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CUSTOMER BRAND ENGAGEMENT ON A BOUNDARY SPANNING PERSPECTIVE: A STUDY ON HOW CONSUMERS ENGAGE TO BRANDS

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PAPER 1 – EXTENDING THE CUSTOMER BRAND ENGAGEMENT CONCEPT: A BOUNDARY SPANNER FRAMEWORK[1]

1.1. Introduction

Brands are seen as complex, multi-dimensional and multi-functional entities that are influenced by a variety of actors, including but not limited to, brand managers, consumers, media, marketing researcher and technology (Bastos and Levy, 2012). Likewise, brand related constructs mimic such complexity, and among the gamut of brand related principles, customer brand engagement (CBE) emerged as an intricate concept of how customers and brands develop close relations (Hollebeek, 2011a). Despite recent research, the fundamental standards of the construct still need improvement, as its nature regarding the theoretical domain, dimensionality and nomological network are "embryonic" (Dwivedi, 2015, p. 100). This study contributes to the understanding of CBE by addressing four gaps in the theoretical foundations of the brand engagement construct: (1) the impact of a more rigorous definition of brand on the concept; (2) the theoretical tenets of the concept's dimensions; (3) a broader underlying perspective regarding how multiple stakeholders influence brand engagement; and (4) expected outcomes of brand engagement.

The brand conceptualization proposed in the paper allows new venues to assess the CBE concept, as it specifies a more inclusive, broader and multi-disciplinary approach. Once guidelines are established for brand conceptualization, and grounded on a theoretical review of the engagement of customer with brands literature, a new definition of CBE is proposed. Moreover, a new role of the customer anchors the proposed customer brand engagement (CBE) concept, where individuals are no longer seen as passive recipients of marketing stimuli (Hollebeek, 2013), but respond differently to brand offers (Vivek, 2009). Exploring sophisticated human processes for better understanding brand engagement with cognitive, behavioral and emotional resources, CBE is depicted in two internal processes, a macro engaging process and a micro engaging process (Keller, 2013).

As a more complex and integrative approach for customer perception is consistent with the fragmentation of the meaning of brands (Holt, 2004), this paper proposes a CBE conceptualization using the Boundary-Spanning Marketing Organization Theory (MOR) perspective. Four distinct elements of MOR theory (marketing activities, customer value-creation process, networks and stakeholders) are explored, leading to a theoretical framework that incorporates an integrative marketing process perspective – as opposed to current models' marketing functions perspective. The integration of several processes where customers and brands interact as described in MOR's theory leads to fifteen testable theoretical propositions regarding the extent that CBE activates new processing on customers' brand perceptions.

Expectancy Theory (Vroom, 1964) used in a consumers' context (Lee, 2007), predicts that the amount of effort someone will devote to certain tasks is governed by expected results. Drawing from Vroom's work, CBE outcomes can be defined as the conduct of a customer resulting from the interaction with a brand (first-level outcomes) and the conduct of a customer resulting from the perceived valence of such outcomes (second-level outcomes).

1.2. Theoretical Background

Two theoretical perspectives shape the cornerstone of the proposed framework: expectance theory and the boundary-spanning marketing organization theory (MOR). Additionally, literature on brand management, customer brand engagement (CBE), and the role of cognition, behavior and emotions on the customer landscape support the suggested framing.

[1] This thesis was developed under the 'thesis by publication' concept, comprising three papers. A summary of each paper is presented in EnAnpad 2015 Doctoral Consortium, as suggested by senior academics.

1.2.1. Brand Conceptual Definition

The disparity of approaches in brand definition leads to ambiguous competing definitions in which the conceptual perception acts as grouping perspective. Brand conceptualization has recently emanated from linguistics. Stern (2006) adopts an historical analysis method to categorize different brand-meaning approaches, defining four dimensions. The four dimensions result in conceptual brand-research approach classification scheme, namely metamorphic and integrative. *Metaphoric* describes the function of brands on non-literal usage, focusing on a mental representation for the customer. *Integrative* relates to literal, denotative usage, where brand denotes a name or mark that is associated with a product. Wymer (2013) asserts brand construct validity is fragile due the construct scarce efforts to rigorously define the construct. Following Stern's (2006) approach, brand is defined in two dimensions: brand-as-noun, representing the stakeholders' perceptions and comprehension of a branded object, and brand-as-verb, when placing an identity to a target object.

1.2.2. Customer Engagement

The development of a global and fragmented communication architecture has expanded the use of the term engagement in Marketing (Brodie et al., 2011). Despite this rapid expansion, the knowledge developed on customer engagement is still in its initial phase (Franzak et al., 2014). In an effort allocation perspective, Hollebeek (2011b) provide a conceptual definition of CBE as "the level of a customer's cognitive, emotional and behavioral investment in specific brand interactions" (p. 565). Three CBE themes (author's lexicon) arise from this study, explicitly representing customers' (1) cognitive, (2) emotional, and (3) behavioral resources allocation, explicitly when interacting with a brand. The three dimensional model based on a cognition, behavior and emotions is prevalent in CBE literature and is the model assumed in this study. The three-dimensional solution has not necessarily been accepted by all brand scholars, but for the sake of objectivity, this discussion is not replicated here. Detailed literature reviews on CBE dimensionality can be found elsewhere (Brodie et al., 2011; Hollebeek, 2011a; Hollebeek et al., 2014; Vivek et al., 2014; Dwivedi, 2015).

Keller (2013) claims, using a definition comparable to Hollebeek (2011b), that active engagement, from a brand resonance model, is the "extent to which consumers are willing to invest their own personal resources […] on the brand beyond those resources expended during purchase or consumption of the brand" (p. 348). Keller associates brand engagement with brand momentum – how much progress the brand appears to be making with consumers in the marketplace – and, within this dynamic setting, incorporates two forms of measures for brand engagement: macro and micro level. The author describes the former as referring to different resources used by customers in a brand relationship – time, energy and money, while the latter refers to particular brand-related activities such as collecting brand information, participating in brand marketing activities, and interacting with others.

