**Patterson et al. (2006)** in the study, “Understanding Customer Engagement in Services”, aims to establish a conceptual understanding of customer engagement, drawing from management, marketing, applied psychology literature and marketing practitioners’ views, an initial definition was formed. The study further states that customer engagement is conceived as a high-order construct which consists of four components, namely, Vigor, dedication, absorption and interaction. In the study the researcher distinguished customer engagement from eight similar existing marketing construct (i.e., Perceived service quality, flow rapport, personalization, relationship closeness, relationship quality, customer participation and relationship branding) and in doing so specify the domain of engagement.

**Whelan & Wohlfeil (2006)** in the study of Communicating Brands through engagement with lived experiences demonstrates the nature, scope and benefits of event marketing in differentiating and enhancing customer- brand relationship in relation to a German University by using a participatory case study method. The study concludes that event-marketing facilitates customer engagement with the brand through informal dialogues and personal first-hand brand experiences.

**Barth (2007)** tried to show that new-style retail wine stores with features such as tasting rooms, lecture theatres and demonstration kitchens used to educate and engage customers have better retail efficiency than old-style stores. The study concluded that – All the new-build stores had higher retail efficiency than the older stores, and input reductions in older stores were unlikely to bring their performance up to the level of the new store concepts. While it is clear that the new store features (tasting rooms, seminars, cooking demonstrations, etc.) increase retail efficiency, it remains to know the contribution of each of feature to the improvement in retail performance.

**Ghuneim, (2008)** in the study “Terms of Engagement: Measuring the Active Consumer” state that Engagement is important as it can lead to web traffic, CRM, sales, and brand loyalty. These outcomes can be directly attributed to time spent and subsequent actions with a product’s message, related media, and the Web 2.0 applications in which they are communicated. The ability of marketing to engage and endear consumers will ultimately determine whether a user digs deeper and/or engages friends. The study further states that in
order to measure these factors, it might be beneficial to begin with Web 2.0 services such as social networks and media sites. The functionality of these applications is ideal for generating data surrounding engagement activity. Engagement must be understood by type, and the value associated with each in terms of ultimate adoption, sales, and brand loyalty. The study concluded that once product owners understand the value of each type of engagement in their industries of play, they will know how to best market their products. By creating milestones and targets of user involvement in each application, performance can be measured actively and strategies can be altered during a campaign to meet ultimate goals. This creates the need for an owner to understand their marketplace and related Web 2.0 applications. Additionally, they must possess the capabilities to measure presence across related applications over time and the ability to enact marketing that will achieve desired results.

**Bowden (2009a)** in her study states that Customer-brand relationships do not just exist, they develop over time and through multiple service experiences, yet the literature typically discusses customer-brand relationships as being a largely static phenomenon. Very limited attention has been given over to the service evaluation processes of customers who are new to a service brand, as compared to customers who are experienced with the service brand. Research additionally continues to rely on the historically dominant customer satisfaction paradigm as the most effective method with which to evaluate service experiences at the expense of other relational mediators such as involvement, calculative commitment, affective commitment, and trust. This limits the extent to which a more complete and dynamic understanding of the nature of customer-brand relationships and the processes by which engagement with the brand and ultimately loyalty to the brand may be fostered for customers in different consumption stages. A phenomenological investigation into the process of customer engagement, as revealed through customers’ restaurant dining experiences, is presented to examine these issues. The data for this study was provided by five focus groups and nine in-depth interviews. The results of the study indicate that the role of relational mediators differs across new and repeat purchase segments of customers. These findings have important implications for the management of customer-brand relationships amongst different customer segments and for the development of operational strategies to improve service provision within the restaurant industry. The potentially significant predictive power of customer engagement to loyalty is thus starting to become documented in the literature, albeit so far largely restricted to conceptual relationships.
The marketing literature broadly suggests customer value as a key antecedent to loyalty, which may be conceptualized using a cost/benefit evaluation (Zeithaml, 1988) where costs include those purchase-related (non-)monetary perceived costs (e.g. time, effort). Perceived levels of customer value, constituting overall brand-related experience (Brakus et al., 2009), are thought to represent important drivers of customer loyalty, which may be affected substantially by relevant customer engagement levels. Customer engagement is thus expected to be important in explaining and/or predicting customer experience, perceived value and/or loyalty outcomes.

