Department of Economics and Business

þÿ Master of Business Administration (œ'')

2024-06

# Exploring the impact of digital engagement strategies on customer loyalty in the retail industry

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# ΣΧΟΛΗ ΟΙΚΟΝΟΜΙΚΩΝ ΔΙΟΙΚΗΣΗΣ ΚΑΙ ΠΛΗΡΟΦΟΡΙΚΗΣ

### ΟΙΚΟΝΟΜΙΚΩΝ ΚΑΙ ΔΙΟΙΚΗΣΗΣ

EXPLORING THE IMPACT OF DIGITAL ENGAGEMENT STRATEGIES ON CUSTOMER LOYALTY IN THE RETAIL INDUSTRY.

ΑΝΤΩΝΗΣ ΣΑΒΒΑ

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Διατριβή η οποία υποβλήθηκε προς απόκτηση εξ αποστάσεως μεταπτυχιακού τίτλου σπουδών στη Διοίκηση Επιχειρήσεων στο Πανεπιστήμιο Νεάπολις

ΑΝΤΩΝΗΣ ΣΑΒΒΑ

ΙΟΥΝΙΟΣ/2024

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Σελίδα Εγκυρότητας Ονοματεπώνυμο Φοιτητή/Φοιτήτριας: ΑΝΤΩΝΗΣ ΣΑΒΒΑ Τίτλος Διπλωματικής Εργασίας: EXPLORING THE IMPACT OF DIGITAL ENGAGEMENT STRATEGIES ON CUSTOMER LOYALTY IN THE RETAIL INDUSTRY

Η παρούσα Διπλωματική Εργασία εκπονήθηκε στο πλαίσιο των σπουδών για την απόκτηση εξ αποστάσεως μεταπτυχιακού τίτλου στο Πανεπιστήμιο Νεάπολις και εγκρίθηκε στις 14/01/2024 από τα μέλη της Εξεταστικής Επιτροπής.

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### Ή ΥΠΕΥΘΥΝΗ ΔΗΛΩΣΗ

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Dissertation is dedicated to my wife Naso and my son Michael for the all the patience they showed during the writing.
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### Abstract

In the context of an evolving digital marketplace, this dissertation explores the impact of digital engagement strategies on customer loyalty within the retail industry. The research addresses a critical need for retailers to understand and implement effective digital tools and platforms to enhance customer interaction and foster long-term loyalty.

The study aims to achieve four key objectives: to identify and categorize the prevalent digital engagement strategies adopted by retail businesses, to analyze the correlation between these digital initiatives and customer loyalty metrics, to explore the varying responses among different customer segments to these strategies, and to provide actionable recommendations for optimizing digital strategies to enhance customer loyalty.

Utilizing a mixed-methods approach, the research combines quantitative data from surveys with qualitative insights from interviews with industry professionals. The quantitative aspect involves collecting data from customers and retail businesses to measure the effectiveness of various digital engagement strategies, while the qualitative aspect provides deeper insights into the reasons behind the success or failure of these strategies. The digital engagement strategies under investigation include social media marketing, email campaigns, mobile applications, personalized recommendations, and loyalty programs.

The findings reveal that personalized and interactive digital engagement strategies significantly enhance customer loyalty by improving customer satisfaction and encouraging repeat purchases. For instance, social media marketing and mobile applications were found to be particularly effective in engaging younger demographics, while email campaigns and personalized recommendations resonated more with older age groups. The research highlights that different demographic factors, such as age, gender, and income level, influence how customers respond to digital engagement efforts.

Moreover, the study uncovers that customers' perceptions of brand loyalty and their intentions to make repeat purchases are heavily influenced by the quality and frequency of digital interactions. Retailers who actively engage with their customers through tailored digital content and responsive online customer service see higher levels of customer retention and brand advocacy.

Based on the analysis, the dissertation provides practical recommendations for retailers looking to enhance their digital engagement strategies. These include leveraging data analytics to personalize customer interactions, integrating omnichannel approaches to provide a seamless shopping experience, and continually adapting to emerging digital trends to stay ahead in the competitive retail landscape.

The research contributes to the academic discourse on digital marketing and consumer behavior by providing empirical evidence on the effectiveness of various digital engagement strategies in the retail sector. It addresses existing gaps in the literature by focusing on the specific strategies that most effectively drive customer loyalty and by examining the differential impacts on diverse customer segments.

Keywords: Digital engagement strategies, Customer loyalty, Retail industry

# **Chapter 1**

### 1. Introduction

(Muzumdar & Kurian, 2021) Digital customer engagement strategies have become central in the discourse of customer relationship management. Digital service design trends indicate various functionalities and services to attract and keep customers. By structuring such Offerings, the retailer creates an environment which facilitates all types of clusters of customer touch points and interactions (Ahmad et al., 2022). However, a gap in current research explores the transformative capacity of digital customer engagement strategies from the customer's perspective, either incrementally or by fueling new silent networks and investments. There are present cluster models, but they must be tested whether or not they hold in an environment of digital engagement, with social media network embedded customer behavior and loyalty outcomes. Social media, with a majority of mobile access, should be center of attention here. Using these considerations, we argue and illustrate an extension of the structures model of influencing a customer to continue repeat patronage towards a retail establishment. | Hollebeek et al.2022; Ng et al.2020; Rosas-Quezada et al., 2019)

Digital retail competition has now become the war of 'popularity' and not just goods. For example, the customer might use the physical store location as a physical awareness of what he/she can also purchase online with his/her most favorite multichannel retailer. Value proposition and value creation perspectives will provide totally new insights into online loyalty activation and retention, reasons and repetition behaviors, and the success of a retailer electronically. The research uses a retail loyalty model and includes theory about customer experience, customer e-business - personal construct and brand type considerations, emotional contagion/synchrony inclusion and online versus offline customer retention/loyalty theories, which significantly transverses deliberate brand loyalty/consumption cages and consumer resistance/the boycott challenge. Additionally, the research recommends retailers share recommendations and carry out digital loyalty competitions if they want to affect essential future generations seriously (Gupta & Ramachandran, 2021; Jin & Shin, 2020; Gauri et al.2021; Nanda et al., 2021)

# 1.1. Background of the Study

Building customer loyalty in a store has been and it is a key objective for retailers worldwide. Many concepts have been proposed to build customer loyalty for which several antecedents have been suggested. Different actors have defined loyalty and have promoted a wide range of antecedents that can explain the loyalty phenomenon. Traditionally, retailers have put great emphasis on customer satisfaction and service quality as determinants of customer loyalty. However, in the recent past loyalty still remains pivotal to the success of retailer. Results from numerous studies have affirmed that customer effort, employee behavior, wait time, performance of the service provider, and place or location also affect the loyalty. With the rapidly changing retail universe, there is a constant need to learn about new antecedents that might influence customer loyalty (Ahmad et al., 2022). The current phenomenon of personalized shopping experiences through digital media by companies has opened up new dimensions in terms of creating and maintaining customer loyalty. This has led to an impressive number of academic studies about personalization. Such studies are mainly conducted in the banking, insurance, and tourism

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sectors while we cannot find such studies about the retail sector. Researchers found out the digital engagement strategies impact customer loyalty because strategies are designed to increase the level of interaction between customer and brand that creates a chuck of loyal customers that are sticking with that brand. This enhancement in loyalty is a result of all the interaction with brand this will increase trust, likeness of the customer with brand in this way increase in loyalty. (Gao & Huang, 2021; Zaid & Patwayati, 2021; Garg et al.2020; Drummond et al., 2020)

The ever-changing marketing environment and the increasing competition have forced marketers to manage their resources judiciously by addressing emerging customer needs and demands at the touch of a button in the digital era (Arab, 2021). In this context, establishing customer loyalty has become one of the most cost-effective methods for firms to survive and grow in the long-run. The Indian organized retailing industry, currently at a retail revolution stage, is competing with tight margins and faces intense competition from domestic and foreign firms. Customer loyalty helps in reducing competitive pressures and offers long-term stability to the business. One of the significant routes in understanding and building customer loyalty is through the establishment of customer quality. Customer quality is more desirable than customer quantity as perceived and more loyal customers outspend (Muzumdar & Kurian, 2021). Customer engagement is a managerial concept, often driven by Customer Relationship Management (CRM), concentrated on the firm making customer participation in co-created experiences an explicit focus for the ongoing value co-creation process. Customer engagement cultivates intricate, multidimensional customer relationships, ultimately resulting in positive relational outcomes (e.g. customer loyalty). Modern firms continuously target customer loyalty through customer retention, and customer recommendations or word of mouth. In e-commerce markets, customer loyalty is gradually being replaced by customer quality. Online social media now plays a critical role in connecting and persuading customers with decisions and desires, encouraging browses and finalizing orders. Consequently, customer quality in e-commerce social network platforms is not only a significant strategic marketing concern, but of essential significance to success in today's increasingly digital commerce space.

(Garg et al.2020; Gao & Huang, 2021; Zaid & Patwayati2021)

# 1.2. Research Aim and Objectives

Relations between the digital engagement strategies and specific customer behavior were established based on the investigated parameters. Subsequently, this provided the necessary background to discuss the results at length in the exploratory phase and provide recommendations based on the literature reviewed so far.

Objective 1: To identify and categorize prevalent digital engagement strategies adopted by retail businesses

This objective aims to systematically identify and classify the digital engagement strategies currently being employed by retail businesses. By conducting a comprehensive review of existing literature and industry practices, the study will compile a detailed list of strategies, including social media marketing, email campaigns, mobile apps, personalized recommendations, and loyalty

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programs. Categorizing these strategies will provide a clear understanding of the various approaches retailers use to engage customers digitally.

# Objective 2: To analyze the correlation between digital engagement initiatives and customer loyalty metrics

This objective seeks to investigate the relationship between digital engagement initiatives and key customer loyalty metrics, such as repeat purchase rates, customer retention, and customer satisfaction. By collecting and analyzing data from retail businesses and customers, the study will identify which digital engagement strategies have the strongest impact on fostering customer loyalty. Understanding these correlations will help retailers prioritize strategies that effectively enhance customer loyalty.

# Objective 3: To explore the varying responses among different customer segments concerning digital engagement strategies

This objective focuses on examining how different demographic segments respond to various digital engagement strategies. Factors such as age, gender, income level, and other demographic characteristics will be analyzed to understand how these variables influence customer engagement and loyalty. By identifying the preferences and behaviors of different customer segments, the study will provide insights into how retailers can tailor their digital engagement efforts to better meet the needs of diverse customer groups.

# Objective 4: To provide recommendations for optimizing digital strategies to enhance customer loyalty in the retail sector

Based on the findings from the previous objectives, this objective aims to offer actionable recommendations for retailers to optimize their digital engagement strategies. The recommendations will focus on best practices and innovative approaches that can enhance customer loyalty. By implementing these strategies, retailers can improve customer satisfaction, increase repeat purchases, and build long-term customer loyalty.