The macro and micro process can be associated with the Bastos and Levy (2012) brand acknowledgement process. As a consequence, micro processing of brand engagement is related to the integrative (brand-as-noun) perspective, while processing information, participation and interaction are sense-making of what a brand is. Along the same lines, rare personal resources allocated to a brand's value proposition are perceived as superior, and resonates as a metaphoric (brand-as-verb) perspective. Moreover, contrary to what the nomenclature may suggest, macro and micro processes are not hierarchical in nature.

It is proposed, therefore, that CBE is comprised of two different processes: macro and micro, with the former referring to perennial, intense, profound, emotional brand-centered effort allocation processes, and the latter relating to temporary, subtle, superficial, emotionally self-centered processes. Both processes operate on cognitive, behavioral and emotional dimensionality. Assessing the scope (dimensionality, valence, outputs, customer processes and relational interface to the brand) and theoretical perspectives of customer brand engagement, CBE is a *continuous* (as opposed to discrete) process that encompasses cognitive, behavioral and emotional dimensions which can independently assume different perceptual levels to customers, volatile through time and dependent on brand touch points. Brand touch points are any interaction or interchange correspondence a customer have with a certain brand that ignite a cognitive, behavioral or emotional effort allocation.

1.2.2.1. Expectancy Theory and the Consequences of CBE

There are few non-empirical studies involving a strictly theoretical brand interaction approach (Knouse, 1986). Because CBE is defined on an effort allocation basis, expectancy theory was chosen to explain the consequences of relating to a brand. Expectancy can be defined as a belief about a specific outcome, as a reward, defined in terms of valence – positive or negative, or as an instrumentality – a probability of being rewarded (Vroom, 1964). To understand individual behavior selection as a choice to act, expectancy theory proposes that individuals cognitively process distinct motivational elements, since an individual's behavior is a result of the conscious choice of one's own expectancy calculations (Lunenburg, 2011). Among distinct possible outcomes, the motivation to choose one behavior over another is defined by the significance of an expected outcome. Differently stated, it is a personal motivation theory based on the assessment of possible behaviors to optimize outcomes. Such motivation drives one to exert efforts that are believed to generate acceptable levels of performance (*expectancy*), and certain (high) levels of performance are rewarded (*instrumentality*) by outcomes, which are subjected to personal preferences (*valence*).

Allocation of effort and personal investment represent different levels of CBE, expectancy theory supports customers' appraisal of the probability that their acts will be followed by an initial (first-level) outcome. Nadler and Lawler III (1989) assert that successful performance-to-outcome expectancies (P → O) are valence outcomes because they have direct value or attractiveness. Nevertheless, second-level outcomes are attainable only after first-level outcomes are achieved, and instrumentality is the probability that first-level outcomes will lead to second-level outcomes. An expectancy theory approach to outcomes can be applied in a brand engagement context since customer's specific goals affect CBE when maximizing consumption and relational benefits and influence how brands are used (Van Doorn et al., 2010).

There are two types of outcomes: first level outcomes are behavior that results from depleted effort, and second level outcomes are tangible and intangible benefits originating from first level outcomes (Nadler & Lawler III, 1989). There are states obtained from the direct relationship (task-oriented) with a branded product or service (e.g., word-of-mouth about a product or service, affective commitment, psychological attachment). These are *intrinsic outcomes*, which can happen regularly because of the positive performance of the brand. However, there are states relating to brands (e.g., social attainment, belonging to a brand community) derived from the customer's perception that other agents are influencing them. These are *extrinsic outcomes*, which may or may not be granted to the customer (indicated by a dashed line in Figure 1). Nadler and Lawler III (1989) state that individuals attribute to themselves *intrinsic* outcomes, seen as occurring as a result of performing the task itself, while *extrinsic* outcomes are provided or mediated by external factors. Valence is assigned to both first and second level outcomes, but second level outcomes (a benefit) are an instrument for achieving first level outcome (Shapira, 1976).

This study extends the reasoning of expectancy theory to explain customer outcomes from the brand engagement process. Customer Brand Engagement Outcomes (CBE-O) refer to customer chosen behaviors (first level outcome) towards a brand based on the likelihood that something better (second level outcome) would be provided. Additionally, it is asserted that customer brand engagement generates first and second level outcomes as general customer expected rewards, and second level outcomes are label Brand Related Rewards (BRR).

Manifestation of such rewards is subtle or overt, mentally or physically operated, comprised of (a) a state related to a self-centered processes (first level outcomes intrinsically mediated) obtained from the direct interaction to a brand and (b) a state related to a social-centered processes (second level outcomes extrinsically mediated) where customers pursue social accomplishment. Figure 1 depicts the expectancy theory model adapted to a CBE context.

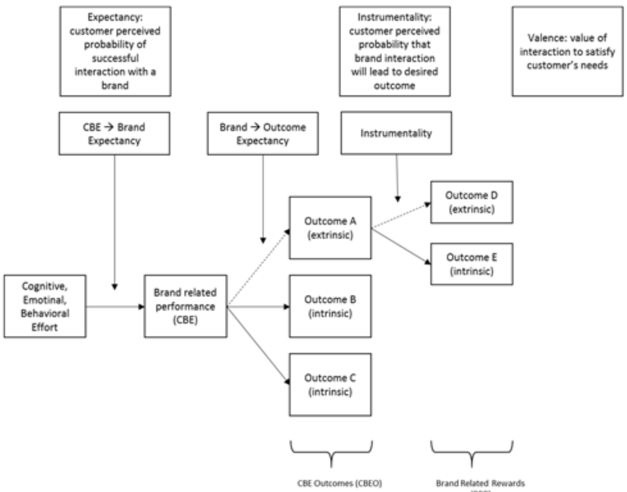

Figure 1. Customer Brand Engagement expectancy-theory model. Adapted from "Motivation: A diagnostic approach" by Nadler and Lawler III, (1989).

