

# A Framework for Customer Engagement Behaviour in the Financial Services Industry : A Critical Review of Evidence

Archana Nayak Kini<sup>1</sup>  
Savitha Basri<sup>2</sup>

## Abstract

In the post-COVID era, while the use of technology-enabled contactless financial services is growing, it is more critical than ever to match the rising customer expectations by aiding customers in making the best decisions and fulfilling their aspirations. The paper's objective was to critically review published research on the antecedents of non-transactional customer engagement behaviors (CEBs), such as relationship quality, emotions, customer empowerment, and the influence of the CEBs on customer loyalty and advocacy in the financial services industry. Relevant online databases were comprehensively searched through Boolean search, reviewed critically, and synthesized narratively. The guidelines of PICO (participants, interventions, comparisons, outcomes) were followed. The final results indicated that an empowered, satisfied, highly pre-dispositional customer possessing different affective states and trust reciprocated positive engagement behaviors (CEBs). The positive CEBs build attitudinal loyalty and advocacy behaviors that create value in the long term. This review guided on managing customer tendencies to positively and emotionally engage with the product and brand in many ways, such as reviews and testimonials, to curtail switch-over behaviors, encourage customer advocacy, and loyalty behaviors.

**Keywords :** Customer engagement behavior, customer empowerment, trust, financial services, customer advocacy, attitudinal loyalty

**JEL Classification Codes :** G0, G20, M31

**Paper Submission Date :** May 15, 2021 ; **Paper sent back for Revision :** March 23, 2022 ; **Paper Acceptance Date :** April 30, 2022 ; **Paper Published Online :** June 15, 2022

The COVID-19 pandemic has accelerated the use of financial technology (FinTech), which was facilitated earlier by the removal of entry barriers, penetration of smartphones, and transformative digital business models. The technological disruption has opened up the market for new players with virtual business models. FinTech companies not only provide digital payment services that minimize transaction costs and time but also provide credit that employs machine learning algorithms and multiple data points to assess creditworthiness. The success of these models depends on the fulfillment of the needs of customers accessing services from remote areas. However, a few consumers may not be tech-savvy to use these technology-enabled services. Apart from millennials, the majority of the population is unaware of digital financial services or may not use them frequently (Khosla & Munjal, 2013). Moreover, existing customers may switch to rival companies due

<sup>1</sup> Dr. TMA Pai PhD Research Scholar, Manipal Institute of Management, Manipal Academy of Higher Education, Manipal - 576104, Karnataka. (Email : netarcmail@gmail.com) ; ORCID iD : <https://orcid.org/0000-0002-3512-4180>

<sup>2</sup> Associate Professor (Corresponding Author), Manipal Institute of Management, Manipal Academy of Higher Education, Manipal - 576 104, Karnataka. (Email : savitha.bs@manipal.edu;bsbasri@gmail.com) ; ORCID iD : <https://orcid.org/0000-0002-0402-403X>

to enticing monetary deals, discounts, and cashbacks. Therefore, fintech companies face the challenge of retaining existing customers and instilling confidence and trust in those who are conservative in their financial choices. In this context, maintaining a consumer base through long-term relationships that foster loyalty has become increasingly important, and many researchers have conducted extensive research on the factors that influence mutually beneficial customer engagement behaviors (CEBs), especially their antecedents and consequences.

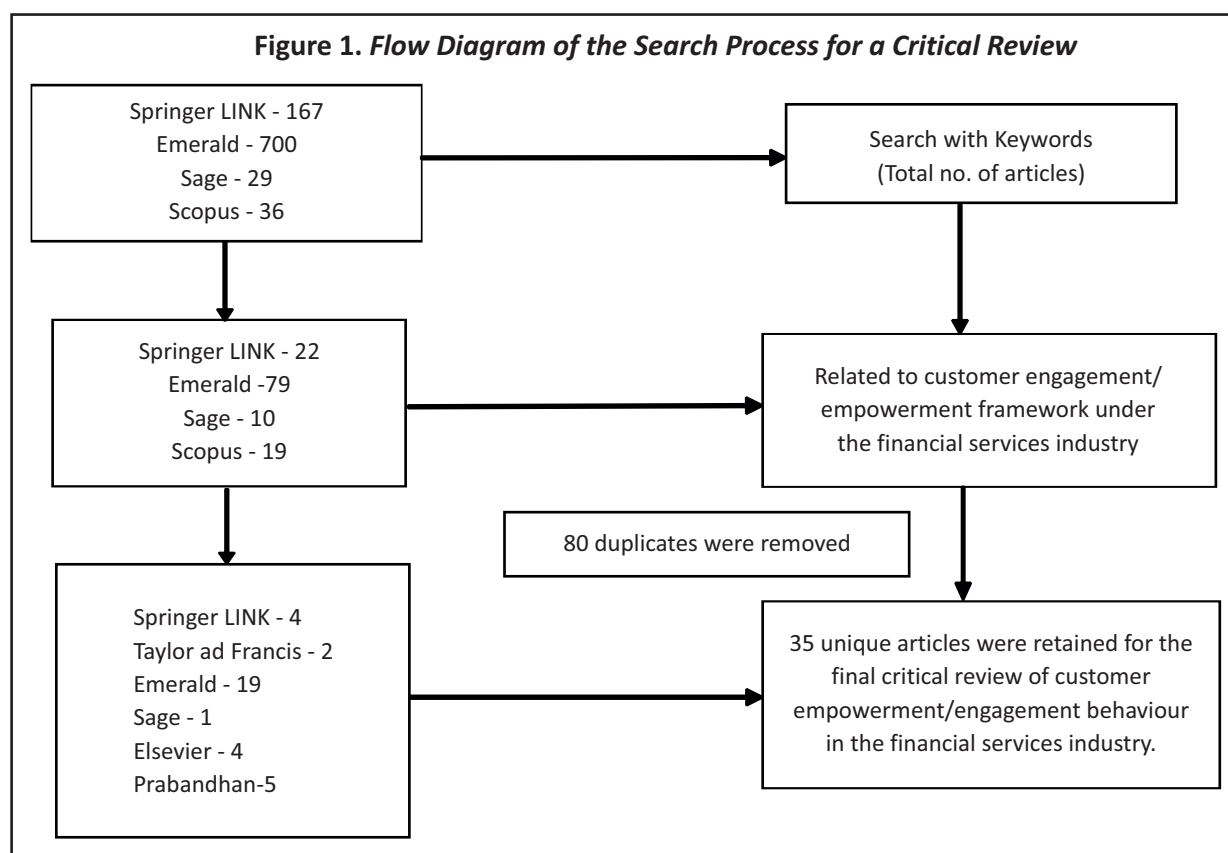
The COVID-19 pandemic has considerably minimized direct face-to-face user communications necessitating the use of virtual banking and fintech services to make payments, obtain loans, and meet various financial needs. The problem is that CEBs in technology-intensive virtual financial services such as fintech differ from those in financial services delivered in offline physical settings. Compared to traditional businesses and channels, the nature and impact of CEBs in a highly connected and interactive world of financial services are only growing by the day. Thus, the need to communicate with customers through digital platforms and retain them has become critical. Despite emerging economies such as India having the highest adoption rate for financial apps, the majority of the previous studies from India have reviewed the influence of CEBs on customer loyalty only for offline service brands but not for digital financial services or the factors determining CEBs (Quynh, 2019; Srivastava, 2019). Acquiring new customers in this dynamic competitive market heavily relies on the positive engagement of existing customers who would not only advocate the brand but also remain loyal. Hence, there is a need to critically review published research on the determinants of non-transactional CEBs and their outcomes. Thus, this paper aims to critically review the literature on the factors that influence CEBs and their consequences and make recommendations for future research in this field. The aim is to identify and interpret the similarities and differences in the content and methodology among the studies and conclude the field's future direction. Engagement marketing has been accepted, but a conceptual model of 'customer engagement behavior' (CEB) for the emerging financial technology firms and the banking and financial services industry has not been explored or reviewed critically. Hence, we also present a conceptual structure for the CEB study that can be applied to future research in a variety of settings. An understanding of the relationship between customer empowerment, emotions, and CEBs and the effect of CEBs on customer advocacy and loyalty would assist these tech-enabled financial services firms in formulating CMR (customer-managed relationship) and brand strategies for long-term growth and competitiveness.