### 1.3. Research Questions

To achieve these research objectives, the study is guided by the following research questions:

# What digital engagement strategies are most effective in influencing customer loyalty in the retail sector?

This question seeks to identify and evaluate the various digital engagement strategies employed by retailers and determine which ones have the greatest impact on fostering customer loyalty. By understanding the effectiveness of different strategies, retailers can better tailor their digital engagement efforts to maximize customer retention and satisfaction.

# How do different demographic segments respond to various digital engagement initiatives concerning loyalty?

This question aims to explore the variations in response to digital engagement strategies across different demographic groups. It examines factors such as age, gender, income level, and other demographic characteristics to understand how these variables influence customer engagement

and loyalty. This insight will help retailers customize their strategies to better meet the needs of diverse customer segments.

To what extent do digital engagement strategies impact customer perceptions of brand loyalty and repeat purchase intentions in retail?

This question investigates the broader impact of digital engagement strategies on customer perceptions of brand loyalty and their intentions to make repeat purchases. It seeks to understand how digital interactions influence customers' views of a brand and their likelihood to remain loyal and continue purchasing from the same retailer. Understanding this relationship is critical for developing strategies that not only attract but also retain customers in the long term.

## 1.4. Scope and Significance

Scope of the Study

The scope of this dissertation encompasses the exploration and analysis of digital engagement strategies within the retail industry and their impact on customer loyalty. Specifically, the study will:

**Identify and Categorize Digital Engagement Strategies:** This involves compiling a comprehensive list of digital engagement strategies currently utilized by retail businesses, such as social media marketing, email campaigns, mobile apps, personalized recommendations, and loyalty programs. The categorization will be based on literature review and industry practices.

**Analyze Correlation with Customer Loyalty:** The study will investigate the relationship between various digital engagement initiatives and key customer loyalty metrics, including repeat purchase rates, customer retention, and customer satisfaction. This will involve collecting and analyzing quantitative data from retail businesses and customers.

**Examine Demographic Responses**: The research will explore how different demographic segments respond to various digital engagement strategies. This analysis will consider variables such as age, gender, income level, and other relevant demographic characteristics to understand how these factors influence customer engagement and loyalty.

**Provide Optimization Recommendations**: Based on the findings, the study will offer recommendations for retailers on how to optimize their digital engagement strategies to enhance customer loyalty. These recommendations will focus on best practices and innovative approaches that can be implemented to improve customer satisfaction and retention.

The study will focus primarily on the retail sector, including both online and offline retail businesses that employ digital engagement strategies. Data will be collected through surveys, interviews, and case studies involving retailers and their customers. The geographical scope will be limited to [specify the region or country if applicable, or mention it is global if relevant].

Significance of the Study

This dissertation holds significant value for both academic research and practical application in the retail industry. The significance of the study can be outlined as follows:

**Academic Contribution:** This research contributes to the existing body of knowledge on digital engagement and customer loyalty by providing empirical evidence on the effectiveness of various digital strategies. It addresses gaps in the literature by exploring the specific strategies that most influence customer loyalty and how different demographic segments respond to these strategies. The findings can inform future research in digital marketing, consumer behavior, and retail management.

**Practical Implications for Retailers:** The study offers actionable insights for retail businesses seeking to enhance customer loyalty through digital engagement. By identifying the most effective strategies and understanding demographic preferences, retailers can tailor their digital marketing efforts to better meet the needs of their customers. This can lead to improved customer satisfaction, increased repeat purchases, and stronger brand loyalty.

**Strategic Decision-Making:** Retail managers and marketers can use the findings to make informed decisions about their digital engagement strategies. The recommendations provided can help businesses allocate their resources more effectively, focusing on strategies that yield the highest return on investment in terms of customer loyalty.

**Enhanced Customer Experience:** By optimizing digital engagement strategies, retailers can create more personalized and engaging experiences for their customers. This not only boosts customer satisfaction but also fosters long-term loyalty and advocacy, which are crucial for sustaining competitive advantage in the retail industry.

**Policy and Practice Guidance:** The insights gained from this study can also inform policymakers and industry bodies about the importance of digital engagement in the retail sector. Guidelines and best practices derived from the research can be disseminated to support the broader retail community in adopting effective digital engagement strategies.

In summary, this dissertation aims to bridge the gap between digital marketing theory and practice, offering valuable contributions to both academia and the retail industry. By understanding and optimizing digital engagement strategies, retailers can enhance their customer loyalty, ensuring sustained growth and success in a rapidly evolving digital landscape.

# **Chapter 2 - Literature Review**

Further study of the social media platforms proves those platforms with high digital engagement leads to distinguish against its competitors in terms of customer retention and increased cost of customer acquisition. Various scholars have also validated the findings that engagement through social media platforms creates a sense of commitment, loyalty and positive attitude among customers. Furthermore, additional research done in different countries has also validated these findings. It points the importance and relevance of conducting this study in this part of the world. Generational differences have created a mini-revolution in the retail industry through the increase of customer's reliance on digital engagement to communicate with the retailer and vice-versa. These days the retailers prefer to market their products through digital media which theoretically means that the digital tools of customer engagement might become more influential. This was predicted in 2012 by marketing intelligence firm First Data Merchant Services when it warned retailers that stores which fail to adopt digital engagement strategies will not survive. This indicates the growing emphasis of digital engagement in the overall shopping experience (Egodawele et al., 2022; Garg et al.2020; Shawky et al., 2020; de et al.2020).

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Loyalty has been considered as an important asset by scholars for the success of any industry as it confirms sustainable business. Previous studies have emphasized the importance of customer engagement for positive customer attitude which presumably would relate to customer loyalty. Traditional academic study of engagement in the retail industry had been oriented around transaction related engagements whereas these days engagement via digital media has acquired center stage in retailing. Social media platforms give retailers the authority to create build and develop lasting relationships with customers through their websites by directly interacting through the use of messaging and comments. Empirical evidence points to the fact that customers having a positive attitude towards the social media platforms have been identified with satisfactory outcomes while being reinforced with an enthusiastic attitude in comparison to those who do not carry a satisfactory attitude. (Garg et al.2020; de et al.2020).

### 2.1. Introduction

(Mohammadi et al., 2023) A lucrative and sustainable relationship with loyal customers can lead to extensive benefits for a business. Different competitive tools have been introduced to gain customer loyalty, and the literature shows digital engagement strategies as the most cutting edge instrument (Muralidhar & Lakkanna, 2024). This section discusses how to bolster the customer loyalty through the use of digital engagement tools in the retail sector. It progresses by summarizing the eudaimonia approaches towards conceptualizing customer loyalty and the resulting research questions. Loyalty is broadly operationalized at the theoretical level by concentrating on a sequence of four customer loyalty targets: customer experience (first-order target), customer attitude (second-order target), customer repurchase intentions (third-order target) and customer recommending intentions (fourth-order target). As for retailing, prior research suggests that customer loyalty should be interpreted as a multi-layered psychological process, involving both consumer cognitive, affect and conative loyalty intention (Ahmad et al., 2022). Proliferating competition in the retail sector and staggering customer sophistication makes it imperative to embark on customer loyalty strategies. While the necessity of customer loyalty seems to be universal, what may vary according to the industry, is the use of specific strategies for the customer loyalty or what we hypothesize: while customer loyalty programs play a major role in creating consumer loyalty in industries like banking and financial services, similar strategies are not expected to work in developing loyalty in the retail sector. Therefore, it becomes inevitable to understand the precise set of strategies through which loyalty can be achieved in the retail sector. Research indicates that digital strategies that facilitate normalization, required competence and a fair exchange of values is likely to foster customer loyalty. However, beyond this point, in an intensely competitive environment with extremely high consumer sophistications, businesses need to think beyond customer satisfaction. Satisfaction is necessary but not always sufficient to retain customers. Thus, in the context of retailing, from the perspective of normative loyalty businesses have to look beyond fair exchange of values to use also the strategies that are related with brand loyalty, customer orientation and distributive justice in their marketing communication and customer relationship management in the hope of gaining from the spillover effect.

# 2.2. Concept of Digital Engagement

Brand management has shifted from traditional global positioning to market segmentation, targeting, positioning, and product customization. Today, it is necessary for each brand manager to have a holistic and quick reaction to market dynamics. In order to reach consumers and control their behaviors, digital engagement strategies have been entered into the competition. Digital

strategies include digital (e.g., mobile applications and tools) or traditional strategies scoped and mentioned in digital environments. We own a Facebook.com page, where we can share our thoughts with our friends. Marketers use digital strategies to identify sellers' expectations and what they are looking for. Marketers use digital strategies to communicate with consumers more than product transportation and presentation and use purchasing process only in traditional marketing. In the digital world, selling, after sale, and support services are offered, and also information distributions about the product are possible (Safari et al., 2016).

Loyalty, a core factor in the seller-buyer relationship, refers to the buyer's repeated purchase behavior in the same seller under a certain situation (Muzumdar & Kurian, 2021). Nowadays, users are becoming more knowledgeable and participatory in digital interactions with sellers and are less likely to accept traditional communication styles (e.g., broadcasting or one-way communication). Today, we refer to buyers as consumers who are not only repeat customers but also the co-operation partners (or, in some cases, co-designers) in products and services of the sellers. Loyalty is one of the fundamental indicators that enable a company to have a sustainable development. Lock-in strategy shuts down negative and alleviates the costs of switching from one product to another. With loyalty, the company's recommendation also leads to a positive marketing statement (Hamilton et al., 2017).

### 2.2.1 Definition and Components

Online communities add an important dimension to the process of actualizing computer-mediated communication. Loyalty is an essential concept in those computer-mediated environments because itarkens back to the individual commitment of members. As a result of a combined seminar and master thesis, insights emerged regarding social media dynamics on the one hand, and loyalty in a social community dedicated to electro-acoustic music on the other. This led to the research question: How is loyalty developed and maintained within the online subcommunity of a niche market? The study was of an interpretive nature with a social constructionistic stance that included the methods netnography and semistructured interviews. The study investigated the concepts of loyalty, social media as phenomena in a subcommunity for music professionals, and the explored subjects related to social community loyalty. Findings showed that loyalty is multifaceted and that the concepts of constructs and principles are relevant. The social media industry is built on any kind of media that intentionally engages at least two parties and reaches one or several parties. This kind of industry could also include platforms with data-driven media, such as apps that provide useful information all the way to entirely creative apps that connect can users to each other. This makes the music community research unique from a marketing research perspective.