**Bowden (2009b)** in the study Customer Engagement: A Framework for assessing Customer-Brand Relationships: The case of Restaurant Industry stated that customer brand relationships do not just exist, they develop over time and through multiple service experiences. The analysis generated three central insights into the existence, nature and process of customer engagement; (i) Customer brand relationships appear to progress in reasonably predictable patterns from being largely calculative evaluation of new restaurant brand towards more affectively driven evaluations of a restaurant brand as customer experience increases, (ii) it is the deeply entrenched emotional bonds within a brand-relationship that ultimately drive repeat patronage and (iii) Satisfaction is subsequently a necessary but not sufficient condition for the formation of strong emotional bonds. The study further suggests that new customers to a brand rely more heavily on aspects of the service that are relatively tangible and are subsequently easier to evaluate. In particular new customers were found to focus on establishing an instrumental evaluation of the utility provided by the service experience. Repeat customers on the other hand were found to be more relying on an evaluation of relatively intangible aspects of the service experience which are typically more difficult to evaluate in that they are experience dependent.

**Reyna (2010)** in his study outlined that engaged customers are the most valuable asset of any organization which assured a business of sustained and profitable growth. Engaged customers are the first who will continue to repurchase the product, for which they are loyal, and the most likely to recommend other people also. The study further states that the goal of a company is not just to generate sales but bring in loyal and engaged customers.

**Singh & Kumar (2010)** in the study, “Customer Engagement: New Key Metric of Marketing”, emphasizing on Customer Engagement through the effective implementation and practice of Web 2.0. To give the whole picture of Customer Engagement, conceptual part, researched recently, is discussed in the form of theoretical perspective which is followed by comprehensive Customer Engagement Model. Through certain corporate examples it is
explained that Customer Engagement in India has started to echo the new marketing metrics, but in-depth implementation of comprehensive model is still to be implemented. The conclusion drawn by the researcher in the study is that Customer engagement can give exceptional business if marketers make themselves ready to face the transformation of marketing landscape to design and implement new marketing skills & strategies, redefining products, services and creative customer dialogue.

Verhoef et al. (2010) in the light of Customer Engagement as a New Perspective in Customer Management, states that since the year 2000 customer management research has evolved and has had a significant impact on the marketing discipline. In an increasingly networked society where customers can interact easily with other customers and firms through social networks and other new media, the study further states that customer engagement is an important new development in customer management. Customer engagement is considered as a behavioral manifestation towards the brand or firm that goes beyond transactions. The study proposes a conceptual model of the antecedents, impediments, and firm consequences of customer engagement.

Hollebeek (2009) in her study on Demystifying Customer Engagement: Towards the development of a Conceptual Model tried to address the gap by reviewing relevant literature, proposing a customer engagement conceptualization and associated conceptual model. The study has also been highlighted the need for further research in the potentially fruitful area of (customer) engagement, and proposed a conceptualization and model for investigation. Relationships between engagement and other conceptually related constructs were also addressed, indicating that engagement represents a conceptually distinct construct warranting further investigation.

Bijmolt et al. (2010) in their article, entitled Analytics for Customer Engagement, discuss the state of the art of models for customer engagement and the problems that are inherent to calibrating and implementing these models. The authors first provide an overview of the data available for customer analytics and discuss recent developments. Next, the authors discuss the models used for studying customer engagement, where they distinguish the following stages: customer acquisition, customer development, and customer retention. Finally, they discuss several organizational issues of analytics for customer engagement, which constitute barriers for introducing analytics for customer engagement.

Kumar et al. (2010) concluded that Customers can interact with and create value for firms in a variety of ways. This article proposes that assessing the value of customers based solely upon their transactions with a firm may not be sufficient, and valuing this engagement
correctly is crucial in avoiding undervaluation and overvaluation of customers. The study further proposes four components of a customer’s engagement value (CEV) with a firm. The first component is customer lifetime value (the customer’s purchase behavior), the second is customer referral value (as it relates to incentivized referral of new customers), the third is customer influencer value (which includes the customer’s behavior to influence other customers, that is increasing acquisition, retention, and share of wallet through word of mouth of existing customers as well as prospects), and the fourth is customer knowledge value (the value added to the firm by feedback from the customer). Customer engagement value provides a comprehensive framework that can ultimately lead to more efficient marketing strategies that enable higher long-term contribution from the customers.