## **Methodology**

The present paper on the review of the literature on CEBs follows the guidelines recommended in the business management review article by Tranfield et al. (2003). Accordingly, articles for the critical review of literature were screened based on the eligibility criteria prescribed by PICO and PRISMA (preferred reporting items for systematic reviews) guidelines. It consists of a checklist of 27 items and a flow diagram consisting of four phases to illustrate the most critical items of the review transparently. The PICO method provides an open and unambiguous report on the participants, interventions, comparisons, outcomes, and the study design. This analysis was carried out by comparing peer-reviewed literature on CEBs, and a set of selection criteria was developed to select papers for inclusion.

### ***Inclusion Criteria***

The present study considered participants from banking and financial services, with the intervention being 'highly empowered customers displaying a positive customer engagement behavior' and the consequence of CEB as 'reduced switching behavior and increased advocacy/loyalty behavior.' Both longitudinal and cross-sectional studies from academic journals from 2010 – 2022 were selected, and all sources were in English.



## Search Strategy

Various online databases and repositories were identified based on their reputation, such as Scopus, Emerald Insight, Springer LINK, and Sage. A continuous search based on the references of the articles from the initial searches was also carried out to get to the inclusive set of articles for review. The search strategy used the following terms in different combinations for search: customer empowerment, financial services, banking, customer engagement behaviors, attitudinal loyalty, switching behavior, relationship quality, trust, satisfaction, and emotions. Different research studies were critically investigated to understand the various constructs being studied, their association with our research problem, the methodologies being followed, the locations where the studies were undertaken, and their findings and limitations. The search process is depicted in Figure 1.

## Analysis and Results

Almost 49% of the studies appeared in four journals, and the *International Journal of Bank Marketing* alone published 20% of the studies. Earlier studies were published in marketing journals focusing on general aspects of customer relationships in varied contexts. Later studies were largely published in IJBM that focused on marketing challenges in the financial services industry. The studies related to the CEBs in the banking and financial services industry are summarized in Table 1. There are 22 empirical articles in total, including two in business-to-business partnerships and 20 in retail relationships, in addition to 13 conceptual papers. Most of the empirical studies were

carried out in the banking sector (12), followed by financial services (five papers), and mobile payments (two papers). Furthermore, more than a third of all studies (nine) focussed on the European economy, along with only a few studies from Asia and North America. Since the characteristics of CEBs vary significantly between countries, the results of European studies cannot be applied to other countries. There was no multi-country, longitudinal study available.

### ***General Observations Related to the Development of the Concept of CEBs***

The study on customer engagement was developed in the last decade and has been studied extensively in various contexts. In marketing relationships, interactive experience and value co-creation plays a crucial role. The concept of CEB was crystallized by van Doorn et al. (2010), who proposed a model for CEBs where the measurement of CEBs is done using the following elements: valence (positive or negative), form or modality (customer expression types; time vs. money spent, in-role, extra-role and elective behaviors, type of firm/brand level outcomes realized by customers), scope (temporal and geographic), choice of channel and customer goals. Jaakkola and Alexander (2014) improvised the concept of CEBs by highlighting non-transactional aspects where the customer influences the growth of the firm's product offering through personal recommendations or referrals. The consumer's reasons for interaction are threefold: a belief that they can assist businesses without expressing negative feelings, attachment to the company, and being open to customer community feedback. Thus, customer empowerment is a precondition for customer engagement.

Later on, CEB was proposed to be a mediator between trust, trustworthiness, and loyalty in the banking sector (Hoang, 2019; Kosiba et al., 2018) and between (emotions) psychologically gratified customers and loyalty/advocacy behaviors (Moliner-Tina et al., 2019; Pansari & Kumar, 2017). Kosiba et al. (2018) also advocated that the positive influence of CEBs on brand loyalty and trust exhibited the future expected behaviors by the trustee, thus leading to attitudinal loyalty.