Loyalty is an important and infrequently studied factor in e-commerce and digital retail settings. Most of the literature on the subject is concerned with customer behavior rather than loyalty (| Hamilton et al., 2017). The most famous and consequently one of the most frequently used concepts is the concept of customer satisfaction (Londoño-Giraldo et al., 2024). This concept has become an outdated approach in terms of customer behavior and it has been replaced with the concept of customer loyalty, which refers to the willingly repeat purchasing of a product or service, and also providing recommendations to others, as an indicator that shows emotional attachment of customer to the product and service after buying decision, in retail industry. There are three dimensions considered under the concept of loyalty in the literature. These dimensions are behavioral loyalty, attitudinal loyalty, and emotional loyalty. Behavioral loyalty refers to any action that gives an advantage to a company in terms of providing recommendations, purchasing again,

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etc. Attitudinal loyalty stands for the evaluations of a company or a brand. Emotional loyalty refers to the trust, feelings, and sense of belonging towards a company or a brand.

### 2.2.2. Evolution of Digital Engagements in Retail

Consumers are transitioning from passive receivers of printed promotional material broadcasted using traditional marketing media to proactive evaluators of diverse interactions available on customizable digital platforms (Muralidhar & Lakkanna, 2024). Modern users are more likely to visit the official websites of brands or engage with them on social media to find out brand philosophies, ethical industries or the latest values or styles displayed through ad events in real time. Websites, for instance, are no longer confined to being electronic digital catalogues and transforming themselves into indispensable digital companions for consumers as they undertake the entire purchasing journey. While legacy websites, which are difficult to update and are often no longer user-friendly on mobile devices, are characterized by rigid designs and structural analyses, modern websites offer individualized support and personalized recommendations.

Technological developments and the changing consumer landscape have paved the way for the immense growth of digital engagements in retail (Ahmad et al., 2022). Surveys suggest that more than 60% of consumers carry out researching and purchasing through various digital engagement platforms such as social media, smartphone applications, virtual reality (VR), augmented reality (AR) devices and metaverse contents while 80% engage in digital branded interactions to search for information or reviews or make actual purchases (Ramadan, 2023). eCommerce business is becoming increasingly important in the digital era such as in the aftermath of COVID-19, as large department stores across the world have reported increasing purchases and decreasing foot traffic. Digital engagements encompass constant interaction between retailers and their potential and actual customers, including clicks, views, searches, purchases, browsing history, wish lists, abandoned carts, reviews, chat sessions and messages.

## 2.3. Digital Engagement Strategies in Retail

The word "digital transformation" is common in everyday language and people understand why it is often identified with technological change; but a recent report from IEEE Xplore rightly states that the digital future of companies is also about organizational, economic, and social changes (Lokuge & Duan, 2023). During the pandemic, Retailers and Local Community Communities helped each other and showed a stronger local community spirit. Panic buying and store closures took a toll on many small retailers' margins. An advocacy group discovered that the number of stores which fell by the roadside in the second half of 2020 increased by 37.4% compared to 2019. Surveys worldwide immediately signalled that COVID-19 has changed or will change our lives. People know they need to confront the crisis by cooperating and understanding what the situation is and acting in accordance with that international emergency. Small and Media businesses started to follow the changes in the market and they must make good use of them, fattening their bottom line. So, on the one hand SMEs have to be agile and resilient in the global account, on the other hand they are required to evolve and drive the digital revolution in small communities. Of course, the digital change cannot happen straight from one day to the next, but the COVID emergency managed to redeem the "Industry appeasement" which we mentioned at the outset.

Brand loyalty has been broadly discussed in the literature and is considered a central focus for marketing (Hamilton et al., 2017). However, with the increasing ubiquity of digital and increasingly

mobile technologies and the current COVID-19 pandemic, the concept of "loyalty" is becoming less customer-focused and more focused on technology. New apps and digital features are rewarded with "likes" and loyalty points, leading many marketers to label this kind of loyalty "technology loyalty". This is particular true for the retail industry, which has changed completely over the past three years because of "retail technology trends" such as e-service robots or technology for Social Discovery Commerce. Our digital world has forced us to rethink everything, from the way we consume information to how we expect companies to communicate with us. This article will try to provide some guidance on how the customer engagement technology will unfold in the future (Roggeveen & Sethuraman, 2020). Will consumers look more for social experiences or will they continue personalizing their digital approach and creating a super convenient shopping or delivery experience, as the technologies usually suggest? How will technology lead to a customer evolution and how can retailers by using simple tricks match this? As we see in this article, Customer Loyalty Boosters 2020+ will slowly shift from a world of commerce, service, convenience or social environment towards a world of experiences almost creating an expectation of a personal therapist or customer journey researcher.

### 2.3.1. Social Media Engagement

One of the important aspects of brand social media engagement is to understand how to engage potential and existing users. New research proposes the C-E-R model (Cognition-Emotion-Reaction) enabling to engage users. The proposed schema is used to analyze the influence of the companies' engagement strategies on user engagement and the individuals' balance level. The scholars have tried to explain the relationships between brand social media strategies, the degrees of user engagement and their overall understanding and relationships. Their findings have emphasized the importance of brand-customer interaction tools, so this makes clear that the Social Media Engagement strategy is the best strategy concerning all strategies for user engagement.

Digital marketing is very important for businesses because it increases customer loyalty and engagement, ultimately, leading to profit increases. Also, because of mobile industries, marketing strategies should be changed from traditional marketing strategies to digital marketing strategies. Brand social media strategies have become essential for companies to improve the number of customers, their purchase behavior and customer interaction in today's world (Shao et al., 2022). So, companies that want to survive in the competitive market have to use these strategies in the right way. The Social Media Engagement strategy is one of the main digital engagement strategies and some studies have found that this digital engagement strategy, the Social Media Engagement Strategy is the best strategy to improve customer loyalty since it is very significant aspect for companies creating the offer according to customers' feedback, suggestions and expectation (Liu et al., 2021).

### 2.3.2. Email Marketing

The current business environment consumers face, namely the record levels of competition in both the brick-and-mortar and online retail sectors, has pushed companies to utilise every possible channel to engage their customers. Without marketing intelligence to underpin the effectiveness of digital engagement strategies, there is always a strong probability that marketing resources can be misallocated and companies can waste substantial amounts of money without seeing the desired results (Ward & Chen, 2001). This double-edged sword becomes even more dangerous when companies use third-party marketing channels such as Facebook, Twitter and Instagram, because they have built-in procedures to fiercely protect the digital advertising revenue

they generate and ensure that the algorithms are subject to frequent change to prevent cracks from appearing in the system, making it more difficult for companies to engage through social media than through more traditional platforms. Another psychological consideration is that the discourses on private or potentially private platforms or over the phone (e.g. instant messaging systems) might be perceived as more aggressive and persistent or as mechanisms of potentially inhibiting a person's sense of freedom (Askalidis & Malthouse, 2016). In comparison, discussions held through institutional online platforms, e.g. email, instant messaging platforms, or through the telephone network (e.g. paying with a dedicated number) might be judged as less invasive and targeted because they involve some type of previous choice in signing up for customer loyalty programmes or services that normally have an opportunity to reject or accept one and also involve personalisation to match the customer's characteristics. The unsolicited adverting sent to clients, that reaches them as spamming and therefore is mostly annoying, does not fall within this frame, and a marketing strategy proposal that wants to address customers creating consistent adhesion and loyalty to the point of generating web site traffic and increasing the number of direct ticket sold to end customer, will try to follow this blue print set up by the companies and suggest also to maintain the commercial gehalt from the pretentious interactions. Web rooming is the act of visiting a store to see the product and then searching online for cheaper alternatives without buying anything, while show rooming occurs when a customer view an object in a web catalog and at the end buy it in the physical shop at a greater price in respect to the cost displayed in the e-shop. To one side there are producers and merchants who use technological means of relationship and management of the customer (We are increasingly flooded by e-mail for example) to return the user with sponsored promotions and make use of loyalty to return it to register and with the e-mail repeat the loop. Article dedicated to underlinng the possibility to implement a marketing strategy not invasive but that insist in to bringing the consumer in company's e-shop. (Aparicio et al., 2021)

### 2.3.3. Mobile Apps and SMS Marketing

In addition, mobile apps can also positively influence other major brand-related outcomes such as brand trust. The dynamic features in the app will increase the level of trust consumers have towards the mobile app, the company, and the brand. The app can increase the credibility of the brand providing it, as well as demonstrating the commitment and integrity of the retailer. Consequently, the app will have a positive influence over the service quality and brand trust, which can be positively influence the purchasing behavior and customers' loyalty to the mobile apps. Finally, mobile apps can convey a sense of security and privacy to consumers which can greatly enhance the emotional bond formed by consumers directed towards the mobile app and the service provider. SMS marketing may be more effective in sending coupons/reminders to consumers if it were individually tailored to suit the needs of the consumer. SMS marketing often operates as a reminder or nudge in a customer's mind, bringing a brand to the forefront of the consumer's mind and therefore increasing the likelihood of them purchasing from the sender.

Mobile apps and SMS marketing continue to rise in prominence as marketing tools for retailers (Zhu, 2023). A number of studies have examined the impact of mobile apps on increasing consumers' loyalty towards companies (Plotkina & Rabeson, 2022). A mobile app with good features and functionalities can help reduce consumers' perceived risks and therefore increase their satisfaction and loyalty. For instance, in a study that examined the impact of various technology adoption characteristics on consumers' decision to adopt a mobile app in the heathcare sector, it was found that consumers' perceived usefulness, perceived ease of use, and self-efficacy as well as their risk concerns are able to significantly influence their intention to adopt a healthcare mobile app. Other studies have also found that a mobile app can significantly

improve the perceived value-in-use and overall satisfaction of consumers. Indeed, innovative and interactive mobile apps can create a memorable experience for consumers and transform passive consumers into engaged customers, thereby increasing their loyalty and purchase intention.

### 2.3.4. Online Customer Service

(L. Roggeveen & Sethuraman, 2020) (Muzumdar & Kurian, 2021) Growing completion in retail sectors has required retailers to implement latest strategies that allows them to remain competitive among their business rivals. Challenges from online players are giving an emergent atmosphere to customer retention industry because retailers have to stay competitive for the retention and expansion of their customer base. It is important that business organizations commenced customer reward and loyalty building programs to remain competitive with their contemporary business dealers. Therefore, in this research paper. The focus is laid on the potential channels such as offline and online advantages that could be used to offer the customers unique services that could help in the retention of the existing customer base of business organizations and assistance in attracting the new customer base. (Zhao et al., 2022) To progress in today's competitive environment, it is important for the organizations to retain their customers. It's very postpone task and required to develop different customer retention mechanisms to take full charge of the technology and the service play to build on the loyalty for the customers. Technology have been disrupting the traditional brick-and-mortar retail, and thus there are innovations in both the traditional offline channels and online channels. Therefore in recent years these two channels and considered customers to be beneficial for increasing retail sales with the help of online retailing. Therefore, buy-and-mask as a supportive resource, the competitive advantages provided by the online channel may significantly influence customer relationships, particularly by influencing the generation of customers perceived value. For the same purpose in the domestic market, we have taken the largest retail chains, and markets and online supermarts further to analyze and scrutinize consumers loyalty programs and customer satisfaction.