Mittal et al. (2010) develop and discuss the concept of customer engagement behaviors (CEBs), which they define as the customers’ behavioral manifestation toward a brand or firm, beyond purchase, that results from motivational drivers. These Customer engagement behaviour(s) include a vast array of behaviors, including word-of-mouth activity, recommendations, helping other customers, blogging, writing reviews, and even engaging in legal action. Thus, Customer engagement behaviour(s) are an integrative behavioral concept that capture how and why customers behave in ways relevant to the firm and its multiple stakeholders, such as its competitors, employees, firm suppliers, and even regulators. The authors in their study also develop a conceptual model of the antecedents and consequences—customer, firm, and societal—of customer engagement behaviors. Furthermore, they suggest that firms can manage customer engagement behaviors by taking a more integrative and comprehensive approach that acknowledges their evolution and impact over time and propose a three-stage customer engagement management process: i.e., identification; Evaluation and (Re-)Action.

Randall (2011) in his dissertation entitled “Suitably Social: How FMCG Brands can best use social media to engage with customers” concluded that it is impossible for FMCG Brand to segment their social media audience in order to identify their core customers. Instead, it was revealed that social media is an effective tool for engaging with a brand’s existing customers, whether core or not, and there are a number of best practice principles that can be utilized to help achieve a brand’s goal in the social space. The study further states that social media is more just a marketing channel because it offers marketers a direct, unmediated connection with their customer, and this relationship can be leveraged for insights relevant to new product development and market research and is particularly important to FMCG marketers.
This engagement can provide a better understanding both of the customer as well as what they want from the brand.

1.3 STATEMENT OF THE PROBLEM

The issue of customer engagement becomes frontier problem of marketing and marketers. "Customer Engagement" can be defined as building customer relationships that increase customer commitment to a company or brand. Engagement motivates customer participation by connecting with the customer in a way that drives purchase decisions and loyalty. Customer engagement behaviour has recently, no doubt, an explicit aim of both profit and non-profit organizations in the belief that engaging target customers to a high degree is conducive to furthering business objectives.

The present work is an attempt to make a critical study of the customer engagement practices followed by fast moving consumer goods (FMCG) companies in India over personal care product categories and explore a customer engagement framework suitable for Indian market. As of now there are no such studies have been found especially for the fast moving consumer goods (FMCG) sector in India. Therefore the present study has some relevance for a systematic investigation. The present work focused the following key questions:

1. How has the concept of Customer Engagement been evolved and developed?
2. Are fast moving consumer goods (FMCG) companies in India having personal care product line following Customer Engagement practices?
3. What is the contemporary Customer Engagement scenario over the personal care products line in India?
4. Is there any possibility to develop a framework/model of Customer Engagement suitable for FMCG market in Indian context?

1.4 RELEVANCE OF THE STUDY

The study of customers/consumers helps firm and organizations to improve their marketing strategies by understanding issues such as the psychology of consumers i.e., how a customer think and behave, feel reason and select between different alternatives (e.g., brands, products); the psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media); the behaviour of consumers while shopping or making other marketing decisions; limitations in consumer knowledge or information processing influence consumption decisions and marketing outcome; how consumer motivation and decision strategies differ between the products that differ in their level of importance or interest. And how marketers can adapt and improve their marketing campaigns and marketing strategies to effectively reach the target consumers.
The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current and potential customers, and to make them loyal to the brand. Hence the study of customer behaviour, especially the dimensions of customer engagement is highly important in this regard.

1.5 OBJECTIVES OF THE STUDY
The present study has been designed with the objectives of –

1. To study the evolution and development of ‘Customer Engagement’ thought.
2. To make a critical analysis of Customer Engagement practices of select Indian fast moving consumer goods companies.
3. To study the Customer Engagement scenario over the personal care products category in India.
4. To develop a Customer Engagement framework/model suitable for FMCG companies in India.

1.6 SCOPE OF THE STUDY
The present study is confined only to the personal care product line of five selected Fast Moving Consumer Goods (FMCGs) Companies in India i.e., Hindustan Unilever (HUL), Dabur, Procter & Gamble (P&G) Godrej and ITC. Further, the customers’ engagement data were collected from five metropolitan cities across India.

1.7 CONCEPTUAL FRAMEWORK
The consumer behaviour is the backbone of applied marketing, however, it has produced a rich literature to its credit and accordingly some common terminology has evolved into a specific glossary for it. Some of the defined terminology has evolved over the time as is pertinent also to gloss over the matter for the purpose of present study in a more meaningful manner.