1.2.2.2. Customer Brand Engagement - Definition

Reviewing CBE proposed outcomes in the literature, expectancy theory can provide a comprehensive theoretical framework. For instance, Bowden's (2009) definition of brand loyalty, not as initial repeated purchase but as an enduring brand state mediated by a psychological variable, can be classified as a second level outcome. Conversely, Hollebeek and Chen's (2014) negative electronic Word-of-Mouth (e-WOM) behavior can be classified as a first level outcome, such as an effort (writing a derogatory review) based on the customer capability of disparaging a certain brand (expectancy). Since instrumentality is the perception a customer has about whether he or she will receive what was desired, the model does not account for second level outcomes. No relationship is established between e-WOM behavior and self-benefits, as for instance, from the recovery initiative of the denounced company (extrinsically mediated) or increased self-esteem (intrinsically mediated). In this sense, some of the first level outcomes are: usage and attentiveness, reaction to an ad (Calder, Malthouse and Schaedel, 2009), financial benefit, time and money (Van Doorn et al., 2010), commitment and self-brand connections (Brodie et al., 2011) and brand attitude and e-WOM (Hollebeek & Chen, 2014). Other second level outcomes include: brand loyalty (Bowden, 2009; Hollebeek, 2011a), emotional response, identity (Van Doorn et al., 2010), trust, self-brand connections and loyalty (Brodie et al., 2011) and loyalty and satisfaction, empowerment, connection and emotional bond, trust and commitment (Brodie et al., 2013).

Few studies of CBE address a comprehensive set of relationships regarding the asymmetry of contexts and dimensionality (Villiers, 2015). Figure 2 is a proposed model with supported dyadic relationships, where traditional dimensionality of CBE (cognitive, behavioral and emotional) is based on the organizational theory of the boundary-spanning marketing organization processes (Hult, 2011, explained further on section 2.2.4), relating to brand sense-making, delivering outcomes as reward-like customer processes (Dwivedi, 2015), concomitantly. The definition proposed in this study is:

CBE is a two-component process of allocating independently managed personal resources (cognitive, behavioral and emotional) to define the affiliation with a brand considering valence (positive or negative), intensity (high or low), type (denotative or connotative) and nature (literal or metaphoric) of the relationship. It leads to foreseen and unexpected, self-warranted and third part granted rewards, resulting from customer's efforts to achieve such outcomes.

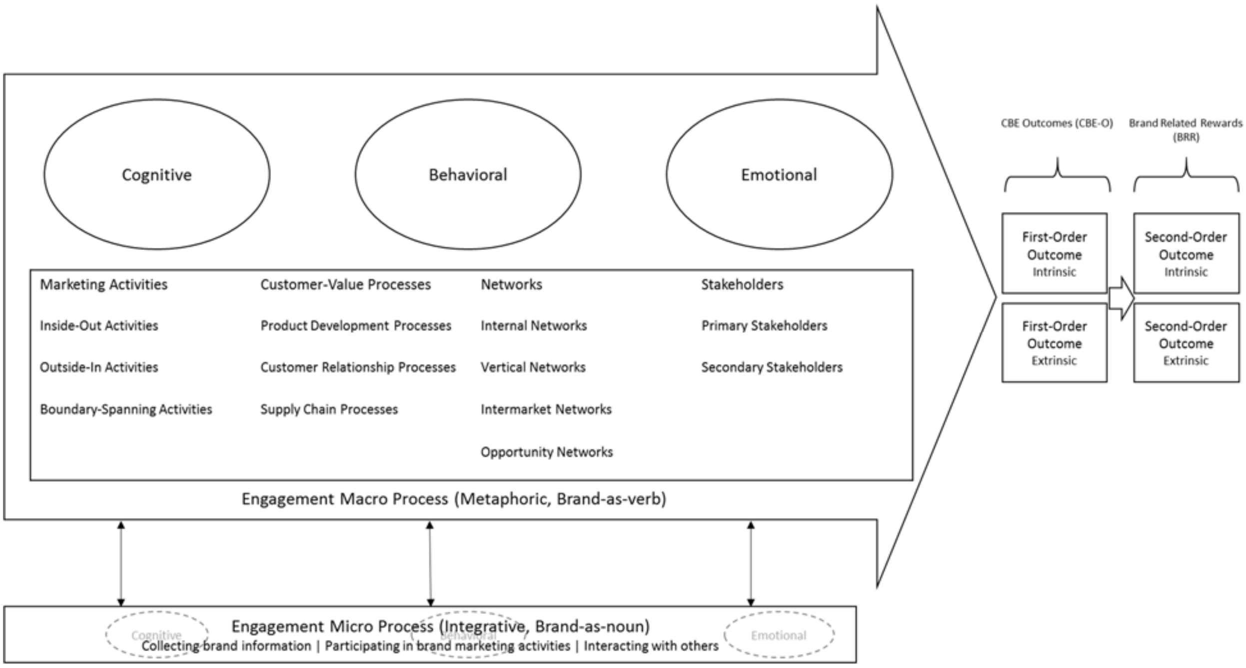

Figure 2. Proposed framework

1.2.2.3. Customer Brand Engagement Conceptual Framework

Two theoretical approaches – boundary spanning organization theory and expectancy theory – along with brand management and CBE literature – support the proposed framework. Even though Vroom's (1964) initial valence, instrumentality and expectancy (VIE) model was focused on motivation in a work environment, an individual's expectations for attaining desired outcomes has been applied on various customers intensions evaluations (McMenemy & Lee, 2007) and brand management (Knox & Freeman, 2006). Likewise, boundary spanning organization theory is a suitable framework for practical marketing studies (Browne et al., 2012). It is assumed, therefore, that these theories support the proposed CBE framework.