# 2.4. Customer Loyalty in Retail

In that environment, the digital transformation is centered in the company's marketing and sales functions, especially for companies selling products. Furthermore, digitalization is the main trend steering the transformation of sales in business-to-consumer (B2C) companies operating in retail. In the competitive environment where companies are caught in the chase of reducing customer acquisition costs and increasing customer retention through discounts and promotions, keeping customers loyal to the brand and increasing customer profitability have become ever more important targets. Companies strive to increase loyal customers by leveraging the capabilities and movements of the internet generation in that direction. Though positive word-of-mouth expression increases the loyalty of existing customers, but every loyal customer plays a significant contribution to the increase in profitability. For this reason, doing research on the factors that affect customer loyalty has become important for companies whose existence is sales (Wang et al., 2021).

The benefits of using e-commerce include flexibility, time-saving, reducing the cost and distance. However, virtual companies are increasingly adding physical locations in order to serve customers who prefer to buy products in person or need direct coordination in complex, less frequently purchased categories. In the e-commerce environment, on the other hand, retailers also aim to provide potential customers with a pleasant shopping experience through websites, and mobile applications besides physical stores and benefit from the resulting customer loyalty. At the same

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time, considering the high acquisition costs of existing customers, the financial importance of extending customer relationships over time is clearly evident. Studies have shown substantial profitability gains if companies generate loyalty in value-enhancing, profitable customer groups (Arab, 2021).

### 2.4.1 Definition and Importance

Increases in the number of online customers and the growing competition necessitate organisations to shift their focus more on customer retention strategies than customer acquisition strategies. (Liu et al., 2021) Therefore, now many organisations are focusing on adopting and implementing Electronic Customer Relationship Management (e-CRM). E-CRM is an activity that tries to understand, foresee and satisfy the need of an enterprise's current and potential customers. All these customer satisfaction and retention measures are adopted by organisations to create customer loyalty.

(Safari et al., 2016) One might think that customer loyalty can be easily earned by providing good customer service, bonuses and so on. In actuality, when the product or service is common in the marketplace, it is very difficult to retain your customers. According to the review in today's marketplace, companies have shifted their focus in attracting and retaining customers towards customer relationship management (CRM) along with traditional marketing variables. Many researchers (Mohammadi et al., 2023) have also shown that organisations are nowadays shifting from traditional marketing function to CRM that creates a positive effect on their customer loyalty either attitudinally or behaviourally.

### 2.4.2. Factors Influencing Customer Loyalty

(L. Roggeveen & Sethuraman, 2020) (Muzumdar & Kurian, 2021) The literature proposes a wide variety of factors influencing customer loyalty in the current era of digital marketing. This study, however, focuses on four important factors, namely, sales personnel, various digital marketing tools, and D2C available characteristics. In the retail/manufacturing scenario of Sri Lanka, a rare few academic researches are found to have been conducted in this particular area. India especially in the Haryana territory being geographically close to the state-line should help to provide a holistic view/customer's experiences of Indian shoppers. Employee and customer orientation are key factors in creating prosatisfaction, active trust, emotional bond, satisfaction, and lasting loyalty to customers. Digital enhancement technology is also fundamental in the creation of lasting relationships and in the market. Shopping is an emotional experience that emerges when a product or a shopping space responds and satisfies consumers; it constantly resembles. (Mu & Yi, 2024) In this digital intermediary era, most consumers have been greatly influenced by online platform word-of-mouth as a source of information. The study aims to apply the model of digital direct-to-consumer (D2C) marketing factors and consumer loyalty in IBM SPSS AMOS based on the combination of the third-party platform or the brand's Facebook and Wechat platforms to explore the cross-category validity of the marketing model and its influence on consumer loyalty. The study confirms that both a brand's own digital marketing tools or digital display marketing activities on third-party platforms will have important effects on consumer loyalty. And focusing long-term customers of a marketing model has a significant positive effect on consumers' trust and satisfaction. Non-D2C factors have a positive effect on the overall D2C model. Uncertainty of the effects of the platform on consumer loyalty in cross-category competition matches the result of the first set of mediation effects. Hypermarkets or even traditional brand channels are still the first choice in the consumer groceries market.

# 2.5 The Relationship between Digital Engagement and Customer Loyalty

By and large, e-community does not capture the essence of digital customer relationship strategy which retail managers should be exploiting. Future research should recognize the bigger, more related and the rapid deployment of digital customer engagement to digital customer relationship integration which is a more fundamental priority for retail. Moreover, despite the finding of this study, that digital-retail readiness partly mediates the relationships between customer engagement and customer loyalty, it is still important to determine other potential integrating variables (Mu & Yi, 2024). Finally, the use of complex marketing strategies, such as customer experience, embracing omnichannel, generated content, and influence a waning hegemony of E-CRM and digital content as e-relationship perspectives from a consumer, firm and community (society) perspective should be very much seen as the contemporary foundational and directive promulgations.

The objective of this study is to examine the effect of digital customer engagement strategies, such as digital media content and digital shopping experience, on the transformation of customer loyalty among UK and US consumers (Safari et al., 2016). Based on this review, we will then consider how a wider group of stakeholders in the retail industry, including managers, and academics, may consider the implications of this study for a stronger understanding of the total customer experience that integrates digital engagement platforms, creating and sharing of-value-adding content, navigating the customer journey touchpoints by the customer, and the eventual loyalty exhibiting of the customer in terms of their intention to re-patronize and certain emotional and attitudinal reactions to retail touchpoints and the brand.

### 2.6 Theoretical Frameworks and Models

(Safari et al., 2016) The customer loyalty pyramid model includes three types of loyalty: awareness, consideration, and purchase or retention. In the awareness and consideration stages, customers will engage in some activities, such as reading or browsing information, and these activities will help companies to influence consumers' cognition about products and brands, which is called attitudinal loyalty. It is shown that companies can have some control or guidance on consumers' attitudes and behaviors in these two stages. After the consumer has made a purchase, companies can still influence consumers' future behaviors through building trust, creating customer satisfaction, and building a service environment or atmosphere. In the purchase and retention stage, which falls into the area of companies' control, attitudinal loyalty tends to transfer into behavioral loyalty, thus enhancing customer loyalty (Fourie et al., 2022) Researchers have posited that customer loyalty is based on customer satisfaction or can be a customer's attitudinal loyalty, that is, how a customer feels about a purchase or experience with a seller or service provider, and also behavioural loyalty or the customer's actual re-purchase behaviours. The customer loyalty model offers a tool for marketers to segment the customer base and categorize customers based on the transactional history and customer engagement. The customer loyalty model that is used in the present study includes three levels of customer loyalty with crescendo scores as follows reconsider purchase, revisit, referral, share of wallet, adding products, and decreasing sensitivity. Acausi et al. 2020 conclude that customer satisfaction, switching behaviour, and brand commitment dependent upon value, reliability, and formative experience positively influences attitudinal loyalty and behavioural customer switching behaviours.

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### 2.7 Summary of Key Findings from Literature

Overall, under the impetus of digital technology, digital branding and digital customer engagement strategies play a significant role in the implementation of digital customer retention strategies, and the value co-creation relationship of digital from individual and collective attractor actions has received more and more attention. It can be said that the brands implement effective digital customer retention engagement strategies and pass on the digital net customer engagement loyalty mechanism, which can stabilize the internal customer decision-making mindset and lead to extreme focusing purchasing behavior, and will help the companies fully tap and maintain the loyal customers of the digital generation, and form the customer decision behavior relationship with a good corresponding nature to resist the impact of external environmental changes (Mu & Yi, 2024). That is, even though customers switch to purchase a competitor's products, their basic purchasing behaviors and interests continue to participate in discussion platforms such as the digital brand's membership club and digital brand's social media fans. Of course, based on customer external substitute digital behaviors that will eventually or later be translated into purchasing behaviors within a brand means a better marketing communication relationship can be experienced more, the company's digital customer engagement brand to develop and ultimately internal customer support actions and behaviors will increase by a factor of expansion. Therefore, in order to implement effective customer retention management, build a brand customer loyalty-based customer marketing strategy, and master the dynamic digital customer focus and decision behavioral transition processes in the digital environment.

Secondly, all established relationships between digital branding and customer loyalty and all direct relationships between digital customer engagement strategies and customer loyalty are significantly moderated by digital customer engagement loyalty. That is, it is through the transferred digital customer engagement loyalty, rather than before preferring products and services of favorable digital brands, sensitivity to products and services of experience rewardbranded and activist-branded companies, participation in social labeling and interaction activities, like retweeting, forwarding, collectivizing labels and other digital behaviors, and the favor of different strategies of reply behaviors of fan major companies that can internalize the customer digital behavior intentions and maintain and strengthen their continuous purchasing behaviors of companies supported by digital marketing. It can be concluded that digital technology has changed the dynamics of repeat consumption behavior, trust-based relationship management, and brand communication, resulting in a new game rule of digital brand marketing communication, where all the mediation and moderation effects of digital customer engagement loyalty are uniformly greater than those of digital brand commitment and digital satisfaction. A more important cause of justifying internal source loyalty mechanism is that digital technologies have different individual intrinsic and extrinsic motivators through the dynamic, real-time and real-world character formation through a number of related behavioral transfer processes for the digital engagement role of two basic action or motive themes under digital motivation logic, explicit motivation and implicit motivation, which is through the promotion of a bottom-line relationship between value and gain become a support action or to maintain consciousness; through the promotion of a digital version of that the unique digital experience or knowing to the strategic deviation, these motivate different collectively represent the degree of attraction for actions or emotions. From this sense, digital brand also together the digital customers, the company has formed behavioral relationships of focus and relationship of relationship. Compared with explicit support action or maintenance, digital customer support is a relatively enduring relationship, the dynamic and process connection between support action or maintenance scrolling between fuzziness and perceptions, and all of these have made digital customer loyalty transfer (Wongsansukcharoen, 2022; Rasool et al., 2021; Samala & Katkam, 2020; Levy, 2022).

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The preceding section contains a brief review of four major areas that provided the context of the digital engagement loyalty mechanism. We now summarise the key findings concerning the effect of digital engagement strategies on building customer loyalty in the retailing industry. First of all, it can be stated that digital engagement strategies play a critical role in building customers' loyalty (Liu et al., 2021). Customer loyalty refers to a psychological state resulting from the accumulation of repeated satisfaction, trust, and commitment. In the retailing industry, high customer loyalty means that the customers keep purchasing from the retailers, will less likely switch a new brand or a retailer when external environments change, and are inclined to share experience and recommendations of products and retailers with the surrounding social circles. The high integration of digital technologies into the service systems, a higher level of digital engagement loyalty translation may exert a stronger impact on customer loyalty.