### ***Methodology of the Studies***

While the majority of the studies, that is, 19 studies, were from general financial services, four studies were from the traditional retail banking customer base, nine studies particularly were from the online banking service customers, and two studies were Islamic banking papers. Most of the studies looked at the bank and financial service customers because it is easier to obtain data from them than from bank managers or financial service providers. Banks and financial service firms tend to be hesitant to provide data on CEBs and the determinants and outcomes of such conduct. Furthermore, executives will be preoccupied with their day-to-day operations and might be uninterested in research projects. Despite the time and resource constraints associated with dyad methods, two studies used dyads (bank managers and customers), while one study looked at CEBs from the viewpoint of financial services sellers. The majority of empirical papers used survey methods to collect data, with just a handful using random samples and the majority using convenience samples. The sample size of the studies ranged from as low as 14 to as high as 2,187. In addition to surveys, one study each used critical events, content analysis, mixed approaches, embedded case study, virtual experimental procedure, and in-depth personal interviews to collect the data. Three of these studies used a two-stage design that included a survey as well as in-depth interviews or content analysis or virtual experiments. In financial services research, qualitative or semi-qualitative data collection approaches are typically favored since certain definitions are more abstract for relationship paradigms, necessitating the use of interview data to conceptualize survey instruments. However, most of the studies did not adopt such a mixed-method methodology.

**Table 1. Key Research Studies Considered for the Critical Review**

Authors	Journal	Type of Study/Analysis	Key Findings
van Doorn et al. (2010)	<i>Journal of Service Research</i>	Conceptual	Developed a conceptual model of the predictors and outcomes of CEB.
Bhat & Darzi (2016)	<i>International Journal of Bank Marketing.</i>	Cross-sectional/quantitative/SEM	Psychological and relationship elements influenced a bank's customer relations rather than a pure buying approach leading to bank loyalty.
Joosten et al. (2016)	<i>Journal of Service Management</i>	Cross-sectional/quantitative/ experimental	Control measures were found to be effective influencers of attitudinal and behavioral outcomes such as satisfaction/loyalty, and the consistency between control beliefs produced the above outcomes.
Glavee-Geo et al. (2020)	<i>International Journal of Bank Marketing</i>	Cross-sectional/quantitative/ SEM-PLS technique using SmartPLS 3.0	The cognitive component of CE had a positive influence on advocacy intention. The emotional component of CE powerfully affected both advocacy intention and the continuous usage of services.
Moliner et al. (2018)	<i>Journal of Services Marketing</i>	Cross-sectional/quantitative/dyadic methodology	In the banking sector, extensive usage of state-of-the-art ICT considerably reduced direct face-to-face customer communications necessitating immersive elements.
Kumar & Pansari (2016)	<i>Journal of Marketing Research</i>	Conceptual	The framework showed how customer engagement can be gained and how firm performance can be maximized.
Pansari & Kumar (2017)	<i>Journal of the Academy of Marketing Science</i>	Review	A theory of engagement was proposed, affirming satisfaction in relationships & emotional connection resulted in customer engagement.
Fullerton (2011)	<i>Journal of Retailing and Consumer Services</i>	Cross-sectional/quantitative	Affective and normative commitment interpreted customer advocacy in that order of significance.
Moliner-Tena et al. (2019)	<i>International Journal of Bank Marketing</i>	Cross-sectional/quantitative	CE strongly mediated between satisfaction, emotions (antecedents), and customer experience outcomes such as the advocacy and attitudinal loyalty behaviors in service consumption.
Youssef et al. (2018)	<i>Journal of Business &amp; Industrial Marketing</i>	Conceptual	In a B2B environment, CEB was influenced by commitment, relationship trust, and involvement.
Kosiba et al. (2018)	<i>International Journal of Retail &amp; Distribution Management</i>	Cross-sectional/quantitative	CE played the role of the mediator in the relationship between trustworthiness and brand loyalty.
Larsson & Viitaoja (2017)	<i>International Journal of Bank Marketing</i>	Cross-sectional/quantitative	The perception of the bank about the customers' know-how and experiences was different from customers' actual knowledge of the same.
Ladhari & Leclerc (2013)	<i>Journal of Retailing</i>	Cross-sectional/	Satisfaction was seen to be more

	<i>and Consumer Services</i>	Quantitative	pronounced in online financial services; e-satisfaction had a three-fold impact on e-loyalty than e-trust.
Hoang (2019)	<i>International Journal of Bank Marketing</i>	Cross-sectional/Both qualitative & quantitative using the SWICS model	Customer dialogue mediated customer satisfaction and loyalty, and also trust and communication can result in customer loyalty for commercial banks dealing with competition.
Levy & Hino (2016)	<i>International Journal of Bank Marketing</i>	Cross-sectional/quantitative	Emotional and relational elements influenced a bank's relationship with customers and bank loyalty rather than a purely transactional approach.
Zhou (2013)	<i>Decision Support Systems</i>	Cross-sectional/quantitative/ SEM	The qualities of service, system, and information mainly affected trust, satisfaction, and flow, respectively.
Verhoef et al. (2010)	<i>Journal of Service Research</i>	Conceptual	Experiences triggering customer engagement are generally very critical or extreme, meaning they are either very positive or very negative.
Kumar et al. (2010)	<i>Journal of Services Research</i>	Conceptual	The CEV model consisted of CLV, CRV, CIV, and CKV. CEBs contribute directly, resulting in customer purchases, indirectly through customer provided feedback/suggestions, referrals, & social media brand conversations.
Murray et al. (2014)	<i>Journal of Financial Services Marketing</i>	Cross-sectional/quantitative/content analysis	Twitter as a social media channel was seen to be useful in achieving customer engagement when implemented in line with the acquisition or retention requirements.
Kumar et al. (2019)	<i>Journal of the Academy of Marketing Science</i>	Conceptual	B2B and service-oriented companies saw a greater influence of employee engagement on customer engagement than B2C and manufacturing-oriented industries.
Monferrer et al. (2019)	<i>Spanish Journal of Marketing</i>	Quantitative/Descriptive	Satisfaction, self-brand connection, & emotions experienced in a service setting affected CE and loyalty. The creation of a customer-company emotional connection could signify a switching cost or barrier for the customer.
Kaabachi et al. (2019)	<i>International Journal of Bank Marketing</i>	Quantitative/SEM (structural equation modeling)	Highlighted the importance of social elements and website user interface/usability towards an initial trust formation with customers.
Islam & Rahman (2016)	<i>Management Decision</i>	Review/ A systematic review of CEB	Authenticated the multi-dimensional nature of customer engagement having cognitive, emotional, behavioural, and social dimensions.
Abror et al. (2020)	<i>Journal of Islamic Marketing</i>	Quantitative/SEM	Service quality and CE had a huge influence on the satisfaction and loyalty of the customer, respectively.