Engagement: The engagement concept has its roots in a variety of parent disciplines including (social) psychology and organizational behaviour (May et al., 2004). Engagement has also been found to enhance morale, cohesion and rapport via psychological “contagion process” (Salanova et al., 2005). Kahn (1990) was the first to apply the concept of engagement to work. Describing the behaviour of engaged employees, he suggested that employees vary in their expression of selves in work roles. Those who perceive more supportive conditions for authentic expression tend to be engaged.
### Table-1.1: Engagement Conceptualization in the Marketing Literature

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higgins &amp; Scholer (2009)</td>
<td>A state of being involved, occupied, fully absorbed or engrossed in something (i.e. sustained attention), generating the consequences of a particular attraction or repulsion force. The more engaged individuals are to approach or repel a target, the more value is added to or subtracted from it.</td>
</tr>
<tr>
<td>Khan (1990)</td>
<td>The simultaneous employment and expression of a person’s ‘preferred self’ in task behaviours that promote connections to work and to others, personal presence (physical, cognitive and emotional), and active full role performances.</td>
</tr>
<tr>
<td>Harter et al. (2002)</td>
<td>Individual’s involvement and satisfaction with as well as enthusiasm for work.</td>
</tr>
<tr>
<td>Robinson et al. (2004)</td>
<td>Engagement is ‘one step up from commitment’. Further he states that engagement contains many of the elements of both commitment and Organizational Citizenship Behaviour (OCB) but is by no means a perfect match with either.</td>
</tr>
<tr>
<td>Foley (2006)</td>
<td>Engagement is a multidimensional concept, even a multidimensional process, with the end result defined as consumer connection in terms of cognitive, behavioral, emotional, and aspiration facets.</td>
</tr>
<tr>
<td>Advertising research Foundation (ARF) (2006): Blair</td>
<td>Engagement behaviorally summarizes the impact of marketing/branding communications activities in the hearts and minds of consumers in a manner that leads to sales, margin, market share, market value, and cash flow.</td>
</tr>
<tr>
<td>Shevlin Ron (2007a)</td>
<td>“[Engagement is] repeated, satisfied interactions that strengthen the emotional connection a customer has with the Brand.”</td>
</tr>
<tr>
<td>Haven &amp; Vittal (2008)</td>
<td>“Engagement is the level of involvement, interaction, intimacy, and influence an individual has with a brand over time.”</td>
</tr>
<tr>
<td>Advertising research Foundation (ARF) (2006): Plummer</td>
<td>Engagement occurs as a result of a brand idea/media context experience selected and attended to by a consumer involved in a category that leaves a positive brand impression.</td>
</tr>
<tr>
<td>Peppers &amp; Rogers (2005)</td>
<td>Engagement is a series of customized informational and financial transactions that occur over time and increase both the consumer value to the company and the value of the company to the consumer.</td>
</tr>
<tr>
<td>Advertising research Foundation (ARF) (2006): Hamill</td>
<td>Engagement is a measure of attention paid by a consumer to a piece of communication. There is a two-way flow of information resulting in easier measurement.</td>
</tr>
<tr>
<td>Gogoi &amp; Kumar (2012)</td>
<td>On metaphysical level an engagement is basically an engrossment of cognitive, affective and Conative state of one’s existence with elements of his or her environment to which everyone is parted with.</td>
</tr>
</tbody>
</table>