The framework brings all the theoretical assumptions together while encompassing the three dimensions of CBE (cognitive, behavioral and emotional). The layout of MOR's elements (and sub processes) along CBE's dimensions evidences the theory's diversity both horizontally across multiple functional areas and vertically involving multiple efforts inside the marketing function. CBE is divided into two different processes, the engagement micro process, when brands have an integrative, brand-as-noun meaning, and the engagement macro process, when brands have a metaphoric brand-as-verb meaning. The engagement micro process does not lead to outcomes (represented by a rectangle), since the engagement macro process (arrow) leads to outcomes foreseen by the expectancy theory. In the engagement macro process a continuous line ellipse represents high effort allocation, while in the engagement micro process the dashed line ellipse represents a low effort allocation.

1.2.2.4. The Boundary-Spanning Marketing Organization Theory (MOR)

Defining the marketing scope is paramount to propel both its theoretical foundations (Hunt, 1976) and its implications to practitioners (Kotler & Keller, 2012). Extant formalizations customarily align marketing processes with marketing functions, revolving around identifying markets and segments and developing offers to induce value propositions. Given the relative paucity of diligent, integrative theoretical perspectives, Hult (2011) conceived the boundary-spanning marketing organization theory (MOR) to describe areas of marketing processes. By doing so, Hult proposes that a boundary-spanning organization integrates holistic processes to create consumer value through business practices and networks, bearing diverse stakeholders. In a marketing process perspective, many departments are accountable for a company's branding struggle, since it should permeate through all levels and functions (Bedbury & Fenichell, 2002). Accomplishment for an organization depends on integrating four characteristics, effectively infused and assimilated through the enterprise, namely: (a) marketing activities; (b) customer value creating processes; (c) establishment of networks and; (d) integration and attention with stakeholder.

Schultz and Hatch (2003, p. 13) describe a new, multilateral nature of brands' perceptions, which implies that in a corporation, all departments are knowledgeable about their role in positioning a brand, designing processes and performing actions that make the brand unique. MOR theory provides broader parameters for marketing processes, and customer engagement theory can evolve by incorporating such considerations. Furthermore, MOR can accommodate different levels of interaction that contribute to understanding the allocation of customer effort accordingly. Finally, MOR theory supports the brand understanding process (integrative, brand-as-noun or metaphoric, brand-as-verb), as it portrays activities and contact points that alter customers' brand perceptions. The theoretical arguments are described in the next section.

1.3. Customer Brand Engagement Dimensions – Theoretical Foundations

A consistent theoretical contribution can be evaluated by the extension that it alters existing models, both in scope and magnitude. In light of the discussion in previous sections, this study presents fifteen theoretical propositions.

1.3.1. Cognitive Theory Assessment for CBE and Propositions

One aspect of the customer brand engagement cognitive component refers to information processing. Customers process stimulus and interconnect them to all three elements of Marketing Activities. The dynamic nature of customers cognitively processing brands offers is consistent with the De Chernatony (2010) view, where "brands represents a dynamic interface between an organization's actions and customers' interpretations" (p. 12). On the foundation of these remarks, it is propose that:

Proposition 1: CBE cognitive dimension is an individual, independent response to a brand's marketing activities.

The model indicates that dynamic, active and progressive cognitive processes (as opposed to static) represent the different levels of these dimensions and assume an idiosyncratic result. Different levels of cognitive states (thoughts, beliefs, ideas) lead to different levels of cognitive abilities (perception, attention, memory, motor, language, visual and spatial processing) that will be processed as contrasting information, known as equilibration (Piaget, 1978). *Equilibration* of cognitive structures encompasses assimilation, processing incoming information to fit one's existing reasoning, and accommodation, with intellectual adaptation as incoming information (Dawson, 2009). From such complex information processing, it is inferred that different brands induce different cognitive abilities, reaching *equilibration* with different processes. It is also proposed that:

Proposition 2: CBE cognitive dimension builds unique and cumulative knowledge about a brand, defined as an integrative, brand-as-noun (object) micro processes basis.

Considering customer value–creating processes, one brand's marketing activities lead to consumer's perception over time (Bedbury & Fenichell, 2002). Customers with dissimilar cognitive systems and cognitive abilities perceive such activities and, assimilate such actions disparately and idiosyncratically. Cognitive ability is inherently individual, and takes place through processes of attention, perception, memory, reasoning, judgment, imagination, thought and language (Piaget, 1950/2003). Therefore, the following is proposed:

Proposition 3: CBE cognitive dimension is an individual, independent response to a brand's customer value-creating processes.

Assessing Network Economy influence, information revolution altered internal and external networks in which a company operates, creating better information processing, knowledge management and adaptability (Achrol & Kotler, 1999). Specific interactions between consumers and a company can occur within a wider network, suggesting that consumer brand engagement goes beyond dyadic relationships established on a consumer and brand relationship (Brodie et al., 2011). Consumer's cognitive structures, which have undergone equilibration and self-regulations, guides their interaction with the brand, generating and shaping perceptions about values (observed in communication and interaction with employees), brand standards (behavioral guidelines, responsiveness, interaction), artifacts (stories, rituals, language) and action (forms of interaction), all of which dependent on a company's structured network (Homburg & Pflesser, 2000). It is then proposed that

Proposition 4: customer intrinsic cognitive structures and abilities define the rationalization of a brand's network development.