# **Chapter 3 - Methodology**

Traditionally retail is about a cultural approach, but today retail is in the midst of a new revolution: digital engagement. It's not just a term that refers only to online products and services purchasing, but digital engagement also reflects the way that retail industry can connect with customers or audiences, both online and offline, by digital engagement means (platforms, software, applications, etc.) which is measurable quantitatively. Moreover digital engagement is the most effective key driver of customer retention and loyalty now, and it will become more crucial in the future (S. Rosas-Quezada et al., 2019). In the post-modern business world, a new concept has increasingly taken its place within the marketing literature: customers are not longer "mere" consumer or users of brands' products; now companies need to appeal to such customer and enhance the value of retention and recommendation by using different digital engagement strategies, tools, and techniques to achieve customer loyalty with digital customized dual interactive experiences. All these integrative conceptual and theoretical discussions bring beneficial us for exploring "how and why" brands stronger with customer loyalty and what are the significant mediating or moderating effects between digital customer engagement and customer loyalty relationships.

Current study exploratory seeks empirical evidence for the impact of digital engagement on customer loyalty in the retail industry. Utilizing Social Exchange Theory (SET) (Safari et al., 2016) and Customer Engagement Concept (CEC) as a theoretical background and adopting a more quantitative research method, we would like to develop digital engagement relationship items to study the full mediating or moderating effects of customer loyalty between digital experience and customer retention (Muralidhar & Lakkanna, 2024). Social exchange theory (SET) has had a considerable influence on the theoretical aspects of the concept of engagement, and many academic researchers use different aspects of this theory for discussing the activities and processes of digital and social engagements of customers. The customer engagement concept (CEC) is mentioned in SET driven literature for estomer centric issues and the importance and key role of the central concepts in the CEC in formation and developing customer loyalty and relationship sustainability.

### 3.1 Introduction

As mentioned above, e-commerce is very effective in providing infrastructure in retail operations in the digital environment. In the digital age, innovations emerge in line with developments in the technology and commerce fields and the factors affecting customer loyalty policies of e-commerce companies are changing. When calculating the customer quality based on the popularity of websites used in e-commerce, factors such as the number of acquisitions, the number of clients, page views, review updates, and rates of callbacks after the acquisition were significantly important. It is important to be aware of the evolving nature of e-commerce and while providing a customer-oriented perspective, e-commerce companies must make strategic decisions. In this direction, the social media network sector will take firm steps in the support of establishing its role in predicting the repurchase of electronic customers, rather than predicting customer quality, with an emphasis on opportunistic learning and the big data approach applied in social networks [ref: article\_id].

Technological advancements as well as social and cultural changes have led to the digitalisation of interactions between retailers, customers and other retailers. The quarantine measures that the COVID-19 pandemic has made necessary have further increased the use of the internet and mobile communication tools by societies, employees and businesses. Given their ability to attract and retain customers as a result of their low prices, the number of online retailers operating in the ecommerce sector has increased and a number of strategies are being developed to increase sales. In fact, in order to survive in Turkey's competitive online environment, where competition is fierce, understanding what influences online retailers is of the utmost importance. It is crucial to evaluate and discover the effects of digital engagement strategies that have the power to create brand loyalty on attitudes and behaviors in terms of brand loyalty. In addition, understanding the potential impact of digital engagement strategies requires their adaptation into the retail environment (Arab, 2021).

# 3.2 Research Design

This study will adopt a mixed-methods approach, combining qualitative and quantitative methodologies to provide a comprehensive understanding of the impact of digital engagement strategies on customer loyalty in the retail sector. The mixed-methods design allows for an indepth exploration of customer perspectives and experiences while also enabling the collection of data on a larger scale for statistical analysis.

### Qualitative Phase

The research will commence with qualitative methods, including interviews and focus groups. This phase aims to gather detailed insights into customer perspectives and experiences with various digital engagement strategies. Interviews will be conducted with a selected group of customers to explore their personal experiences, preferences, and perceptions regarding digital engagement initiatives. Focus groups will further facilitate discussions among participants, allowing for the exchange of ideas and the identification of common themes and trends. The qualitative data collected will provide a rich, contextual understanding of how different digital strategies impact customer loyalty from the customer's viewpoint (Creswell, 2014).

### **Quantitative Phase**

Following the qualitative phase, a quantitative survey will be conducted to collect data on a larger scale. The survey will be designed based on the insights gained from the qualitative research, ensuring that relevant and significant aspects are addressed. The survey will target a broad and diverse sample of retail customers to gather comprehensive data on their interactions with digital engagement strategies and their loyalty behaviors. The quantitative data will allow for statistical analysis to examine the relationship between digital engagement strategies and customer loyalty metrics. By employing various statistical techniques, such as regression analysis and correlation tests, the study will quantify the impact of different strategies and identify significant patterns and trends (Bryman, 2016).

By combining qualitative and quantitative methods, this mixed-methods approach ensures a holistic understanding of the research problem. The qualitative insights will provide depth and context, while the quantitative data will offer breadth and generalizability. This comprehensive approach will enable the study to draw robust conclusions about the effectiveness of digital engagement strategies in fostering customer loyalty in the retail industry.

### 3.3.1 Population and Sample Size

Table 2 presents the distribution of the number of data over customer purchasing habit in retailing sectors. 50% of participants do not do online shopping, very few respondents are in the habit of shopping online daily or once a week, i.e. 11.8% and 2%. 20% have the habits of shopping either two or three-time a month. In the retail sector, retailers engage in strategies to increase their customer base and develop a strong relationship with their consumers. These strategies might be in physical stores e.g., kiosks with an app where consumers can enter the social media competitions or merchandisers favorites (Q1), social media engagement (Q2), watching videos on digital screens (Q6), etc. Retailers can also engage with customers on digital platforms e.g., instant messaging platforms such as WeChat, innovations in virtual reality technologies (Lovell, 2016). Businesses may also engage with customers through social media platforms. Examples include branded online shopping groups, social media-generated promotions (Choi, Kim, & Han, 2018).

Since the data is collected from customers of different retail organisations these participants belonging to diverse ages and purchasing power (Li, Jiang, Gu, & Wang, 2020; Piercy & Lane, 2009; Whan Park, Eisingerich, Pol, & Van Herpen, 2014) (Li, Jiang, Gu, & Wang, 2020; Piercy & Lane, 2009; Whan Park, Eisingerich, Pol, & Van Herpen, 2014). Thus, we start with describing the demographic characteristics of respondents. The tables 1 & 2 describes the characteristics of the study population and their purchasing habits. Table 1 presents the frequency of customers in strategies engagement state. Out of 450 customers engaged=247, 203 have either high or very high engagement while the providers have only 68 in loyalty status. Age Continuously, the age groups are divided into 15-24, 25-30, 31-40, 41-50, and 51+ to examine the nature of the distributed data. The statistical analysis of the raw data is done to see the co-relation among the variable. The purpose of doing correlation analysis is to check if there is any multicollinearity issue between the dependent and independent variables as well as independent variables (Grewal, Levy, & Kumar, 2008).

### 3.3.2 Sampling Technique

Non-probabilistic sampling techniques were considered as the selection of units of study isn't random, so studies using them might not generalize results (Yu, 2022). In convenience sampling, the researcher selects whatever is available and easiest for him/her to reach to constitute a wanted sample, therefore outside of specific criteria the sampling may result in problematic generalization of findings made by the study frame. The convenience in using convenience sampling is the easiness of reaching the case and the saving of time and cost of access (Pei, 2022). There is a considerable possibility that limitations stemming from the non-random and non-representative sampling method may affect the popularization of the results of the study both for researchers and others. Despite that as there are no easy sampling method to incorporate all kinds of limitations of a sampling frame, a convenience sampling of a kind will be used for the sample in this study (Baghaee et al., 2021).

The study will use a non-probabilistic convenience sampling (Aldridge, 2012), which allows the researcher to select those cases that are easily available without any specific criteria. A survey questionnaire will be solely developed for this study. The questionnaire was tested by experts to assure its reliability and validity.

### 3.4 Data Collection Method

The primary data collection method for this study will be an online questionnaire. This approach is chosen for its efficiency, broad reach, and convenience for both respondents and researchers. The online questionnaire will be designed to gather comprehensive data on customer interactions with digital engagement strategies and their impact on customer loyalty.

### **Advantages of Online Questionnaires**

### **Accessibility and Convenience**

An online questionnaire allows respondents to participate at their convenience, using any device with internet access. This flexibility can lead to higher response rates and more accurate data, as respondents can take their time to provide thoughtful answers. The absence of time and location constraints enables participants to respond at their own pace, reducing the likelihood of rushed or incomplete answers. Furthermore, the ability to access the questionnaire from smartphones, tablets, and computers makes it more likely that a diverse cross-section of the target population will participate.

### Cost-Effectiveness

Conducting an online survey is more cost-effective compared to traditional methods, such as face-to-face interviews or mailed surveys. It reduces the need for physical materials, printing, postage, and travel expenses. Online surveys also minimize administrative costs and time spent on data entry, as responses are automatically recorded in a digital format. This cost efficiency allows for the allocation of resources to other critical areas of the research, such as data analysis and interpretation.

### **Quick Data Collection and Processing**

Online questionnaires facilitate faster data collection and immediate digital recording of responses. This enables quicker analysis and interpretation of data. Real-time data collection allows researchers to monitor response rates and make necessary adjustments to the survey distribution strategy to ensure a sufficient sample size is achieved. The automated collection and storage of data streamline the data management process, reducing the potential for human error and expediting the transition from data collection to analysis.

### **Anonymity and Honesty**

Respondents may feel more comfortable providing honest feedback when they can complete the questionnaire anonymously. This can lead to more accurate and candid responses. Anonymity reduces social desirability bias, where respondents might otherwise provide answers they believe are expected rather than their true opinions. The assurance of confidentiality can increase the willingness of participants to share their genuine thoughts and experiences, particularly on sensitive topics related to their digital engagement and loyalty behaviors.

### **Design and Distribution**

The online questionnaire will consist of 40 questions, divided into sections covering demographic information, digital engagement strategies, customer experience and satisfaction, and the impact on customer loyalty. The questionnaire will be distributed via email, social media platforms, and retail websites, targeting a broad and diverse sample of retail customers. Incentives, such as discounts or entry into a prize draw, may be offered to encourage participation.

The data collected will be securely stored and analyzed using statistical software, ensuring the integrity and confidentiality of respondents' information. This methodical approach to data collection and processing will enable the study to draw robust conclusions about the effectiveness of digital engagement strategies in fostering customer loyalty in the retail sector.

By leveraging the advantages of online questionnaires, this study aims to achieve comprehensive, accurate, and actionable insights into the relationship between digital engagement strategies and customer loyalty, providing valuable contributions to both academic research and practical applications in the retail industry.

### 3.4.1 Questionnaire Design

The questionnaire for this study will consist of 40 questions designed to examine various aspects of retail engagement strategies and their impact on customer loyalty. The questions will be structured to gather both qualitative and quantitative data, providing a comprehensive understanding of customer experiences and perceptions.