Omorie et al. (2019)	<i>International Journal of Bank Marketing</i>	Quantitative/PLS-SEM	Satisfaction was found to significantly influence loyalty, followed by the quality of service and trust.
Brodie et al. (2011)	<i>Journal of Service Research</i>	Conceptual	Relationship marketing theory and SD-logic theories to be used as a framework for future research on CE; defined CE and differentiated it from other meanings involving "customer-participation" and "involvement."
Brodie et al. (2013)	<i>Journal of Business Research</i>	Conceptual	Consumer engagement was believed to be an intricate psychological process having multiple dimensions and intensity levels with time.
Bowden et al. (2015)	<i>Journal of Marketing Management</i>	Conceptual	Functional and utilitarian types of services that involved a lot of transactions were seen to be prone to disengaging behaviors compared to services that were participative/co-creative, having emotional bonds that were found to be more enduring.
Morrongiello et al. (2017)	<i>International Studies of Management &amp; Organization</i>	Mixed-Method approach	Customers who had faith that they could assist their firms by restricting the display of their negative feelings by being more brand attached and receptive to the firm's needs displayed CEBs.
Jaakkola & Alexander (2014)	<i>Journal of Service Research</i>	Qualitative/embedded case study approach	Value co-creation through CEB is a system-level process by integrating a broader set of resources.
Yadav (2017)	<i>Indian Journal of Marketing</i>	Conceptual	Discussed social media as an effective marketing tool as well as the risks associated with it for marketing managers.
Arora et al. (2018)	<i>Indian Journal of Marketing</i>	Quantitative/Descriptive	How social media influences millennials' product preferences and decisions. The scope of social media advertising highlighted how businesses might use different social media platforms.
Shimpi (2018)	<i>Indian Journal of Marketing</i>	Quantitative	Customers' active role in a social media strategy indicated firms' ways to design appropriate social media messages for brand building.
Quynh (2019)	<i>Indian Journal of Marketing</i>	Case Study	The study showed the moderating influence of brand image on the relationship between customer engagement and customer loyalty.
Tanwar et al. (2021)	<i>Indian Journal of Marketing</i>	A systematic literature review	The study showed how influencer marketing is used as a tool for online consumer engagement.

## Variable Selection

As given in Table 1, different types of variables have been used in CEB studies, and we note the following.

## ***Dimensions of CEBs***

The concept of CEBs is relatively new, and there is no clarity on its definition or dimensions. After the review, it is observed that the concept of CE is yet to be theorized, and its meaning and role are yet to be defined for a particular service context. Most of the studies here had used the multi-dimensional nature of customer engagement having cognitive, emotional, behavioural, and social dimensions having multi-intensity levels with time (Brodie et al., 2013).

Most of the time, the dimensions of CEBs include firm or brand-centered behaviors that go beyond transactions but have positive/negative manifestations depending on the motivational drivers of the customer (van Doorn et al., 2010). It also means non-purchase customer-to-customer (C2C) behaviors where the customer influences the development of the firm's offering and brand identity through knowledge, skills, opinions, recommendations, online reviews, and referrals, making it a part of experiential marketing (Jaakkola & Alexander, 2014). The various C2C interactions influence the development of the firm's offering, popularly known as participative or co-created services, through their knowledge, opinions, reviews, and referrals (Jaakkola & Alexander, 2014). Van Doorn et al. (2010) set a holistic and unifying conceptual framework for CEB, encompassing various customer, firm, and context-based factors but did not substantiate the relationships experimentally for any specific industry or research dimensions.

## ***Antecedents of CEBs***

Various studies have looked into the determinants of CEBs on three main categories of variables.

### ***Customer Empowerment***

In the process of determination of CEBs, Pires et al. (2006) pioneered the customer-managed relationship (CMR) that has given more power to the individual consumer to decide what kind of service they want or how frequently they wish to engage with businesses. The study focussed on the design of ICT (computers and information technology) based customer-centric strategies, emphasizing the uncontrolled nature of the consumer empowerment process. Moreover, research on social media asserted that social media channels help firms connect in a dynamic and collaborative nature between customers and how the messages have to be created to build an effective brand image (Sashi, 2012; Shimpi, 2018). Later, Murray et al. (2014) revealed that Twitter as a social media channel was seen to be useful in achieving customer engagement. Moreover, Yadav (2017) conceptually studied the various aspects related to the effectiveness and the risks of social media as a tool for marketing in the age of technology and the internet. However, the study revealed more about the problems that firms might face by adopting social media marketing. Along the same lines, the conceptual study by van Doorn et al. (2010) observed that though the managers encouraged customers to engage online, they tried to avoid negative publicity by retaining control over information and negative experiences shared by the customers. Thus, managerial control over customer engagement behavior (CEBs) defeats the very purpose of customer engagement which requires sharing control over communications (Morrongiello et al., 2017). This indicated that the studies by van Doorn et al. (2010) and a recent study by Morrongiello et al. (2017) and Yadav (2017) were able to identify and address the issues related to customer empowerment and engagement behaviors together in contrast to previous studies which viewed them separately.

An experimental study by Joosten et al. (2016) on banking service customers revealed that control in the services industry might not be feasible as individuals tend to differ in their desire for control. Further investigation on the scope of social media advertising revealed how firms employed various social media platforms to influence



the choices of millennials (Arora et al., 2018). Nevertheless, none of the studies considered here helped us ascertain which specific cohort has a specific desire for control or what type of CEB is being displayed on which particular social media channels to manage the process of customer empowerment needs and engagement behavior over a customer lifecycle.

