

Understanding Customer Engagement in Online Retailing: A Systematic Literature Review

Rahul Pratap Singh Kaurav, Associate Professor, FORE School of Management, New Delhi
rahul.kaurav@fsm.ac.in

Aayushi Sharma, FPM Scholar, FORE School of Management, New Delhi
fpm22002@fsm.ac.in

Surabhi Koul, Assistant Professor, FORE School of Management, New Delhi
sur.koul@gmail.com

Summary

In recent years, the retail landscape has undergone a profound transformation, largely driven by the proliferation of online shopping platforms. The advancements in digital technologies are swiftly altering customer engagement with retailers during their online shopping journey. Despite the surge in the literature, from e-commerce to metaverse commerce, there lacks a comprehensive review specifically focused on customer engagement in online retailing. This gap impedes a comprehensive overview of customer engagement dynamics within the online retail landscape. This systematic literature review addresses this gap by examining 151 studies from January 2004 to December 2024, sourced from Scopus within the business and management discipline. The analysis outlines the “antecedents, decisions, and outcomes” of customer engagement in online retailing, and also presents “theories, contexts, and methods” employed in the literature to study customer engagement in online retailing. This review enhances conceptual understanding and provides insights for retailers aiming to elevate online customer engagement.

Keywords: Customer engagement, consumer engagement, online retailing, systematic literature review, ADO-TCM Framework

Word Count: 1979 Words

1. Introduction

The evolution of online retailing began in the early 1990s when the Internet emerged as a commercial platform (Katsifaraki and Theodosiou, 2024). From the early days of electronic commerce to the rise of mobile commerce, social commerce, and beyond, online customer engagement (CE) has significantly evolved. This growth has prompted online retailers to explore the opportunities to engage with customers through internet-mediated channels to build stronger relationships, collaborate, and co-create, globally (Hollebeek, 2017; Srivastava et al., 2023). The exponentially increasing growth rate of online retailing has continuously attracted researchers to explore constructs such as customer engagement, customer experience, customer satisfaction, and customer loyalty within online retailing. Thus, the evolving literature on online retailing has given researchers a discourse to explore and unravel.

With advancements in technology, retailers have now also started engaging customers with the support of artificial intelligence, augmented reality, and virtual reality in the online retail environment. Furthermore, new shopping platforms like social commerce, conversational commerce, and live-streaming commerce, have emerged, offering innovative features designed to boost retailer-customer interactions and to build better CE. With these technological advancements, the ways and means of customer engagement in online retailing have transformed over the period. Thus, these recent shifts in online retailing have also created a need to examine and organize the literature on CE in the online retailing domain.

Although several existing review studies consolidate existing literature on CE, however, many of these reviews provide a broad perspective, encompassing a holistic view of both offline and online CE, without specifically addressing the ever-increasing studies within the online retailing landscape (e.g. Lim et al. 2022; Ng et al. 2020; Rosado-Pinto and Loureiro 2020). Some reviews have also considered digital and social media engagement; however, these studies are not exclusive to online retailing (e.g. Srivastava et al. 2023; Lim and Rasul 2022). Moreover, the literature establishes that the nature of customer engagement differs in retailing vs services contexts (Behnam et al. 2021), and there lacks a comprehensive review that specifically addresses the CE within the online retailing context. This gap impedes a comprehensive overview of customer engagement dynamics within online retailing. Hence, this review seeks to bridge this gap by presenting a systematic literature review on CE in online retailing.

The analysis of the current review delves into discussing the “antecedents, decisions, outcomes, theories, contexts, methods” of CE in online retailing. This review paper adopts the ADO-TCM organizing framework to organize and structure the findings i.e. “antecedents, decisions, and outcomes; theories, contexts, and methods”. Thus, to suffice the above discussion, we present the following research objectives:

RO 1. To present a comprehensive review of the insights captured on customer engagement in online retailing from the reviewed literature in the form of ‘antecedents, decisions, and outcomes.’

RO 2. To present the ‘theories, contexts, and methods’ employed in the literature to study customer engagement in online retailing.