### Structure of the Questionnaire

 Demographic Questions: The initial section of the questionnaire will include demographic questions to collect information about the respondents' age, gender, income level, education, and other relevant demographic characteristics. This data will help in segmenting the respondents and analyzing how different demographic groups respond to various digital engagement strategies.

- Digital Engagement Strategies: The subsequent sections will focus on different digital engagement strategies employed by retail businesses. Questions will cover areas such as:
- · Social media engagement
- Email marketing
- Mobile app usage
- · Personalized recommendations
- Loyalty programs
- Customer Experience and Satisfaction: Questions in this section will aim to understand the respondents' experiences with these digital strategies. It will include questions about the ease of use, accessibility, and overall satisfaction with each digital engagement method.
- 4. Impact on Customer Loyalty: This section will include questions designed to measure the impact of digital engagement strategies on customer loyalty. Questions will address aspects such as:
- · Frequency of repeat purchases
- Likelihood of recommending the brand to others
- · Perceived value of loyalty programs
- · Trust and emotional connection with the brand.
- Open-Ended Questions: To gain deeper insights, the questionnaire will also include a few open-ended questions allowing respondents to provide detailed feedback and suggestions regarding their experiences with digital engagement strategies.

### Purpose and Use of the Data

The data collected through this questionnaire will be used to:

- Identify which digital engagement strategies are most effective in fostering customer loyalty.
- Analyze the correlation between digital engagement initiatives and customer loyalty metrics.
- Explore the varying responses among different customer segments.
- Provide actionable recommendations for retailers to optimize their digital engagement strategies.

By combining structured questions with open-ended responses, the questionnaire aims to capture a holistic view of customer engagement and loyalty in the retail sector. The insights gained from this data will be crucial in understanding the effectiveness of current digital strategies and in guiding future enhancements.

# 3.5 Data Analysis Techniques

This study will employ various data analysis techniques using SPSS (Statistical Package for the Social Sciences) software to analyze the dataset collected from a sample of 60 consumers in Greece.

**Descriptive Statistics**: Descriptive statistics will be utilized to summarize and present the main characteristics of the dataset. This includes measures such as mean, median, mode, standard deviation, and range, providing an overview of the central tendency and dispersion of the variables.

**Hypothesis Testing**: Hypothesis testing will assess the significance of relationships between variables. Parametric tests like t-tests and ANOVA, as well as non-parametric tests like Mann-Whitney U and Kruskal-Wallis tests, will be employed depending on the data distribution and research questions.

**Correlation Analysis**: Correlation analysis will explore the relationships between variables, examining the strength and direction of associations. Pearson correlation for continuous variables and Spearman rank correlation for ordinal or non-normally distributed variables will be considered.

SPSS, which stands for Statistical Package for the Social Sciences, is a software package used for statistical analysis. It offers a wide range of statistical procedures for data analysis, data management, and data presentation. Originally developed by IBM in 1968, SPSS has become one of the most widely used statistical software packages in various fields, including social sciences, business, health sciences, and education.

### 3.6 Ethical Considerations

Next, "meta-trust" (the trust in a recommender system that underlies trust in the network host, e.g., Amazon) is required to shape the outcome of prosumers' trust in an online review platform. One vibrant implication of the domination of large IT platforms is that the brands hostile to independent sellers/shoppers may need to think about the integration of prosumers into the system when considering whether to develop an e-shop. This may be an unexpected or difficult operating challenge, which may lead to issues of transparency, data privacy, algorithm resale, and dual-platform affiliation. Developments in online sales and recommendation software have certainly made a significant contribution to real-time assessments and human-machine projection. If this difficulty stands in the way of e-shops, even if for simple products, then it becomes difficult to assess whether mega-chains of information technology are to blame or these often expected factors themselves. If much margin gets tied with the sale of stake-declining branches due to the sale of the brand, then the network industry becomes a threat everywhere to the integrity of the information system, the shades of the same brand. For such willingness to share personal details and data, personal differentiation might be the only solution.

For this paper, two major ethical considerations warrant further discussion. The first revolves around approachability and the other focuses on information privacy (Zieglmeier et al., 2022) which has been an emergent concern in e-commerce, particularly in online recommendation platforms. As has been noted, many of the recommendation-based social commerce applications require engagement with a certain type of social network, such as friends or custom curated

networks. A report showed that, every year there has been an increase in the number of ecomplaints for privacy-related issues. Although companies can implement mystery shopping strategies to ensure that data privacy is strictly complied with, it is still difficult to control these data-based platforms which fundamentally rely on big data. Customer reluctance to share information can harm a brand's online image – which is only possible in the case of information security breaches or the spread of fake news. Overall, an improved regulatory environment and self-regulation in terms of how data is utilized for recommendation algorithms could benefit trust factors in online retail processes.

### 3.7 Limitations of the Methodology

This review can be utilised in other industries (such as the airline or hotel industries) to start forming hypotheses for future research work in other domains. Yaro et al. (2018) propose that emotional intelligence and emotional labour form the basis for companies to develop their customer engagement practices in an effective manner, because EI ensures employees are sensitive towards the customer's emotional requirements which is essential in daily customer interactions. Hence, the successful implementation of EI and respective product/ service quality signals will inspire customer attitude formation which further enhances customer behavioral loyalty. The changes in value see the same positive correlation between emotional intelligence elements and double loyalty but not with fair structural quality aspects. (Baghaee et al., 2021)

(Liu et al., 2021) (Fan et al., 2022) The study examines various digital engagement strategies used by the retail industry in the development of customer engagement activities. By way of a literature review and through primary research, the study attempts to emphasize the correlation between digital engagement strategies and customer loyalty in the retail industry. Limitations in technical research work are inevitable. First of all, the scope of this study is limited to the retail industry only, as a consequence the generalisability of factor breakdowns (i.e. EI elements and their correlation to their presumed defined factors, such as FEC/USE = SR, TS direct effects on FE and SR) in other sectors are limited. The study's foundation is based on the TEC literature.

# Chapter 4 – Data Analysis and Discussion

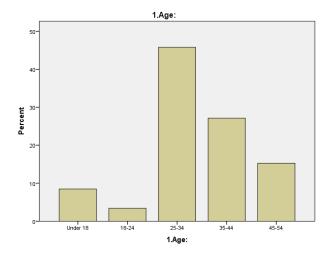
# **Descriptive statistics**

### Age

The 45,8% of the participants were from 25-34 years old, the 27,1% were from 35-44 years old, the 15,3% were from 45-54 years old.

1. Age:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 18	5	8,3	8,5	8,5
	18-24	2	3,3	3,4	11,9
	25-34	27	45,0	45,8	57,6
	35-44	16	26,7	27,1	84,7
	45-54	9	15,0	15,3	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

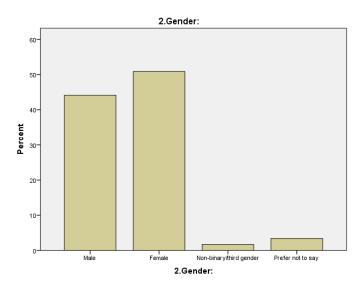


### Gender

The 50,8% of the participants were female and the 44,1% were male.

<u> </u>	Gender:					
					Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid	Male	26	43,3	44,1	44,1	
	Female	30	50,0	50,8	94,9	
	Non-binary/third gender	1	1,7	1,7	96,6	

	Prefer not to say	2	3,3	3,4	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



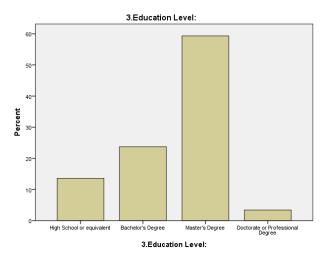
### **Education level**

The 59,3% of the participants had a master's degree, the 23,7% had a Bachelor, the 13,6% were High school graduates and the rest 3,4% had Doctorate.

### 3. Education Level:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School or equivalent	8	13,3	13,6	13,6
	Bachelor's Degree	14	23,3	23,7	37,3
	Master's Degree	35	58,3	59,3	96,6
	Doctorate or Professional Degree	2	3,3	3,4	100,0

		59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



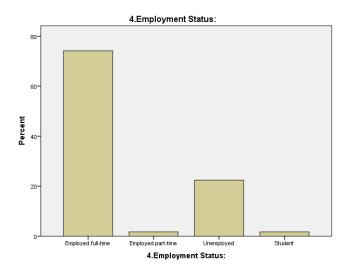
# **Employment status**

The 74,1% were employed full-time, the 22,4% were unemployed, the 1,7% were employed part-time and the rest 1,7% were students.

1.	Employment Status:				

		Frequency	Percent		Cumulative Percent	
Valid	Employed full-time	43	71,7	74,1	74,1	
	Employed part-time	1	1,7	1,7	75,9	

	Unemployed	13	21,7	22,4	98,3
	Student	1	1,7	1,7	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		



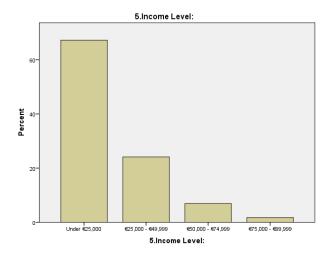
#### Income level

The 67,2% had an annual income under €25,000, the 24,1% had an income from €25,000 - €49,999, the 6,9% from €50,000 - €74,999 and the rest 1,7% from €75,000 - €99,999.

#### . Income Level:

					Cumulative	l
		Frequency	Percent	Valid Percent	Percent	l
Valid	- Under €25,000	39	65,0	67,2	67,2	

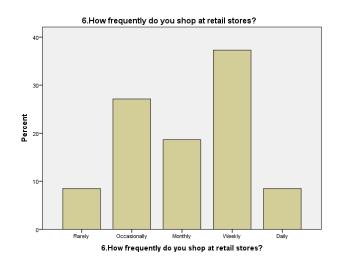
		_			
	€25,000 - €49,999	14	23,3	24,1	91,4
	€50,000 - €74,999	4	6,7	6,9	98,3
	€75,000 - €99,999	1	1,7	1,7	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		



The 37,3% of the participants said that they shop at retail stores weekly, the 27,1% occasionally and the 18,6% monthly.

# 6. How frequently do you shop at retail stores?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rarely	5	8,3	8,5	8,5
	Occasionally	16	26,7	27,1	35,6
	Monthly	11	18,3	18,6	54,2
	Weekly	22	36,7	37,3	91,5
	Daily	5	8,3	8,5	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

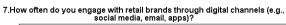


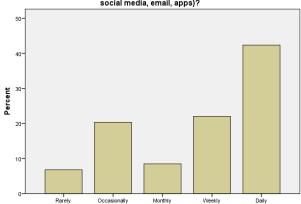
The 42,4% of the participants engage with retail brands through digital channels daily, the 22% weekly and the 20,3% occasionally.