### ***Emotions***

Several researchers previous to van Doorn's (2010) CEB framework that is, during 1999–2005, tried to know the meaning and valence of 'affective states' or 'emotions' and their outcomes. The presence of an emotional bond makes these services more enduring, unlike other functional and utilitarian types of services that involve many transactions and are prone to disengaging behaviors (Bowden et al., 2015). Customers' accumulated experiences turn emotions into actions and behaviors (Bagozzi et al., 1999; Martin et al., 2008), and positive emotions generate positive CEBs and vice versa. Similarly, Verhoef et al. (2010) outlined that experiences triggering customer engagement are generally very critical or extreme, but it was much beyond the first study of emotions in the 1900s. Levy and Hino (2016) and Bhat and Darzi (2016) went on to substantiate that emotional and relational elements influenced a bank's relation with customers rather than a purely transactional approach leading to bank loyalty through quantitative studies. Their approach did not touch upon any specific industry or the growing and sizable internet users that were prevalent at that time.

### ***Relationship Quality***

As viewed by Yousafzai et al. (2003), trust and satisfaction in virtual financial operations influenced the customers' perception of the reliability of services. Ladhari and Leclerc (2013) later concluded that e-loyalty was positively related to relationship qualities (e-satisfaction/e-trust) among click-and-brick banking users, where e-satisfaction had a three-fold effect on e-loyalty than e-trust. Ladhari and Leclerc (2013) exclusively studied click-and-brick banking users involving e-satisfaction, e-trust, and e-loyalty but failed to compare online with the traditional banking user behavior in a single framework. Many later studies empirically showed that customer dialogue/engagement mediated the relation between trust, trustworthiness, and loyalty in the banking sector (Hoang, 2019; Kosiba et al., 2018) and between emotionally-connected satisfied customers and loyalty/advocacy behaviors (Pansari & Kumar, 2017; Moliner et al., 2018). After comparing offline and online customer experiences, Kaabachi et al. (2019) found that an initial offline experience was more important than an online engagement to create trust and commitment.

### ***Consequences of CEBs***

We note that the variables used by researchers fall into one of the two main groups in the consequences of CEBs.

#### ***Attitudinal Loyalty***

Kosiba et al. (2018) highlighted that customer engagement influenced brand loyalty based on the amount of trustworthiness in the banking sector. Nagdev and Rajesh (2018), in their study about the adoption of internet banking, suggested banking institutions employed engagement marketing strategies in the initial stages to form a customer connection based on trust. Attitudinal loyalty causes repetitive purchases of the same brand or a set of brands or web-based financial services despite situational provocations and marketing influences that can cause

the customer to switch over (Ladhari & Leclerc, 2013). The role of social media to achieve customer loyalty by employing various customer-centric techniques such as influencer marketing has a huge potential for exploration in the online financial services sector (Tanwar et al., 2021).

### ***Customer Advocacy***

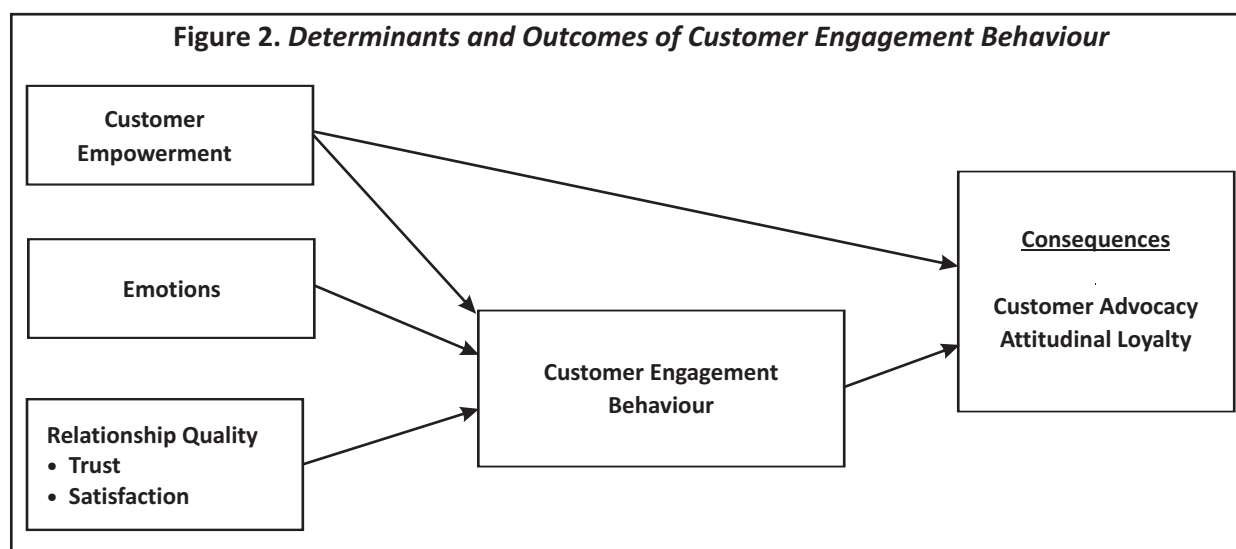
Fullerton (2011) highlighted word of mouth method of customer advocacy as the most influential form of information as it is believed to be non-biased, less apprehensive, and thus a trusted source influencing loyalty than repeat buying. Van Doorn et al. (2010), Kumar et al. (2010), and Pansari and Kumar (2017) confirmed that CEBs, therefore, shaped customer advocacy and attitudinal loyalty. Kumar et al. (2010) affirmed that CEBs contributed to customer purchases, feedback, suggestions, referrals, and other brand conversations on social media. Subsequently, Moliner et al. (2018) authenticated that the focus is now on creating an experiential brand experience that governs customer advocacy. Glavee-Geo et al. (2020) went a step further and observed that the emotional dimension of engagement had a positive effect on advocacy intention. Also, with the ever-increasing competitive landscape, it becomes essential to know more about forming emotional bonds, as prominently identified by Brodie et al. (2011)'s conceptual framework and later by other quantitative studies by Monferrer et al. (2019), Ladhari and Leclerc (2013), and Moliner et al. (2018).