Stakeholder theory managerial contribution is effective and can be used to implement a series of offers associated to marketing activities (Maignan et al., 2005). Idiosyncratic cognitive skills related to information search and storage, knowledge structure and mental models modify customers' response of brand offers.

Proposition 5: CBE cognitive dimension is susceptible and responsive to a brand's primary and secondary stakeholder interaction.

1.3.2. Behavior Theory Assessment for CBE and Propositions

Product-proliferation theory (Mainkar et al., 2006) postulates about extensive product launch strategies to increase entry barrier levels, as companies occupy possible positioning discontinuity in a given category. One consequence of this strategy is the wide range of products and services offered in the most relevant product categories, associated with the corresponding promotional mix. Amongst a multitude of brand offers it is proposed that

Proposition 6: the CBE behavioral dimension represents the customers' actions towards a brand of choice, trigged as a response to a brand's marketing activities.

Customers perceive different intensity levels of brand engagement, as part of a larger engagement process (Bowden, 2009). Consumer choices results from the interaction between situation, product and person (Srivastava et al., 1984), generating dynamic standards for behavioral component. Behavioral Learning Theory (Rothschild & Gaidis, 1981) argues that information strengthening processes generate and change consumer behavior, based on the incentives involved. It implies that customer response (such as purchase behavior) is a transactional process of trial and reinforcement. Customers brand conceptualization undergoes similar process to form brand perceptions. Then, it is proposed that:

Proposition 7: CBE behavioral dimension contributes to brand perception in a trial and reinforcement basis, interchangeably assuming the interactive (brand-as-noun) and the metaphoric (brand-as-verb) perception, fluctuating from macro to micro process in this procedure.

Marketing's renewed interest in the behavioral perspective is associated with the short-comings of the (isolated) cognitive approaches to 'marketing problems' as in the conceptualization of failures in new product introduction, as customers do not follow extensive information processing (Knouse, 1986).

Proposition 8: CBE behavioral dimension is an individual, independent response to a brand's customer value-creating processes.

Literature relates to the marketing concepts of consumer experience, which is changing relationship parameters in the marketing landscape, moving to a network economy and increasing propinquity to customers (Achrol & Kotler, 1999). Such proximity occurs at different aggregation levels, being possible to elaborate that customers adopt different magnitude and scope for this integration, such as individual level or contextual level. It is proposed that:

Proposition 9: CBE behavioral dimension is a response with dissimilar and independent scope and magnitude to each actor within the network of the brand.

Social norms promulgate patterns of behaviors based on the consistency of these demeanors, promoting corresponding normative and descriptive behaviors, as a bricolage of mutual believes (Goldstein et al., 2008).

Proposition 10: CBE behavioral dimension is determinately accounting for the influence of a brand's primary and secondary stakeholder interaction with the customer.

1.3.3. Emotions Theory Assessment for CBE and Propositions

Emotional attachment to brands confirms a subjective interactive nature and the propensity of a person to commit and invest on establishing a relationship with a brand (Thomson et al., 2005). Attachment Theory describes the nature of personal interactions with an object as a function of the intensity of emotional attachment developed reciprocally from the object (Bowlby, 1982). Thus, it is proposed that:

Proposition 11: CBE emotional dimension is a dynamic, affective response to a brand's marketing activities.

Likewise, emotions, in the form of brand affect, are defined as a response of customer to brand use, which in turn, affects brand personality (Sung & Kim, 2010).

Proposition 12: CBE emotional dimension builds cumulative knowledge about a brand, which plays a metaphoric, brand-as-verb (identity) role.

Emotions are a mental state of readiness, ascending from events or thoughts representing cognitive evaluation, resulting in specific actions to confirm or cope with such emotions, depending on its nature and meaning for the person (Bagozzi et al., 1999). Over time, the bond established between object familiarity and the path to establish the links convey to an "emotional memory", for solutions elaboration (Miranda & Tarapanoff, 2008).

Proposition 13: CBE emotional dimension is a response to confirm or cope with feelings elicited from a brand's customer value-creating processes.

Network structure also generates collaborative consumer relationship and develops a pattern in which resources and brand assets are used for easier consumer integration, in a process of value creation with other participants of the network. What defines customer experience is the approach, within the network, of how products and brands interactions are proposed. Laros and Steenkamp (2005) proposes a hierarchical model of consumers' emotions, where emotions are a result of a content component (broad general factor and specific assessments) and a hierarchical structure component (various emotions can occur at the same level of observation) and consumers make extensive use of this wide emotional structure in consumer environments. Therefore, it is proposed that:

Proposition 14: CBE emotional dimension is based on a complex set of consumer's emotions, hierarchical in nature, arising from the collaborative relationship of the brand with actors of its networks, unique to each player within the network.

Marketing activities toward stakeholders can trigger emotional responses, allowing access to different resources, strategic opportunities and positive valence from certain stakeholders (Rindova et al., 2006). On the other hand, emotions emerging from marketing initiatives range over a multitude of intensity and valence to different stakeholders, from sympathy to anger, or even s*chadenfreude* (pleasure from the adversity of others), affecting brand image ambivalently (Coombs & Holladay, 2005). It is then proposed that:

Proposition 15: CBE emotional dimension is affected by the nature of the relationship the brand impinges to its primary and secondary stakeholder interactions.

PAPER 2 – BOUNDARY-SPANNING CUSTOMER BRAND ENGAGEMENT: SCALE DEVELOPMENT AND VALIDATION [2]

2.1. Introduction

Building better quality measurement instruments is a constant pursuit in marketing (Churchill, 1979). Specifically regarding brand engagement, scale instrument has related brands to the consumer's self-concept (Sprott et al. 2009), social media (Hollebeek et al., 2014) and products (Dwivedi, 2015).