**Source:** Secondary

**Customer Engagement:** Customer engagement (CE) simply refers to the engagement of customers with one another, with a company or a brand. The initiative for engagement can be either consumer- or company-led or the medium of engagement can be on or offline. Engagement is a holistic characterization of a consumer's behaviour, encompassing a host of sub-aspects of behaviour such as loyalty, satisfaction, involvement, Word of Mouth advertising, complaining and more.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Van Doorn et al. (2010)</td>
<td>Customers’ behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers, including word-of-mouth activity, recommendations, helping other customers, blogging &amp; writing reviews.</td>
</tr>
<tr>
<td>Hollebeek (2010)</td>
<td>The level of expression of an individual customer’s motivational, brand-related &amp; context-dependent state of mind characterized by a degree of activation, identification &amp; absorption in brand interactions</td>
</tr>
<tr>
<td>Bowden (2009a)</td>
<td>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 of a service brand.</td>
</tr>
<tr>
<td>Patterson et al. (2006)</td>
<td>The level of a customer’s physical, cognitive &amp; emotional 'presence' in their relationship with a service organization.</td>
</tr>
<tr>
<td>Appelbaum (2001)</td>
<td>Consumer engagement consists of both rational loyalty (includes overall satisfaction, intent to repurchase, and intent to recommend) and emotional attachment (including confidence in a brand, belief in its integrity, pride in the brand, and passion for it)</td>
</tr>
<tr>
<td>Smith &amp; Wallace (2010)</td>
<td>Customer engagement (CE) refers to the types of connections consumers make with other consumers, companies, and specific brands; CE is viewed as being conducive to enhancement of brand loyalty</td>
</tr>
<tr>
<td>People Metrics (2010)</td>
<td>Customer engagement includes (a) retention; (b) effort; (c) advocacy; and (d) passion</td>
</tr>
<tr>
<td>Campanelli (2007)</td>
<td>Consumer engagement is emotional connection and empowerment of consumers</td>
</tr>
<tr>
<td>Heath (2007)</td>
<td>Consumer engagement is a subconscious emotional construct. Level of engagement is the amount of subconscious ‘‘feeling’’ going on when an advertisement is being processed</td>
</tr>
<tr>
<td>Sedley (2008)</td>
<td>Consumer engagement is repeated interactions that strengthen a consumer’s emotional, psychological, or physical investment in a brand. Consumer engagement is not a nirvana that can be reached; it is a process of developing and nurturing relationships.</td>
</tr>
<tr>
<td>Harris (2006)</td>
<td>Consumer engagement is a multidimensional concept: a brand’s ability to connect meaningfully with the consumer</td>
</tr>
<tr>
<td>Ghuneim (2006)</td>
<td>Consumer engagement is a consumer-based measurement that relates to interaction with an aspect of a brand or media property.</td>
</tr>
<tr>
<td>Advertising research Foundation (ARF) (2006): Laborie</td>
<td>Consumer engagement is a positive consumer attitude resulting from the communication of (a) a given brand, (b) a given category (product/service/etc.), which is delivered through (a) a contact/communication channel (e.g., mass media), (b) via a vehicle, e.g., magazine, etc. Engagement can turn into action/behaviour, e.g., communication and/or purchase.</td>
</tr>
<tr>
<td>Shevlin (2007b)</td>
<td>Consumer engagement is repeated and satisfying interactions that strengthen the emotional connection a consumer has with a brand (or product or company)</td>
</tr>
<tr>
<td>Gogoi &amp; Kumar (2012)</td>
<td>On metaphysical level an engagement is basically an engrossment of cognitive, affective and conative state of one’s existence with elements of his or her environment to which everyone is parted with. If the element here is a brand or a product this may be the customer engagement.</td>
</tr>
</tbody>
</table>

Source: Secondary
**Forms of Customer Engagement:** Word of Mouth (WOM) is one manifestation of customer engagement often mentioned (Bijmolt & Leeflang, 2010). Moreover, complaining behaviour, customer co-creation, customer-to-customer (C-2-C) and customer-to-business (C-2-B) interactions and blogging are identified as forms of Customer Engagement (Luo, 2009; Bijmolt & Leeflang, 2010; Libai & Belton, 2010; Verhoef et al., 2010).

**Consequences of Customer Engagement:** The consequences of customer engagement (CE) can be divided into consequences for customers and consequences for the local firm. For customers, consequences are attitudinal, behavioral, and cognitive in nature. Mostly it is assumed that successful customer engagement behaviour leads to even higher and more frequent engagement and the further expansion of customer engagement behaviour (Van Doorn & Lemon, 2010).

**Factors Influencing Customer Engagement:** As factors influencing customer engagement (CE), prior research has identified customer’s factors such as satisfaction, brand commitment, brand attachments and brand performance perception, firm factors, affective state of consumers and resources in terms of time and money (Palmatier & Dant, 2006; Van Doorn & Lemon, 2010). The most important firm based factor influencing CE is the brand. Strong brands with high brand equity have relatively high levels of brand commitment and brand attachment which leads to creation of value through engagement (De Matos & Rossi, 2008; Schau & Muniz, 2009).

**Consumer:** Consumers are those who exhaust utility of products to satisfy their wants.

**Consumption:** Consumption is the using-up of utility contained in the product to fulfill wants.

**Customer:** Consumer directly associated with the product in terms of buying is the customer of that product.

**Satisfaction:** Satisfaction is simply the foundation, and the minimum requirement, for a continuing relationship with customers. The satisfaction is the level of a person’s felt state resulting from comparing a product’s perceived performance (outcomes) in relation to the person’s expectation (Kotler, 2006). Customer satisfaction is the feelings of pleasure and disappointments resulting from the comparison of products’ perceived performance or outcomes (relating to) in relation to the person’s prior expectations.