7. How often do you engage with retail brands through digital channels (e.g.,

social media, email, apps)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rarely	4	6,7	6,8	6,8
	Occasionally	12	20,0	20,3	27,1
	Monthly	5	8,3	8,5	35,6
	Weekly	13	21,7	22,0	57,6
	Daily	25	41,7	42,4	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





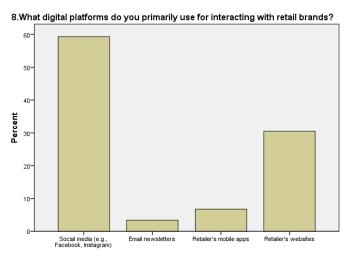
7.How often do you engage with retail brands through digital channels (e.g., social media, email, apps)?

### Question 8

The 59,3% use Social media in order to interact with retail brands and the 30,5% use the Retailer's websites.

What digital platforms do you primarily use for interacting with retail brands?

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Social media (e.g., Facebook, Instagram)	35	58,3	59,3	59,3
	Email newsletters	2	3,3	3,4	62,7
	Retailer's mobile apps	4	6,7	6,8	69,5
	Retailer's websites	18	30,0	30,5	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



8.What digital platforms do you primarily use for interacting with retail brands?

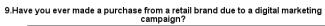
#### Question 9

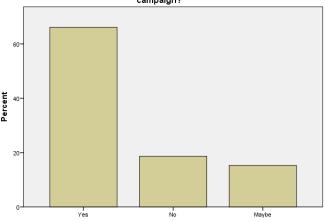
The 66,1% of the participants have made a purchase from a retail brand due to a digital marketing campaign, the 18,6% haven't and the rest 15,3% maybe they have.

9. Have you ever made a purchase from a retail brand due to a digital

marketing campaign?

marketing	narketing campaign?								
		Frequency	Percent	Valid Percent	Cumulative Percent				
Valid	Yes	39	65,0	66,1	66,1				
	No	11	18,3	18,6	84,7				
	Maybe	9	15,0	15,3	100,0				
	Total	59	98,3	100,0					
Missing	System	1	1,7						
Total		60	100,0						





9.Have you ever made a purchase from a retail brand due to a digital marketing campaign?

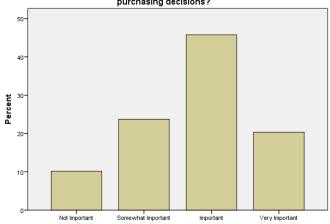
Question 10

The 45,8% of the participants consider digital engagement strategies in influencing their purchasing decisions important, the 23,7% somewhat important, the 20,3% very important and the rest 10,2% don't consider it important.

#### How important are digital engagement strategies in influencing your purchasing 10.

decisions?							
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Not Important	6	10,0	10,2	10,2		
	Somewhat Important	14	23,3	23,7	33,9		
	Important	27	45,0	45,8	79,7		
	Very Important	12	20,0	20,3	100,0		
	Total	59	98,3	100,0			
Missing	System	1	1,7				
Total		60	100,0				

# 10.How important are digital engagement strategies in influencing your purchasing decisions?

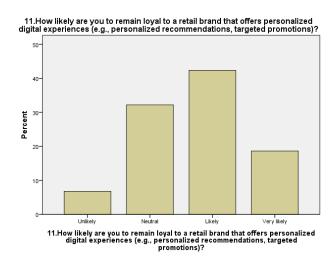


10. How important are digital engagement strategies in influencing your purchasing decisions?

The 42,4% of the participants are likely to remain loyal to a retail brand that offers personalized digital experiences, the 32,2% were neutral and the 18,6% are very likely to remain loyal.

11. How likely are you to remain loyal to a retail brand that offers personalized digital experiences (e.g., personalized recommendations, targeted promotions)?

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		Frequency	Percent	Valid Percent	Cumulative Percent
-		rioquonoy	roroont	valia i diddit	i orooni
Valid	Unlikely	4	6,7	6,8	6,8
	Neutral	19	31,7	32,2	39,0
	Likely	25	41,7	42,4	81,4
	Very likely	11	18,3	18,6	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



The 28,8% prefer shopping in physical stores, the 27,1% prefer shopping online or in physical stores equally, the 23,7% prefer shopping online or in physical stores and the rest 20,3% depends on the product/category.

12. Do you prefer shopping online or in physical stores?

		Frequency	Percent		Cumulative Percent
Valid	Online	14	23,3	23,7	23,7
	In physical stores	17	28,3	28,8	52,5
	Both equally	16	26,7	27,1	79,7
	Depends on the product/category	12	20,0	20,3	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



12.Do you prefer shopping online or in physical stores?

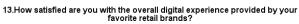
The 55,9% of the participants are satisfied the overall digital experience provided by their favorite retail brands, the 30,5% were neutral and the 10,2% were very satisfied.

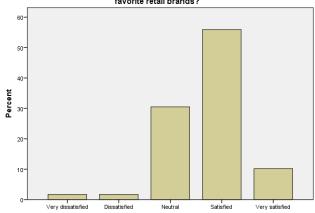
#### 13. How satisfied are you with the overall digital experience provided by your favorite

retail brands?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very dissatisfied	1	1,7	1,7	1,7
	Dissatisfied	1	1,7	1,7	3,4
	Neutral	18	30,0	30,5	33,9
	Satisfied	33	55,0	55,9	89,8
	Very satisfied	6	10,0	10,2	100,0
	Total	59	98,3	100,0	

Missing System	1	1,7	
Total	60	100,0	





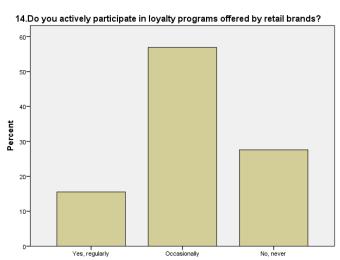
13.How satisfied are you with the overall digital experience provided by your favorite retail brands?

The 56,9% of the participants said that they actively participate in loyalty programs offered by retail brands occasionally, the 27,6% said that they don't participate and the rest 15,5% participate regularly.

14. Do you actively participate in loyalty programs offered by retail brands?

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Yes, regularly	9	15,0	15,5	15,5
	Occasionally	33	55,0	56,9	72,4
	No, never	16	26,7	27,6	100,0

	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		



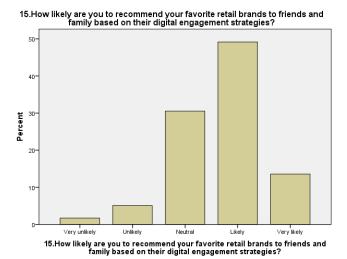
14.Do you actively participate in loyalty programs offered by retail brands?

The 49,2% of the participants are likely to recommend their favorite retail brands to friends and family based on their digital engagement strategies, the 30,5% were neutral and the 13,6% are very likely to recommend their favorite retail brands.

How likely are you to recommend your favorite retail brands to friends and

family based on their digital engagement strategies?								
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Very unlikely	1	1,7	1,7	1,7			
	Unlikely	3	5,0	5,1	6,8			

	Neutral	18	30,0	30,5	37,3
	Likely	29	48,3	49,2	86,4
	Very likely	8	13,3	13,6	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

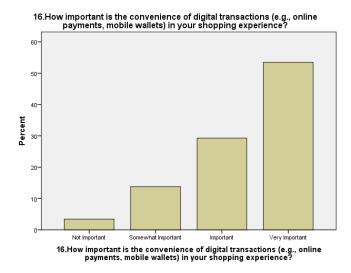


Question 16

The 53,4% of the participants consider very important the convenience of digital transactions in their shopping experience, the 29,3% consider it important as well and the 13,8% somewhat important.

16. How important is the convenience of digital transactions (e.g., online payments, mobile wallets) in your shopping experience?

	_	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Important	2	3,3	3,4	3,4
	Somewhat Important	8	13,3	13,8	17,2
	Important	17	28,3	29,3	46,6
	Very Important	31	51,7	53,4	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		

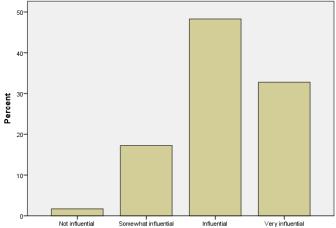


The 48,3% consider online reviews and ratings in your purchase decisions influential, the 32,8% consider them very influential and the 17,2% somewhat influential.

17. How influential are online reviews and ratings in your purchase decisions?

		Frequency	Percent		Cumulative Percent
Valid	Not influential	1	1,7	1,7	1,7
	Somewhat influential	10	16,7	17,2	19,0
	Influential	28	46,7	48,3	67,2
	Very influential	19	31,7	32,8	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		





17. How influential are online reviews and ratings in your purchase decisions?

#### Question 18

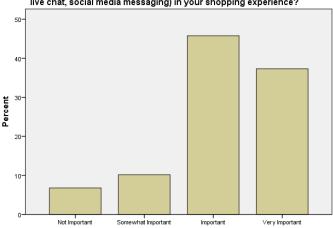
The 45,8% of the participants consider important customer service provided through digital channels in their shopping experience, the 37,3% consider it very important and the 10,2% somewhat important.

18. How important is customer service provided through digital channels (e.g., live chat, social

media messaging) in your shopping experience?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Important	4	6,7	6,8	6,8
	Somewhat Important	6	10,0	10,2	16,9
	Important	27	45,0	45,8	62,7
	Very Important	22	36,7	37,3	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

18.How important is customer service provided through digital channels (e.g., live chat, social media messaging) in your shopping experience?



18.How important is customer service provided through digital channels (e.g., live chat, social media messaging) in your shopping experience?

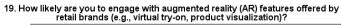
#### Question 19

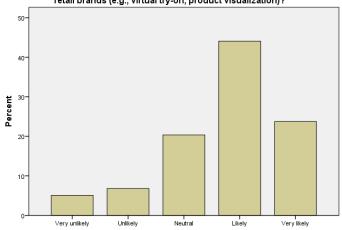
The 44,1% of the participants are likely to engage with augmented reality (AR) features offered by retail brands, the 23,7% very likely whereas the 20,3% were neutral.

19. How likely are you to engage with augmented reality (AR) features offered by retail

brands (e.g., virtual try-on, product visualization)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	3	5,0	5,1	5,1
	Unlikely	4	6,7	6,8	11,9
	Neutral	12	20,0	20,3	32,2
	Likely	26	43,3	44,1	76,3
	Very likely	14	23,3	23,7	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





19. How likely are you to engage with augmented reality (AR) features offered by retail brands (e.g., virtual try-on, product visualization)?

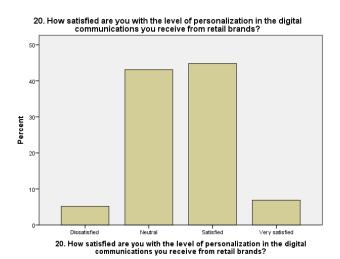
#### Question 20

The 44,8% of the participants are with the level of personalization in the digital communications they receive from retail brands whereas the 43,1% were neutral.