The contribution of this paper is twofold. First, a CBE scale is developed under two integrative, theoretical grounded perspectives, using customers from two different countries (the USA and Brazil). The first perspective, the boundary spanning marketing organization theory (Hult, 2011) is used to provide a framework to consolidate how multiple touch points shape customers' perception of a brand. The second approach, expectancy theory (Vroom, 1964) is used to categorize CBE's context specific consequence of general, first and second levels outputs. These two perspectives provide the theoretical tenets of CBE's concept nature. Second, subsequent to the classical test theory (CTT) paradigm scale development (Nunnally & Bernstain, 1994) a *post hoc* scale assessment guided by the Item Response Theory (IRT) paradigm was performed. The objective was twofold. First, it was possible to identify the level of brand engagement (latent trait) that each item of the result scale was able to envisage (Raykov & Calantone, 2014). Second, invariance testing using differential item functioning (DIF) was used as a diagnostic tool to instrument translation stability (Ellis, 1989) and gender equivalence (Salzberger et al., 2014). The combination of both CTT and IRT approaches in developing a marketing scale response to the call for the integration of these techniques (Raykov & Marcoulides, 2015) and provides deeper insights to the dimensionality of the construct and the measurement structure for both individuals and for each scale item separately.

2.2. Theoretical Background

The theoretical cannons of customer brand engagement (CBE), expectance theory and the boundary-spanning marketing organization theory (MOR) that outline the proposed framework are depicted in section 1.2. Against this background, it is offered the hypothesis as follows:

H1. Customer brand engagement is a second-order construct comprised by the first-order cognitive, emotional and behavioral dimensions.

H2. The factor weights for the (a) Cognitive, (b) Behavior and (c) Emotional dimensions will be significant, indicating that these are sub-dimensions of Customer Brand Engagement (CBE) construct.

H3a. Customer Brand Engagement (CBE) will positively correlate with increased Brand Related Rewards (BBR – 2nd Order Outcome).

H3b. Brand Related Rewards (BBR – 2nd Order Outcome) will positively correlate with increased Customer Brand Engagement Outcomes (CBE-O – 1st Order Outcome).

Additionally, IRT literature is reviewed.

2.3. Methodology

This study conceptually defines the Customer Brand Engagement (CBE) scale along various customer touch points, as proposed by the Boundary-Spanning Marketing Organization Theory (MOR). The multi-dimensional characteristics Cognitive, Behavioral and Emotional are proposed and validated as three first-order dimensions that jointly are reflected by the second-order construct (CBE) (Figure 4).

2.3.1. CBE Scale Development Procedures

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[2] This is the second paper for this thesis proposal. A summary of each paper is presented in EnAnpad 2015 Doctoral Consortium.

Following Churchill (1979), MacKenzie et al., (2011) and Nunnally and Bernstein (1994) an eight-step process was established to develop and validate the CBE scale, comprising four studies (Figure 3). The first step was to specify the domain of the construct. As an emerging concept in Marketing, CBE has conflicting conceptualization (Vivek et al., 2014) and based on prior researches a construct definition was proposed (see Section 1.2.2.2). The second step was generating items, which emerged from the extensive literature review assessed on a multi-point MOR perspective. This is the status of this project. From here on it will be used the future tense to reflect intend steps to be performed until December 2015.

A first qualitative study will be conducted employing 10 customers (5 in Brazil and 5 in the USA) to support the item generating process. The third step, item purification, will be conducted by submitting the items to expert's scrutiny (3 marketing professors in the United States and 3 marketing professors in Brazil). A second study with two hundred students (100 in Brazil and 100 in the USA) provided the data for an exploratory factor analysis and further item reduction. The data were also used for model specification in step four. Study number three will be conducted on the fifth step to assess scale reliability and validity. CBE scale final items will be assessed for face validity and for the construct model specification, stipulating the reflective nature of the relationship between the latent variables on the model (Figure 4). A further reduce CBE scale will be submitted to a sample of 200 customers (100 in the USA and 100 in Brazil) and confirmatory factor analysis (CFA) was employed to assess fit for the model on step five. For final scale validation and assessment of CBE relations in a nomological network a fourth study with a new sample of 500 consumers (250 in the USA and 250 in Brazil) will be performed and confirmatory factor analyses will be conduct to ensure model fit on step number six. Covariance-based structural equation modeling (CB-SEM) will be used to evaluate the full structural model and the norms for the scale will be established.

After the use of classical test theory (CTT) approach for evaluating reflectively measured constructs, an item response theory (IRT) framework will be used. IRT approach models the distribution of respondent's latent trait based on the item level (Frank, 1992). Although CTT and IRT was initially portrayed as competing methods on theoretical superiority current research call for the integration of methods as each one contributes significantly to understand relevant aspects of the underlying phenomena (Raykov & Marcoulides, 2015), yet leading to similar results. In step seven, a general assessment of the CBE scale item's response probability based on observed individual trait will be performed using a two-parameter logistic (2PL) model (Frank, 1992). Lastly on step eight, to evaluate the measurement equivalence of the instrument and separate measurement bias from true group differences, assessment of cross-nation measurement invariance due the scale translations (Ellis, 1989) and gender bias (Salzberger et al., 2014) will be performed. The literature-based item generation (step two) is depicted next. The procedures planned for steps three to eight will be briefly discussed, as the hypothesized full model of CBE, comprised of the expected measurement and structural models is presented in the model specification section.