### ***Categories of Variables Used by Type of Study***

From the total of 35 studies, three conceptual papers and two empirical studies used all three types of variables (antecedents, CEBs, and consequences), while 10 studies looked at only one variable (either empowerment, trust, satisfaction, loyalty, or advocacy), with many of them focus on developing a CEB conceptualization (five studies). The remaining 16 studies (either antecedents and CEB – six studies, or implications and CEB – 10 studies) focussed on only one aspect of the CEB framework. CEB is conceptualized using a variety of variables: customer participation, involvement, intricate psychological process, co-creation, multi-dimensional (mental, psychological, behavioural, and social), social interaction, and interactive experience. Only two were dyad studies (involving both customer and employee) and one of them, Moliner et al. (2018), used a full framework. In a business-to-business context, one conceptual study, Kumar et al. (2019), focused on CEBs' effect on the growth of m-wallets.

### ***Changing Trends in Literature***

The investigation of the CEB field showed some emerging research patterns in the literature. First, in early 2010, conceptual studies began to look at the overall framework that included determinants of CEBs and their outcome in the financial services industry. Although customer empowerment in customer-related studies was conceptualized in the early 2000s, empirical work took place after a few years (2006 onwards). Later, from 2011 onwards, studies focused on the loyalty or advocacy effect of trust or satisfaction in online settings. It is only logical that as the evidence on customer relationship management grew, the forebears and implications of CEBs assumed importance. Since 2019, researchers have been attempting to determine whether variables that influence CEBs impact the virtual marketplace and what new variables arise. There is a need for more qualitative studies (case studies or interviews) since CEB is a dynamic concept having several dimensions that cannot be assessed using measurement scales. We attempted to put together a general conceptual framework that emerges from this analysis and its findings to provide recommendations as to which variables should be used most in future studies (Figure 2).



## Practical Implications

### *Theoretical Implications*

Relationship marketing theory and service-dominant (SD) logic were exclusively used to prove the nature of customer engagement (Brodie et al., 2011; Islam & Rahman, 2016) which was different from earlier connotations such as customer participation and involvement. The SD logic stressed proactive efforts and contributions, where customers perceive what they give as a cost and what they receive from the seller as a benefit or a reward (Vargo & Luch, 2016). These researchers further asserted these theories to be used for future research to know the significance of customer-to-customer (C-to-C) relational behaviors in developing and maintaining loyalty and brand equity. Customer loyalty by Oliver (1999) explained by the hierarchy-of-effects notion of loyalty included cognitive, affective, and behavioral intentions and also provided a foundation for subsequent studies. Consequently, these intentions/attitudes make the customers engage closely with the entity, making them loyal and spreading positive word-of-mouth (Oliver, 1999). There are very few theories related to customer behavior and loyalty for the tech-enabled financial service landscape as the concept of customer engagement is not very well researched or evolved academically as known to the digital marketing and branding managers.

### *Managerial Implications*

This critical review provides directions for marketing managers, e-marketers, technologists, academicians, and practitioners of customer engagement marketing in the banking and financial services industry and guides them on how best to build trust and manage customers' emotions and tech-enabled power sources to engage with the brand positively (reviews, testimonials). Due to several financial apps present in the market, firms need to have a good app on-boarding strategy and process which is informational, transparent, structured with step-by-step instructions (example: product walk-throughs), and yet simple as it is studied that a poor onboarding process is known to result in a majority of app uninstalls. Once on-boarded, firms must focus on customer retention strategies by personalizing the service experience. Hence, firms can employ AI (artificial intelligence) powered

app push notifications to send customized news feed, offers, and cashback to the present customers. This ensures they are technologically empowered and use most of the available app features engaging them emotionally to use the app for a longer time. Appropriate social media influencer strategies can be used to further reinforce the brand's value proposition with customers who advocate a positive word of mouth.

## **Conclusion**

The review's main conclusion is that, while most studies are empirically rigorous, the field is vast, and there is no agreed-upon framework. The three main CEB dimensions (trust, satisfaction, and empowerment) are the only areas of convergence used in several studies and validated in various contexts. Another point noted is that the environment is undervalued in CEB studies, even though it is important, notably in multi-country studies where cultural and other environmental factors influence CEBs and their consequences.

The numerous reasons for customers to actively engage, remain passive, and disengage assist in the development of a robust customer segmentation strategy. A combination of strategies needs to be used, one for branding at the corporate level to strengthen the trust factor and the other for relationship and engagement marketing at the branch level so that customer engagement and customer loyalty can flourish. The marketing strategy primarily needs to be designed to solve the conundrum occurring from customer empowerment and a sense of control arising from access to information and the company's desire to restrain the control to avoid negative publicity. As the resultant engagement is a non-transactional behavior such as a referral or word-of-mouth, resulting in a long-term attribute of loyalty and advocacy, which is cyclic, meaning the company needs to pass it back to the empowered customer. This shows important marketing strategy design implications for engagement behavior arising from a digitally empowered consumer.

From the critical literature review, it is observed that post-COVID-19 disease outbreak, emerging banking and non-banking financial services companies are continuing to digitize and rapidly disrupt technologically. Hence, firms need to individualize and personalize their offerings with immersive and experiential elements to stand out in the competition. Even though social media channels facilitate engagement, the specific channels need to be used with specific goals such as acquisition and retention in mind. It is also discovered that an initial offline experience based on trust is required before developing a strong strategy for engaging customers digitally. Thus, effective offline and online marketing strategies must be established in the financial services and financial technology industry, which can empower and positively engage customers in developing attitudinal loyalty, advocacy, and value for the company.

## **Limitations of the Study and Scope for Further Research**

The recommendations of the present study rely on the design and conduct of the study and also do not correct for publication biases. There might be subjectivity bias in the present study when we grouped similar studies regardless of quality (poor quality with rigorously conducted studies). Similar to financial services, studies could be undertaken for other service industries: e-commerce, healthcare, tourism, media, and entertainment, which are also highly competitive and volatile; other population groups; and specific cohorts and cultures. Also, there is an absence of studies comparing both online and traditional banking users in a single framework. Very few studies adopted a qualitative approach to understand CEBs for a specific industry, population group, or context. So, a more qualitative approach may prove very insightful in understanding new industry segments and contexts.