**Exposure:** It refers to mixing up of sources of information or media of the same in to the cognitive range of existing or potential customers or consumers (Kumar & Patra, 2010). Therefore exposure is the physical condition resulting from being exposed to the elements where Cognitive system is directly or indirectly interacts with source of information.

[12]
Awareness: awareness simply refers to the consciousness. Awareness is expressed in our selective choice and care for choice making. Usually awareness is expressed in terms of knowledge someone has for certain things and when someone shows preference for different attributes of a particular product or different brands of the same product (Kumar & Gogoi, 2009). Awareness relating to a brand is refers to the strength of a brand’s presence in consumers’ minds. Brand awareness is an important component of brand equity (Keller, 1993). Further he mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer.

Involvement: involvement is a subjective psychological state, reflecting the importance and personal relevance of an object or event (Barki & Hartwick, 1989). On the other hand, it is a cognitive, affective or motivational construct indicating state of mind (Smith & Godbey, 1991), or perceived personal relevance (Zaichkowsky, 1985; Richins & Bloch, 1986; Celsi & Olson, 1988).

Attachment: Attachment implies the existence of an emotional tie between a person and an object. Attachment towards a brand or product emanates from the brand experience that a consumer encounters, which translates to an emotional relationship. Brand attachment refers to a strong emotional bond i.e. hot effect between a consumer and a brand, as evidenced by its three dimensions – affection, passion, and connection (Brakus et al., 2009).

Brand-Self Connection: self brand connection refers the state when brand associations are used to construct ones’ self or to communicate one’s self to others, a strong connection is formed between the brand and the consumer’s self identity (Escalas, 2004). Self-brand connections leads to deeper attachments and evoking strong emotions (Keller, 2003; Escalas, 1996). This is one of the important parameter of customer engagement.

Socialization: Socialization is the process by which people acquire the dominant beliefs, values, motives, and behaviors of their culture and gradually become more similar to other members of the cultural, ethnic or religious group (Janis et al., 1969). In the marketing context, socialization helps customers/consumers or group of customers/consumers (individuals) to acquire the product/brand knowledge, feelings of belongingness and customer value to conform to the norms and roles required for integration in to a group or community. It is a combination of both self-imposed (because the individual wants to conform) and externally-imposed rules, and the expectations of the others.

Consumer behaviour: Consumer behaviour can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and
services. This definition clearly brings out that it is not just the buying of goods/services that receives attention in consumer behaviour but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post-purchase behaviour which is also very important, because it gives a clue to the marketers whether his product has been a success or not.

**Fast Moving Consumer Goods (FMCGs):** The term FMCG refers to those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year. This contrasts with durable goods or major appliances such as kitchen appliances, which are generally replaced over a period of several years.

FMCGs have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. Some FMCGs—such as meat, fruits and vegetables, dairy products and baked goods—are highly perishable. Other goods such as alcohol, toiletries, pre-packaged foods, soft drinks and cleaning products have high turnover rates.

The following are the typical characteristics of FMCGs -

**From the consumers' perspective:**
- Frequent purchase
- Low involvement (little or no effort to choose the item—products with strong brand loyalty are exceptions to this rule)
- Low price

**From the marketers' angle:**
- High volumes
- Low margins
- Extensive distribution networks
- High stock turnover

**Product Line:** A product line is a group of related products manufactured by a single company. A product line can comprise related products of various sizes, types, colors, qualities, or prices. Line depth refers to the number of product variants in a line.

**Fast Moving Consumer Goods (FMCG) Product line:** Fast moving consumer goods comprises of three segment i.e., household care, personal care and food & beverage (www.ibef.org).
**Household care:** Household care includes - fabric wash, laundry soaps/bars, detergent cakes, washing powder & Dish wash.

**Personal Care:** Personal care segment comprises - soaps & toiletries, personal wash, Oral Care, Skin Care & cosmetics, Hair Care and feminine hygiene.

**Food & Beverage:** This segment includes- bakery products, tea, coffee, mineral water, soft drink, branded atta, health beverages, milk & dairy products, chocolates, culinary products and edible oil (www.ibef.org).