2.3.2. Literature-Based Item Generation

The item generation process was undertaken based on the literature review, revising CBE conceptualization and existing scales. The starting point was all the constituted brand engagement scales (Dwivedi, 2015; Hollebeek et al. 2014; Sprott et al., 2009; Vivek et al. 2014). Items were grouped according to both MOR's four elements (marketing activities, value-creating processes, networks and stakeholders) and expectancy theory first-level or second-level outcomes. Conceptual studies on brand engagement were also relevant for item generation (e.g. Brodie et al, 2013; Chandler & Lusch, 2015). Other customer engagement studies were included to generate insights on customer interaction with brands (e.g. Bowden, 2009). After performing face validity verification, 60 items an initial pool of items were generated, identifying 14 items related to the cognitive dimension, 18 items related to the emotional dimension and 28 items to the behavioral dimension.

CTT	Step 1 – Conceptual Domain	Develop a conceptual definition	Literature review
	Step 2 – Item generation	Generate items (Study 1, n=10)	Literature review Interviews
	Step 3 – Purify measure	Expert Item Review (n=6)	Qualitative Analysis Face validity
		Full item survey (Study 2, n=200)	EFA & CFA
	Step 4 – Model Specification	CBE Model Specification	Reflective analysis
	Step 5 – Scale Evaluation and Refinement	CBE Scale Refinement (Study 3, n=200)	EFA & CFA
	Step 6 – CBE Scale Validation	CBE Scale Confirmation (Study 4, n=500)	CFA
	CBE Conceptual Relationships	Nomological Validity (BRR & CBE-O)	CB-SEM
		Scale Norms	Score statistics
IRT	Step 7 – Item and Respondent Characteristics	Item Characteristic Curve Item Information Curve Category characteristic Curves	One-Parameter Logistic – Rasch Model
	Step 8 – Function Equivalency	Item Operating Equally (language, gender and extreme response)	Differential Item Functioning (DIF)

Figure 3 – Overview of CBE Scale Development Procedure

2.3.3. Qualitative Interview Item Generation – Study 1

To extend the understanding of CBE's manifest variables 10 in-depth interviews will be conducted in Study 1. The use of multiple-steps item generation process guarantee strong methodological basis for the scale development process (Churchill, 1979). Using convenience sampling, 5 customers in a southern major city in the United States and 5 customers in Brazil's financial center will be interviewed. The objective of the in-depth interviews will be to capture the complexities of the topic under investigation.

Initially, the concept of CBE under the four elements of MOR will be presented to interviewees. Respondents will be asked to self-select four different product brands: a first highly engaged brand, a second brand that respondents intended to have high engagement but could not allocate efforts on the relationship, a third marginally engagement brand and a negatively valenced engaged brand. For each brand, respondents will be provided with a verbal definition of the constructs of interest (cognitive, emotional, behavioral, first-level and second-level outcomes), requested to provide descriptions of their behavior and to explain the a importance of each one.

Open questions will be used while briefing the subjects with facets of engagement drawn from the literature. Interviews will be recorded, transcribed and coded. It is expected that the results of the content analysis conducted on Study 1 will reflect both on the quality and on the quantity of the items generated by the literature review. It is also expected that items will be rephrased and additional items will be incorporated on the item pool.

2.3.4. Expert Review of Measures for CBE Scale

Scale development procedures broadly suggest the use of subject matter experts acting as reviewer of the items (Nunnally & Bernstein, 1994). Six independent judges (3 marketing professors in the US and 3 marketing professors in Brazil) will be asked to examine all the generated items. Experts will be asked to rate each of the items on a seven point Likert scale regarding how the item describes the measures (1 for describes poorly – 7 describes very well). In this study, face validity and content validity is not used interchangeably. Judges will be asked to evaluate face validity as "what respondents from relevant populations infer with respect to what is being measured" (Nunnally & Bernstein, 1994, p. 13) and content validity as the degree to which individual items, response formats, and instructions to respondents of an "assessment instrument are relevant to and representative of the targeted construct". Experts will be instruct to suggest rephrasing or elimination of items to increase clarity. Based on experts' ratings, items which average score is less than two will be eliminated from the pool.

2.3.5. Item Purification of Measures for CBE Scale - Study 2

To further reduce the pool of items a second study will be undertaken with 200 undergraduate students (100 in the USA and 100 in Brazil). A web survey software platform (Qualtrics) will be used and four different questionnaire versions will be developed, one for each level of brand engagement (highly engaged, engaged but out-of-context, marginally engaged and negatively engaged). The different questionnaires will be randomly assigned to respondents that will choose one brand within one of the four levels he or she was designed. All items will also be randomly allocated and will be rated on seven-point Likert scales ranging from 1 for strongly disagree through 7 to strongly agree. A more stringent threshold will be adopted for item selection and whether the mean average score for the item were below the scale median and it shows limited variance (SDs < 1.5) the item will be excluded (Thomson et al., 2005). The remaining items will be summited to exploratory factor-analysis (EFA) after data has been examined for kurtosis, skewness, extreme response style and survey duration. It is expected to have no missing data as Qualtrics prevents completion in such case. Extreme response or inadequate survey duration will also be assessed.

A Principal Component EFA will be performed using SPSS 21.0 and a 3-factor solution explaining high levels of the total variance is expected. The cross-loading examination will be performed along with Cronbach's alpha, composite reliability and the average variance extracted (AVE) will be calculated. Further items will be excluded.

2.3.6. Model Specification: Assessment Item and Construct Measurement

Formally specifying the measurement model assures that the items (indicators) has the expected relationships with the construct and/or its sub-dimensions (MacKenzie et al., 2011). Examination of the directional nature of associations on the model is an effective method to analyze it. Assessing direction of causality, correlation of measures, interchangeability of items, identification and the nomological network (Jarvis et al., 2003), the first-order constructs (cognitive, emotional and behavioral) and the second-order construct CBE should be measured by reflective items. First-level and second level outcome should also be measured by reflective items. The full-expected model is presented in Figure 4.