Recent research has focused on partnerships where the two parties do not play the conventional buyer and seller positions. As a result, examining the consistency of such relationships is an exciting new research field. Firms' and consumers' engagement behaviors with government, not-for-profit businesses, and international or

regional organizations have all been overlooked in the analysis of dyadic relationships. Since the consumers' roles are not exclusively buyer-seller in these relationships, such studies would provide new perspectives on CEBs. The new research on the effect of empowerment on CEBs identifies different categories of customers based on the degree of their desire, opportunity, and control for a particular service or activity is required. It's also worth noting that further research into cross-border relationships and the significant impact of cultural traits is essential.

## Authors' Contribution

The study's inception, design, and methodology were all contributed to by both authors. Archana Nayak Kini collected articles and analyzed and interpreted the findings. She also prepared the initial draft of the manuscript. Dr. Savitha Basri analyzed and interpreted the research papers and prepared the revised version of the paper. Both authors provided feedback on prior versions of the paper and read and approved the final version.

## Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

## Funding Acknowledgement

The authors received no financial support for the research, authorship, and/or the publication of this article.

## References

- Abror, A., Patrisia, D., Engriani, Y., Evanita, S., Yasri, Y., & Dastgir, S. (2020). Service quality, religiosity, customer satisfaction, customer engagement and Islamic bank's customer loyalty. *Journal of Islamic Marketing*, 11(6), 1691–1705. <https://doi.org/10.1108/JIMA-03-2019-0044>
- Arora, T., Agarwal, B., & Kumar, A. (2018). A study of millennials's preferences for social media advertising in Delhi N C R . *Indian Journal of Marketing*, 48(10), 34–51. <https://doi.org/10.17010/ijom/2018/v48/i10/132334>
- Bagozzi, R. P., Gopinath, M., & Nyer, P. U. (1999). The role of emotions in marketing. *Journal of the Academy of Marketing Science*, 27, Article 184. <https://doi.org/10.1177/0092070399272005>
- Bhat, S. A., & Darzi, M. A. (2016). Customer relationship management: An approach to competitive advantage in the banking sector by exploring the mediational role of loyalty. *International Journal of Bank Marketing*, 34(3), 388–410. <https://doi.org/10.1108/IJBM-11-2014-0160>
- Bowden, J. L., Gabbott, M. & Naumann, K. (2015). Service relationships and the customer disengagement–engagement conundrum. *Journal of Marketing Management*, 31(7–8), 774–806. <https://doi.org/10.1080/0267257X.2014.983143>
- 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. <https://doi.org/10.1177/1094670511411703>



- 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. <https://doi.org/10.1016/j.jbusres.2011.07.029>
- Fullerton, G. (2011). Creating advocates: The roles of satisfaction, trust and commitment. *Journal of Retailing and Consumer Services*, 18(1), 92–100. <https://doi.org/10.1016/j.jretconser.2010.10.003>
- Glavee-Geo, R., Shaikh, A. A., Karjaluoto, H., & Hinson, R. E. (2020). Drivers and outcomes of consumer engagement: Insights from mobile money usage in Ghana. *International Journal of Bank Marketing*, 38(1), 1–20. <https://doi.org/10.1108/IJBM-01-2019-0007>
- Hoang, D. P. (2019). The central role of customer dialogue and trust in gaining bank loyalty : An extended SWICS model. *International Journal of Bank Marketing*, 37(3), 711 – 729. <https://doi.org/10.1108/IJBM-03-2018-0069>
- 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. <https://doi.org/10.1108/MD-01-2016-0028>
- 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. <https://doi.org/10.1177/1094670514529187>
- Joosten, H., Bloemer, J., & Hillebrand, B. (2016). Is more customer control of services always better ? *Journal of Service Management*, 27(2), 218 – 246. <https://doi.org/10.1108/JOSM-12-2014-0325>
- Kaabachi, S., Ben Mrad, S., & O'Leary, B. (2019). Consumer's initial trust formation in IOB's acceptance: The role of social influence and perceived compatibility. *International Journal of Bank Marketing*, 37(2), 507–530. <https://doi.org/10.1108/IJBM-12-2017-0270>
- Khosla, R., & Munjal, P. (2013). Demographic inequalities in using e-banking services: A study of Chandigarh. *Indian Journal of Finance*, 7(4), 13 – 21. <http://www.indianjournaloffinance.co.in/index.php/IJF/article/view/72127>
- Kosiba, J. P. B., Boateng, H., Okoe Amartey, A. F., Boakye, R. O., & Hinson, R. (2018). Examining customer engagement and brand loyalty in retail banking: The trustworthiness influence. *International Journal of Retail & Distribution Management*, 46(8), 764–779. <https://doi.org/10.1108/IJRDM-08-2017-0163>
- Kumar, V., & Pansari, A. (2016). Competitive advantage through engagement. *Journal of Marketing Research*, 53(4), 497–514. <https://doi.org/10.1509/jmr.15.0044>
- 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. <https://doi.org/10.1177/1094670510375602>
- Kumar, V., Nim, N., & Sharma, A. (2019). Driving growth of Mwalleets in emerging markets: A retailer's perspective. *Journal of the Academy of Marketing Science*, 47, 747–769. <https://doi.org/10.1007/s11747-018-0613-6>
- Ladhari, R., & Leclerc, A. (2013). Building loyalty with online financial services customers: Is there a gender difference? *Journal of Retailing and Consumer Services*, 20(6), 560–569. <https://doi.org/10.1016/j.jretconser.2013.07.005>