RO 3. To synthesize recommendations for future research on customer engagement in online retailing.

2. Background

2.1 Customer Engagement (CE)

The notion of engagement traces its roots across various disciplines like psychology, sociology, management, etc., particularly gaining momentum in marketing literature from the mid-2000s onwards (Brodie et al. 2011). In marketing, CE has been widely embraced as a part of the broader field of relationship marketing (Vivek et al. 2012). Researchers have viewed CE both as a ‘unidimensional construct’ involving primarily ‘behavioral’ dimension (Jaakkola and Alexander 2014; Van Doorn et al. 2010) and a ‘multidimensional construct’ involving ‘cognitive, affective, behavioral, emotional, and social’ dimensions (Dessart et al. 2016; Brodie et al. 2013; Bowden 2009). Bowden (2009) regarded CE as a ‘psychological process’ that drives ‘customer loyalty’ whereas Brodie et al. (2011) were among the first to define CE as a ‘psychological state’ arising from ‘interactive and co-creative customer experiences. With the emergence of the internet, CE now is transcended into two different streams of literature, online and offline CE (Ratchford et al. 2022). Scholars have structured clear attributes of CE across both online and offline retail. We, in this article exclusively study the CE in online retail literature.

2.2 Customer Engagement in Online Retailing

Customer engagement (CE) in online retailing has become popular with the emergence of the Internet. Initially, online retailing was characterized by selling of limited assortment on the retailers’ websites. As online retailing advanced, so did the methods of CE. The evolution of online CE has paralleled the development of Web 2.0, leveraging tools such as social media platforms that allow direct interactions between customers and retailers (Dessart et al., 2017). Then with Web 3.0, technological advancements have allowed for more interactive CE within online retailing. CE in online retailing has also evolved significantly over time. This is also reflected in how online CE has been defined by several authors in diverse contexts. Initially defined during the booming e-commerce era by Mollen and Wilson (2010), it involved interactions on brand websites. Then CE has gained attention within social media and online brand communities, indicating a deeper connection between customers and brands. These shifts highlight the ongoing evolution of online CE, influenced by temporal, technological, and contextual factors.

3. Methodology

This review follows a systematic literature review approach which is a rigorous and scientific method for secondary research. To ensure the ‘systematic’ part of the review, the study followed the ‘Scientific Procedures and Rationales for Systematic Literature Reviews (SPAR-4-SLR) protocol’ which has three stages – ‘assembling, acquisition, and assessing’ (Paul et al., 2021). Additionally, the study structures its findings in the ADO-TCM framework. An organizing framework such as ADO-TCM helps to provide a better structure and systematically arrange the findings (Lim, Yap and Makkar, 2021; Paul and Benito, 2018).

The scope of the review is established after thoroughly examining the existing literature in the domain. The articles are gathered from the Scopus database from inception i.e. 2004, till December 2024. The Scopus database is used to retrieve the papers as it is more inclusive than its counterparts and meets the rigorous quality criteria for its indexation (Lim et al., 2022). The subject area is limited to business, management, and accounting. The search keywords to retrieve articles on CE in online retailing are identified after a thorough review of the existing

literature. The search string for this study is as follows - ((*“Customer engagement” OR “Customer participation” OR “Customer involvement” OR “Consumer engagement” OR “Consumer participation” OR “Consumer involvement” OR “Brand engagement”*) AND (*“Digital” OR “Online” OR “Internet” OR “E-Commerce” OR “M-commerce” OR “S-commerce” OR “Ecommerce” OR “Mcommerce” OR “Scommerce” OR “Electronic commerce” OR “Mobile commerce” OR “Social commerce”*)). Then the identified papers are refined using well-defined inclusion and exclusion criteria.

The review then involves an analysis of the selected papers based on the ‘ADO-TCM framework’ (i.e. ‘antecedents, decisions, and outcomes; theories, contexts, and methods’) for organizing the literature findings. The robustness of the findings for ADO-TCM is verified after achieving satisfactory interrater reliability. Finally, findings will be utilized to derive the implications and to propose recommendations for future research.