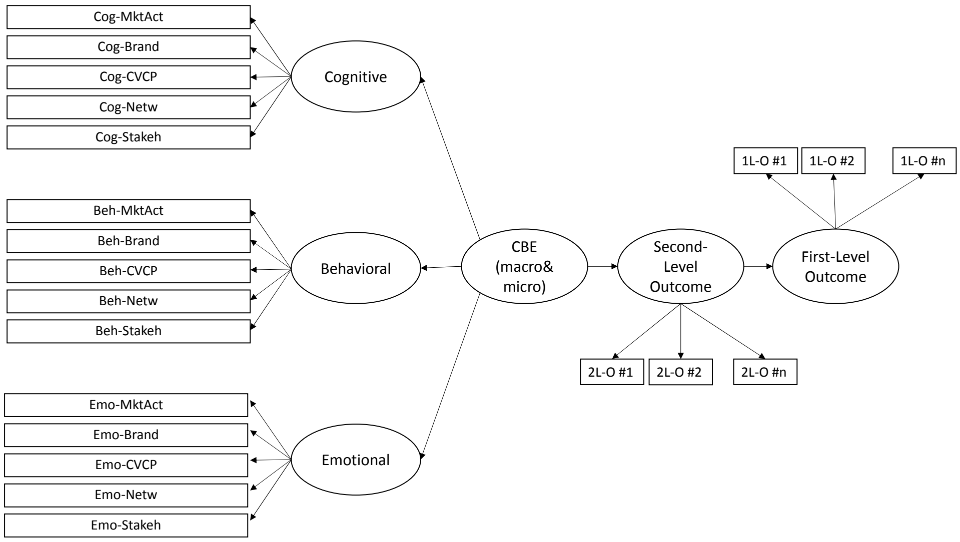

Figure 4 – Reflective Second-Order Measurement and Structural Model.

2.3.7. CBE Scale Evaluation and Refinement – Study 3

To inspect the psychometric properties of the scale Study 3 will be conducted with the remaining items. To evaluate convergent and discriminant validity a new sample, comprising 200 customers will be selected (100 in the USA and 100 in Brazil) by snowballing. CFA will be performed after the collected data have been checked for kurtosis, skewness, extreme response style and survey duration, as well as missing data, extreme response and inadequate survey duration. Response groups displaying standard deviation of less than one will be excluded from the analysis. The final validated customer response will be scrutinized on the CFA. It is expected the data will fit the model.

2.3.8. CBE Scale Validation & Conceptual Relations – Study 4

To increase cross validation of the psychometric properties of CBE with another population Study 4 will be conducted. Data will be gathered via Qualtrics from a new sample of customers to reexamine scale properties. The objective was to further validate the measurement model and examine CBE’s structural model on a nomological network.. It was targeted to reach 500 customer response to ensure an adequate sample size (Hair et al., 2010). Initially, a pre-test was conducted with 40 customers (20 in the USA and 20 in Brazil) and respondents performed accordingly to expect.

Similar to the previous study, four different forms will be prepared depending on the level of engagement with a brand, assigned randomly to respondents so the final sample would have the approximate number of each level. All items will be collected for each brand level along with the importance customers designate to each item. Both brand engagement and importance will be collected in a 7 points Likert-type scale.

Prior to the covariance-based structural equation modeling (CB-SEM) procedure, a CFA will be performed to gauge the adequate fit of the data to the proposed model. Using SPSS 21.0, data will initially be examined for kurtosis, skewness, extreme response style and survey duration and treated for misfits. A three-factor solution is expected to provide adequate fit to the data (expected parameters for $\chi2$/df, GFI, CFI, RMSEA, and SRMR). Next, the CB-SEM will be performed.

2.3.9. CBE Conceptual Relationships – CB-SEM

CB-SEM is suitable to understand the underlying factors covariance in a theoretical relationship model (Hair et al., 2010). Based on the literature review CBE is a second-order construct and changes in the CBE are hypothesized to cause changes in the first-order dimensions, being thus, a reflective construct. Consequently, these changes in the cognitive, emotional and behavioral dimensions mutually cause variations on their respective indicator.

As delineated in section 1.2.2.1, the consequences of allocating resources on the relationship with a brand can be categorized into first-level or second-level outcomes. CBE is a relational construct, reflecting a diligent consumer connection with a brand, enticing rewarding experiences both positive and fulfilling (Dwivedi, 2015). The items representing both construct were derived from the customer engagement literature review. Brand related rewards (BRR), or second-level outcomes, represent the ultimately expected reward for the effort of allocating personal resource in the relationship to the brand. CBE outcomes (CBE-O) are general customers' attitudes to enable second-level outcomes to happen. According to Expectancy Theory, instrumentality is the probability of a first-level outcomes (CBE-O) lead to second-order outcomes (BRR) but it is the expectancy – the perceived probability that effort will lead to expected performance – that drives motivation. Thus, as consequence of allocating personal resources (CBE) to a brand relationship that will be fruitful (expectancy) a customer believes certain attitudes and behaviors will lead to desired outcomes (instrumentality) with expected value to the individual (valance). Individuals with high expectancy presume high probability of second-levels outcomes and thus perform specific first-level outcomes that are most likely to generate individual value. This theoretical reasoning guided the nomological network design where second-level outcomes are a direct consequence of CBE, and first-level outcome is a direct consequence of these.

With the adequate fit of the data to the model, hypothesis H1, H2, H3a and H3b will be tested.

2.3.10. Nomological Validity & Scale Norms

To assess nomological validity of a construct it is necessary to estimate the focal construct and test if the hypothesized relationships estimates are significantly different from zero (MacKenzie et al., 2011). Tests such as mediation effects and common methods bias will be performed.

Scale norms intend to assign meaning to the scores on the scale by calculating comparing parameters, more specifically, mean and standard deviation (Churchill, 1979) and skewness or kurtosis. Detailed parameters will be presented.

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