**1.8 RESEARCH DESIGN AND METHODOLOGY OF THE STUDY**

**Type of Research:** The present study is exploratory type of research.

**Table-1.3: Data Framework**

<table>
<thead>
<tr>
<th>From the Company’s Perspective</th>
<th>From the Customer’s Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Universe of Data</strong></td>
<td></td>
</tr>
<tr>
<td>Customer engagement practices in FMCG Product category in India</td>
<td>Customers of fast moving consumer goods (FMCG) in India</td>
</tr>
<tr>
<td><strong>Population of Data</strong></td>
<td></td>
</tr>
<tr>
<td>1. FMCG companies working in India</td>
<td>1. Customers to the personal care product line in India.</td>
</tr>
<tr>
<td>2. Personal care product (product line) in FMCG Sector.</td>
<td>2. Customers with minimum exposure to the media &amp; practices of customer engagement.</td>
</tr>
<tr>
<td><strong>Sample of Data</strong></td>
<td></td>
</tr>
<tr>
<td>Five fast moving consumer goods companies working in India i.e., HUL, ITC, P&amp;G, DABUR &amp; GODREJ.</td>
<td>Sampling unit is the individuals having minimum exposure to media and market. The sample frame for the study is the pin codes of the five metropolitan cities selected in this study. Respondents were selected with the help of convenient judgment sampling method.</td>
</tr>
<tr>
<td><strong>The Sample Size</strong></td>
<td></td>
</tr>
<tr>
<td>Five companies (HUL, ITC, P&amp;G, Dabur &amp; Godrej) and their senior marketing executives.</td>
<td>As the population in the present study is infinite in nature, we are considering 630 respondents as a sample size (where, error level is 4% and level of confidence is 95%)* from five metropolitan cities (selected on the basis of convenient sampling method) of India in respect of their proportionate population. The cities are from different regions of India i.e., west, East, North, South and central region of India. The select five metropolitan cities are Mumbai from the West, Kolkata from the East, Chennai from the South, Delhi from the North and Indore from the central India**. It is in order to make the data representative. The sample data were collected from selected metropolitan cities: from Mumbai: 195; from Kolkata: 157; from Chennai: 76; from Delhi: 152; and from Indore: 50.</td>
</tr>
</tbody>
</table>


**Sampling:** Sampling method in the present study is convenient judgment sampling technique.

**Sources of Data:** Both primary and secondary data were used in the present study. The Secondary sources of data for the present study are mainly website of the concerned companies, blogs, bookmarks, the internet, social networks, Academic Journals, published or unpublished thesis, magazines, news papers and reference books etc.

**Instruments of Data Collection:** Primary data from the respondents were collected with the help of Schedule containing relevant questions. In-depth interviews with the company’s senior executives were conducted to explore and generate knowledge about the customer engagement practices followed by the respective companies and the informations were gathered through Opinionnaire.

**Framework for Developing Schedule/ Opinionnaire:** Customer engagement is a continuous process involving interaction & activities of customers at different stages with a brand (Bijmolt et al., 2010). As we moved forward towards the engagement, deeper and intense interactions are associated with the engagement phenomena. Business practices focusing long-term perspective and strategic outlook of any business activities to attain higher customer engagement are considered as customer engagement practices. The process of engagement constituted by different parameters namely, customer lifetime value (CLV), customer referral value (CRV), customer influencer value (CIV) and customer knowledge value (CKV) (Kumar et al., 2010), awareness, enthusiasm, interaction, activity, Extraordinary experience (Vivek, 2009), Customer participation, dedication, absorption and interaction (Bendapudi & Leone, 2003; Patterson et al., 2006) etc. Parameters are interconnected at different levels of engagement.

After an extensive literature review over the process of engagement and its characteristics, the parameters of customer engagement identified for the present study are: involvement i.e., consciousness and goal directed (self-interest) interaction (Bloch, 1982), attachment i.e., Continuous and deeper relationship of self with the object or phenomenon (brand/products) (Ball & Tasaki, 1992), self–brand connection i.e., psychological manifestation of brand equity at the consumer level (Escalas & Bettman, 2005), and socialization i.e., intense interaction over a subject matter between preferred-self and likeminded self through different media (Hennig & Malthouse, 2010). Further, as the sense of consciousness generates from different media exposure, exposure can be consider as an entry-level to the customer engagement process. Hence customer engagement starts with exposure and awareness and moves through other parameters and end up with socialization.
It is derived from the rigorous literature survey and reviews that most of the existing research relating to engagement & customer engagement enlighten either general or specific aspect of customer engagement and tried to recognize the parameters of customer engagement in different way but most of the study failed to interlink the parameters to customer engagement, some of them relying upon the symptoms of engagement and stages of interaction as well.