4. Results and Discussion

4.1 Publication growth

The publication growth of research papers on CE in online retailing spanning from 2004 to 2024, exhibits variations in research output over the years. A lower number of research papers were observed from 2004-2010 reflecting the development stage of online retailing. Later, a surge in publications was observed over the last decade reflecting a growth in academic interest in exploring CE in online retailing. Several factors contributed to this rise in research, including technological advancements, the proliferation of online retailing platforms, and the widespread adoption of online purchasing among consumers.

4.2 ADO-TCM Framework

An organizing framework guides the synthesis of key literature findings (Lim, Yap and Makkar, 2021).

4.2.1 Antecedents of Customer Engagement in Online Retailing

This review has separately clustered several customer-related and retailer-related antecedents. In the customer-related antecedents, the engagement decision primarily rests with the customer. In contrast, the retailer-related antecedents are driven by the factors where the decision-making lies with the retailer.

4.2.2 Decisions of Customer Engagement in Online Retailing

While discussing the manifestation of CE, this paper emphasizes the ‘cognition, affection, and activation’ dimensions of CE in online retailing (Park et al., 2023).

4.2.3 Outcomes of Customer Engagement in Online Retailing

There are several outcomes of CE in online retailing such as purchase intention, patronage intention, brand trust, brand loyalty, brand advocacy, brand love, brand attachment, repurchase intention, and so on (discussed in detail in the paper).

4.2.4 Theories Related to Customer Engagement in Online Retailing

Theories act as an important means of scholarly advancement (Lim et al., 2021). This review observes fifty-eight theories across various disciplines, including marketing, psychology, social psychology, sociology, communication, management, and information

systems which were used to study CE in online retail environments. Additionally, there were twenty-eight papers that lacked a theoretical framework.

4.2.5 Contexts

This paper categorizes and discusses the contexts of the reviewed studies based on online retailing channels: 'e-commerce, m-commerce, social commerce, live-streaming commerce, and the recently booming metaverse commerce.' Each channel offers distinct opportunities and challenges for retailers to engage with their customers.

4.2.6 Methods

The research approaches used in the reviewed studies on CE in online retailing can be categorized into five types: quantitative, qualitative, experimental, mixed-method, and conceptual. The review reveals a predominance of quantitative research approaches, which account for 73% of the studies examined.

5. Conclusion and Potential Implications for Theory and Practice

The discourse surrounding CE in online retail has been consistently adapting to meet contemporary demands and trends. Based on the review findings, the study identifies technological advancements, evolving customer orientations, and retailers' efforts as the broad pillars around which the literature on CE in online retailing has evolved. The current study further aims to expand on the three pillars and discuss their future research directions.

This systematic literature review on customer engagement in online retailing will have significant theoretical and practical implications. Theoretically, it aims to provide a structured synthesis of existing academic knowledge on CE in the context of online retailing. This comprehensive analysis will facilitate opportunities for advancing academic discourse on customer engagement by proposing new research avenues for future researchers in the domain. Practically, the review aims to serve as a critical resource for practitioners by consolidating insights that can inform the design and implementation of customer engagement strategies. The review will also guide online retailers in adopting best customer engagement practices, thereby enhancing customer engagement and driving competitive advantage in the increasingly dynamic online retail environment. Additionally, by understanding the antecedents and outcomes of CE in an online retail environment, practitioners can refine their strategies to better connect with their customers. The review also highlights the necessity for continuous adaptation in response to the ever-evolving nature of CE. The review emphasizes that with the decreasing attention spans of customers, retailers must innovate constantly to capture and sustain interest. Thus, this review equips online retailers with an understanding of strategies for improving customer engagement in a competitive and rapidly changing landscape.

References

- Behnam, M., Hollebeek, L.D., Clark, M.K. and Farabi, R., 2021. Exploring customer engagement in the product vs. service context. *Journal of Retailing and Consumer Services*, 60, p.102456.
- Brodie, R.J., Hollebeek, L.D., Jurić, B. and Ilić, A., 2011. Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of Service Research*, 14(3), pp.252-271.