- Larsson, A., & Viitaoja, Y. (2017). Building customer loyalty in digital banking : A study of bank staff's perspectives on the challenges of digital CRM and loyalty. *International Journal of Bank Marketing*, 35(6), 858–877. <https://doi.org/10.1108/IJBM-08-2016-0112>
- Levy, S., & Hino, H. (2016). Emotional brand attachment: A factor in customer-bank relationships. *International Journal of Bank Marketing*, 34(2), 136–150. <https://doi.org/10.1108/IJBM-06-2015-0092>
- Martin, D., O'Neill, M., Hubbard, S., & Palmer, A. (2008). The role of emotion in explaining consumer satisfaction and future behavioural intention. *Journal of Services Marketing*, 22(3), 224–236. <https://doi.org/10.1108/08876040810871183>
- Moliner, M. Á., Monferrer-Tirado, D., & Estrada-Guillén, M. (2018). Consequences of customer engagement and customer self-brand connection. *Journal of Services Marketing*, 32(4), 387–399. <https://doi.org/10.1108/JSM-08-2016-0320>
- Moliner-Tena, M. A., Monferrer-Tirado, D., & Estrada-Guillén, M. (2019). Customer engagement, non-transactional behaviors and experience in services: A study in the bank sector. *International Journal of Bank Marketing*, 37(3), 730–754. <https://doi.org/10.1108/IJBM-04-2018-0107>
- Monferrer, D., Moliner, M. A., & Estrada, M. (2019). Increasing customer loyalty through customer engagement in the retail banking industry. *Spanish Journal of Marketing-ESIC*, 23(3), 461–484. <https://doi.org/10.1108/SJME-07-2019-0042>
- Morrongiello, C., N'Goala, G., & Kreziak, D. (2017). Customer psychological empowerment as a critical source of customer engagement. *International Studies of Management & Organization*, 47(1), 61–87. <https://doi.org/10.1080/00208825.2017.1241089>
- Murray, L., Durkin, M., Worthington, S., & Clark, V. (2014). On the potential for Twitter to add value in retail bank relationships. *Journal of Financial Services Marketing*, 19, 277–290. <https://doi.org/10.1057/fsm.2014.27>
- Nagdev, K., & Rajesh, A. (2018). Consumers' intention to adopt internet banking: An Indian perspective. *Indian Journal of Marketing*, 48(6), 42–56. <https://doi.org/10.17010/ijom/2018/v48/i6/127835>
- Oliver R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(4\_suppl1), 33–44. <https://doi.org/10.1177/00222429990634s105>
- Omoriegbe, O. K., Addae, J. A., Coffie, S., Ampong, G. O. A., & Ofori, K. S. (2019). Factors influencing consumer loyalty: Evidence from the Ghanaian retail banking industry. *International Journal of Bank Marketing*, 37(3), 798–820. <https://doi.org/10.1108/IJBM-04-2018-0099>
- Pansari, A., & Kumar, V. (2017). Customer engagement: The construct, antecedents, and consequences. *Journal of the Academy of Marketing Science*, 45, 294–311. <https://doi.org/10.1007/s11747-016-0485-6>
- Pires, G. D., Stanton, J., & Rita, P. (2006). The internet, consumer empowerment and marketing strategies. *European Journal of Marketing*, 40(9–10), 936–949. <http://dx.doi.org/10.1108/03090560610680943>
- Quynh, N. H. (2019). The moderating influence of brand image on the relationship between customer engagement and customer loyalty. *Indian Journal of Marketing*, 49(9), 42–56. <https://doi.org/10.17010/ijom/2019/v49/i9/146939>

- Sashi, C. M. (2012). Customer engagement, buyer–seller relationships, and social media. *Management Decision*, 50(2), 253–272. <https://doi.org/10.1108/00251741211203551>
- Shimpi, S. S. (2018). Social media as an effective marketing tool: An empirical study. *Indian Journal of Marketing*, 48(7), 36–50. <https://doi.org/10.17010/ijom/2018/v48/i7/129725>
- Srivastava, M. (2019). Role of customer engagement in customer loyalty for retail service brands : Customer orientation of salesperson as a mediator. *Indian Journal of Marketing*, 49(11), 7–19. <https://doi.org/10.17010/ijom/2019/v49/i11/148273>
- Tanwar, A. S., Chaudhry, H., & Srivastava, M. K. (2021). Influencer marketing as a tool of digital consumer engagement : A systematic literature review. *Indian Journal of Marketing*, 51(10), 27 – 42. <https://doi.org/10.17010/ijom/2021/v51/i10/166439>
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, 14(3), 207–222. <https://doi.org/10.1111/1467-8551.00375>
- 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. <https://doi.org/10.1177/1094670510375599>
- 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, 5–23. <https://doi.org/10.1007/s11747-015-0456-3>
- 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. <https://doi.org/10.1177/1094670510375461>
- Yadav, M. (2017). Social media as a marketing tool: Opportunities and challenges. *Indian Journal of Marketing*, 47(3), 16–28. <https://doi.org/10.17010/ijom/2017/v47/i3/111420>
- Yousafzai, S. Y., Pallister, J. G., & Foxall, G. R. (2003). A proposed model of e-trust for electronic banking. *Technovation*, 23(11), 847–860. [https://doi.org/10.1016/S0166-4972\(03\)00130-5](https://doi.org/10.1016/S0166-4972(03)00130-5)
- Youssef, Y. M. A., Johnston, W. J., Hamid, T. A., Dakrory, M. I., & Seddick, M. G. S. (2018). A customer engagement framework for a B2B context. *Journal of Business & Industrial Marketing*, 33(1), 145–152. <https://doi.org/10.1108/JBIM-11-2017-0286>
- Zhou, T. (2013). An empirical examination of continuance intention of mobile payment services. *Decision Support Systems*, 54(2), 1085–1091. <https://doi.org/10.1016/j.dss.2012.10.034>

### About the Authors

Archana Nayak Kini is a marketing professional with 12-year working experience in branding/advertising, IT, digital media, e-commerce, market research, and business intelligence for clients spanning diverse industries and countries. She is currently pursuing research at Manipal Institute of Management, Manipal Academy of Higher Education, Manipal, Karnataka, India.

Dr. Savitha Basri is an Associate Professor at Manipal Institute of Management, Manipal Academy of Higher Education, Manipal, Karnataka, India. She has published more than 25 research articles in national and international journals. Her main areas of research include fintech, banking, and insurance.