The schedule and Opinionnaire for the customers and companies respectively are designed considering the associated parameters identified, as mentioned above.

Schedule for customers are framed to measure the various possible determinants of customer engagement with the help of some relevant items/statements following Semantic Differential scale in a modified form known as Stapel scale (Crespi, 1961) ranging from 10 strongly agree to -10 strongly disagree. The items/statements are framed under four identified parameters i.e., involvement, attachment, self-brand connections and socialization.

In order to qualify the customers as respondents to explore their minimum exposure level and awareness level questions are framed following five-point Likert scales ranging from 5, Strongly Exposed/Aware to 1, strongly not exposed/not aware.

On the other hand, the Opinionnaire for the company’s executives are framed to access the informations relating to the practices followed by the respective companies to explore the customer engagement practices. The Opinionnaire consists of items/statements following five-point Likert scales ranging from 5: Strongly agree to 1: Strongly disagree.

**Framework of the Study:** The present research work is based on the existing literature, customer engagement practices carried out by select fast moving consumer goods companies as well as the informations gathered through interviews conducted with the marketing officials of the concerned companies. Nonetheless in order to explore the customer engagement practices and scenario in India over personal care products of select fast moving consumer goods companies the study mostly relies on executives’ survey of the select companies, annual reports survey, websites survey and social sites survey of the concerned companies as well. Further the study incorporates the findings of the data analysis of the present study for the same.

In addition to this, existing customer engagement (CE) models were linked with the identified factors (derived from factor analysis) of parameters of customer engagement in order to find out the proximity of existing CE models to the Indian context. A customer engagement model is proposed by considering all the parameters of customer engagement along with exposure and awareness which are considered as pre-requisites for customer engagement in this study. Further the study highlights extended customer engagement model accommodating Indian
context as the Indian consumers are unique with its own social, psychographics, cultural values and norms and squeeze unique characteristics due to its unique set of values & norms in relation to other parts of the world.

**Tools of Analysis:** As the data analysis is concerned some of the important statistic(s) like Mean, Median, standard deviations are used. Cronbach’s alpha is used to measure the internal consistency of scale, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, factor analysis, ANOVA, and Pearson correlation coefficient are used in the present study. Descriptive statistics along with its tabular and graphical presentation is highlighted for the better understanding of the facts.

1.9 CHAPTER SCHEME

The chapter scheme for the present work is as follows:

**Chapter I Introduction:**
This chapter highlights general introduction; Review of literature; Statement of the problem; Relevance of the study; Objectives of the study; Scope of the study; Conceptual framework; Research design and methodology of the study and Chapters scheme.

**Chapter II Customer Engagement: An Assessment of evolution and development**
This chapter covers Conceptual foundations of customer engagement; Evolution of the concept; Engagement in the online and social media context; and customer engagement: an identification of parameters.

**Chapter III Consumer Behaviour in India and FMCG Market Scenario**
This chapter Highlight consumer behaviour in India, changing trends in Indian consumer behaviour; Consumers’ spending behaviour in India; Comprehend the constituents & characteristics of FMCGs and Characteristics of Indian FMCG sector; Scope and prospects of FMCG sector in India and role of Indian consumers class in FMCG.

**Chapter IV Customer Engagement in Personal Care Product Category of Select Indian Companies: A critical Analysis**
This chapter covers the objective number second i.e., to make a critical analysis of Customer Engagement practices of select Indian companies and third objective i.e., to explore the customer engagement scenario over the personal care products category in India.

**Chapter V Customer engagement in India: A Search for Suitable framework**
This chapter is the most crucial one where a conceptual model of customer engagement and extended model of customer engagement accommodating Indian context suitable for Indian market has been proposed.
Chapter-VI General Discussion and Conclusion

This chapter represents Summary findings of the study; Conclusion of the study and Research contributions and future research direction.

· References

· Appendix
REFERENCES


doi: 10.2753/mtp1069-6679170105


**BIBLIOGRAPHY:**


**WEBSITE:**

www.ibef.org.


http://en.wikipedia.org/wiki/List_of_most_populous_metropolitan_areas_in_India, retrieved on 26/02/2012 (Source of metropolitan cities selection)

**********