- Brodie, R.J., Ilic, A., Juric, B. and Hollebeek, L., 2013. Consumer engagement in a virtual brand community: An exploratory analysis. *Journal of Business Research*, 66(1), pp.105-114.
- Dessart, L., Veloutsou, C. and Morgan-Thomas, A., 2016. Capturing consumer engagement: duality, dimensionality and measurement. *Journal of Marketing Management*, 32(5-6), pp.399-426.
- Dessart, L., 2017. Social media engagement: a model of antecedents and relational outcomes. *Journal of Marketing Management*, 33(5-6), pp.375-399.
- Hollebeek, L.D., Juric, B. and Tang, W., 2017. Virtual brand community engagement practices: a refined typology and model. *Journal of Services Marketing*, 31(3), pp.204-217.
- Jaakkola, E. and Alexander, M., 2014. The role of customer engagement behavior in value co-creation: a service system perspective. *Journal of Service Research*, 17(3), pp.247-261.
- Katsifaraki, G.D. and Theodosiou, M., 2024. The role of service-dominant logic strategic orientations in driving customer engagement in online retailing. *Journal of Interactive Marketing*, 59(1), pp.99-115.
- Lim, W.M., Yap, S.F. and Makkar, M., 2021. Home sharing in marketing and tourism at a tipping point: What do we know, how do we know, and where should we be heading? *Journal of Business Research*, 122, pp.534-566.
- Lim, W.M., Rasul, T., Kumar, S. and Ala, M., 2022. Past, present, and future of customer engagement. *Journal of Business Research*, 140, pp.439-458.
- Lim, W.M. and Rasul, T., 2022. Customer engagement and social media: Revisiting the past to inform the future. *Journal of Business Research*, 148, pp.325-342.
- Mollen, A. and Wilson, H., 2010. Engagement, telepresence and interactivity in online consumer experience: Reconciling scholastic and managerial perspectives. *Journal of Business Research*, 63(9-10), pp.919-925.
- Ng, S.C., Sweeney, J.C. and Plewa, C., 2020. Customer engagement: A systematic review and future research priorities. *Australasian Marketing Journal*, 28(4), pp.235-252.
- Park, J., Hong, E., Ahn, J. and Hyun, H., 2023. Role of multidimensional customer brand engagement on customer behavior for online grocery shopping. *Journal of Retailing and Consumer Services*, 73, p.103380.
- Paul, J. and Benito, G.R., 2018. A review of research on outward foreign direct investment from emerging countries, including China: What do we know, how do we know and where should we be heading? *Asia Pacific Business Review*, 24(1), pp.90-115.
- Paul, J., Lim, W.M., O'Cass, A., Hao, A.W. and Bresciani, S., 2021. Scientific procedures and rationales for systematic literature reviews (SPAR-4-SLR). *International Journal of Consumer Studies*, 45(4), pp.O1-O16.
- Rosado-Pinto, F. and Loureiro, S.M.C., 2020. The growing complexity of customer engagement: a systematic review. *EuroMed Journal of Business*, 15(2), pp.167-203.
- Ratchford, B., Soysal, G., Zentner, A. and Gauri, D.K., 2022. Online and offline retailing: What we know and directions for future research. *Journal of Retailing*, 98(1), pp.152-177.
- Srivastava, R., Gupta, P., Kumar, H. and Tuli, N., 2023. Digital customer engagement: A systematic literature review and research agenda. *Australian Journal of Management*, p.03128962231177096.

- Van Doorn, J., Lemon, K.N., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P.C., 2010. Customer engagement behavior: Theoretical foundations and research directions. *Journal of Service Research*, 13(3), pp.253-266.
- Vivek, S.D., Beatty, S.E. and Morgan, R.M., 2012. Customer engagement: Exploring customer relationships beyond purchase. *Journal of Marketing Theory and Practice*, 20(2), pp.122-146.