#### 20. How satisfied are you with the level of personalization in the digital communications

you receive from retail brands?

		Frequency	Percent	Valid Percent	Cumulative Percent
		<u>' '</u>			
Valid	Dissatisfied	3	5,0	5,2	5,2
	Neutral	25	41,7	43,1	48,3
	Satisfied	26	43,3	44,8	93,1
	Very satisfied	4	6,7	6,9	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		ļ
Total		60	100,0		



Question 21

The 44,8% of the participants maintained a neutral position as to whether they would engage with interactive content provided by retail brands on digital platforms, the 32,8%

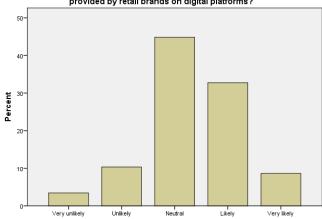
are likely to engage with interactive content provided by retail brands on digital platforms whereas the 10,3% are unlikely to engage.

#### 21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided

by retail brands on digital platforms?

by retair i	y retail brailes on digital platforms?						
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Very unlikely	2	3,3	3,4	3,4		
	Unlikely	6	10,0	10,3	13,8		
	Neutral	26	43,3	44,8	58,6		
	Likely	19	31,7	32,8	91,4		
	Very likely	5	8,3	8,6	100,0		
	Total	58	96,7	100,0			
Missing	System	2	3,3				
Total		60	100,0				

# 21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided by retail brands on digital platforms?



21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided by retail brands on digital platforms?

Question 22

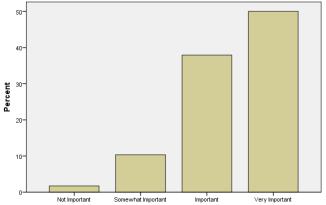
The 50% of the participants consider very important the speed and efficiency of the digital checkout process in their shopping experience, the 37,9% consider it important and the 10,3% somewhat important.

#### 22. How important is the speed and efficiency of the digital checkout process (e.g., one-click

checkout, mobile payments) in your shopping experience?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Important	1	1,7	1,7	1,7
	Somewhat Important	6	10,0	10,3	12,1
	Important	22	36,7	37,9	50,0
	Very Important	29	48,3	50,0	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		





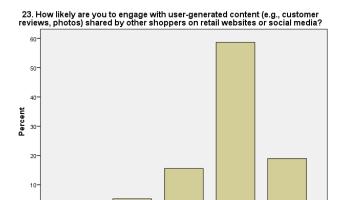
22. How important is the speed and efficiency of the digital checkout process (e.g., one-click checkout, mobile payments) in your shopping experience?

The 58,6% of the participants are likely to engage with user-generated content shared by other shoppers on retail websites or social media, the 19% are very likely to engage whereas the 15,5% are neutral.

 ${\bf 23. \ How \ likely \ are \ you \ to \ engage \ with \ user-generated \ content \ (e.g., \ customer \ reviews,}$ 

photos) shared by other shoppers on retail websites or social media?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	1	1,7	1,7	1,7
	Unlikely	3	5,0	5,2	6,9
	Neutral	9	15,0	15,5	22,4
	Likely	34	56,7	58,6	81,0
	Very likely	11	18,3	19,0	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		



Very unlikely Unlikely Neutral Likely Very likely

23. How likely are you to engage with user-generated content (e.g., customer reviews, photos) shared by other shoppers on retail websites or social media?

The 53,4% of the participants consider important the integration of offline and online shopping experiences, the 27,6% consider it very important whereas the 15,5% somewhat important.

 ${\bf 24.}\, How \, important \, is \, the \, integration \, of \, offline \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, online \, shopping \, experiences \, (e.g., \, click-and-alpha) \, and \, click-and-alpha) \, and$ 

collect, in-store pickup for online orders) to you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Important	2	3,3	3,4	3,4
	Somewhat Important	9	15,0	15,5	19,0
	Important	31	51,7	53,4	72,4
	Very Important	16	26,7	27,6	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		



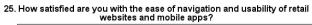
The 49,2% of the participants are satisfied with the ease of navigation and usability of retail websites and mobile apps, the 28,8% are neutral and the 16,9% were very satisfied.

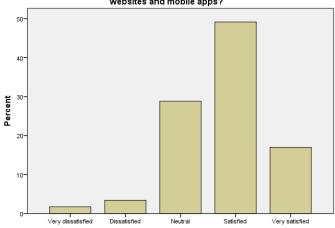
 $25. \ How \ satisfied \ are \ you \ with \ the \ ease \ of \ navigation \ and \ usability \ of \ retail \ websites \ and$ 

mobile apps?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very dissatisfied	1	1,7	1,7	1,7
	Dissatisfied	2	3,3	3,4	5,1
	Neutral	17	28,3	28,8	33,9
	Satisfied	29	48,3	49,2	83,1
	Very satisfied	10	16,7	16,9	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		

Total	60	100.0	
i otai	00	100,0	





25. How satisfied are you with the ease of navigation and usability of retail websites and mobile apps?

The 55,9% of the participants agree with the opinion that digital engagement strategies enhance their overall shopping experience, the 22% were neutral and the 18,6% strongly agree.

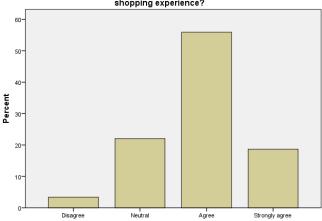
26. Do you believe that digital engagement strategies enhance your overall shopping

experience?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	3,3	3,4	3,4
	Neutral	13	21,7	22,0	25,4
	Agree	33	55,0	55,9	81,4
	Strongly agree	11	18,3	18,6	100,0

	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

26. Do you believe that digital engagement strategies enhance your overall shopping experience?



26. Do you believe that digital engagement strategies enhance your overall shopping experience?

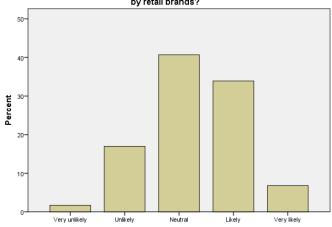
The 40,7% of the participants maintained a neutral position as to whether they would participate in online surveys or feedback forms provided by retail brands, the 33,9% are likely to engage whereas the 16,9% are unlikely to engage.

27. How likely are you to participate in online surveys or feedback forms provided by retail brands?

		Frequency	Percent		Cumulative Percent
Valid	Very unlikely	1	1,7	1,7	1,7
	Unlikely	10	16,7	16,9	18,6
	Neutral	24	40,0	40,7	59,3

	Likely	20	33,3	33,9	93,2
	Very likely	4	6,7	6,8	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

# 27. How likely are you to participate in online surveys or feedback forms provided by retail brands?



27. How likely are you to participate in online surveys or feedback forms provided by retail brands?

#### Question 28

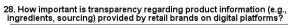
The 53,4% of the participants consider transparency important regarding product information provided by retail brands on digital platforms, the 31% consider it very important and the 13,8% somewhat important.

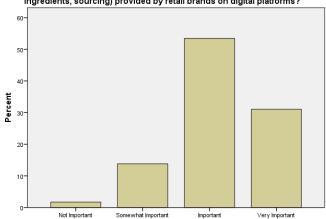
 ${\bf 28.\ How\ important\ is\ transparency\ regarding\ product\ information\ (e.g.,\ ingredients,\ sourcing)}$ 

provided by retail brands on digital platforms?

provide	provided by retail brands on digital platfornis:									
					Cumulative					
		Frequency	Percent	Valid Percent	Percent					
Valid	Not Important	1	1.7	1.7	1.7					

	Somewhat Important	8	13,3	13,8	15,5
	Important	31	51,7	53,4	69,0
	Very Important	18	30,0	31,0	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		





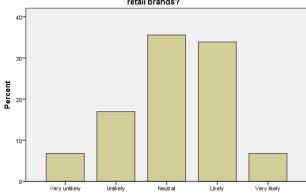
28. How important is transparency regarding product information (e.g., ingredients, sourcing) provided by retail brands on digital platforms?

The 35,6% of the participants maintained a neutral position as to whether they trust recommendations from artificial intelligence (AI) algorithms provided by retail brands, the 33,9% trust recommendations from artificial intelligence whereas the 16,9% are unlikely to trust.

29. How likely are you to trust recommendations from artificial intelligence (AI) algorithms (e.g., product recommendations, personalized offers) provided by retail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	4	6,7	6,8	6,8
	Unlikely	10	16,7	16,9	23,7
	Neutral	21	35,0	35,6	59,3
	Likely	20	33,3	33,9	93,2
	Very likely	4	6,7	6,8	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		ļ
Total		60	100,0		

29. How likely are you to trust recommendations from artificial intelligence (AI) algorithms (e.g., product recommendations, personalized offers) provided by retail brands?



29. How likely are you to trust recommendations from artificial intelligence (Al) algorithms (e.g., product recommendations, personalized offers) provided by retail brands?

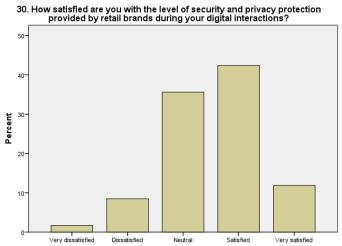
#### Question 30

The 42,4% of the participants are satisfied with the level of security and privacy protection provided by retail brands during their digital interactions whereas the 35,6% were neutral whereas the 11,9% are very satisfied.

30. How satisfied are you with the level of security and privacy protection provided by

retail brands during your digital interactions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very dissatisfied	1	1,7	1,7	1,7
	Dissatisfied	5	8,3	8,5	10,2
	Neutral	21	35,0	35,6	45,8
	Satisfied	25	41,7	42,4	88,1
	Very satisfied	7	11,7	11,9	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		



30. How satisfied are you with the level of security and privacy protection provided by retail brands during your digital interactions?

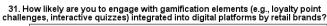
#### Question 31

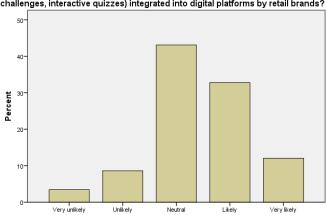
The 43,1% of the participants maintained a neutral position as to whether they would engage with gamification elements integrated into digital platforms by retail brands, the 32,8% are likely to engage and the 12,1% are very likely to engage.

31. How likely are you to engage with gamification elements (e.g., loyalty point

challenges, interactive quizzes) integrated into digital platforms by retail brands?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	2	3,3	3,4	3,4
	Unlikely	5	8,3	8,6	12,1
	Neutral	25	41,7	43,1	55,2
	Likely	19	31,7	32,8	87,9
	Very likely	7	11,7	12,1	100,0
	Total	58	96,7	100,0	
Missing	System	2	3,3		
Total		60	100,0		





31. How likely are you to engage with gamification elements (e.g., loyalty point challenges, interactive quizzes) integrated into digital platforms by retail brands?

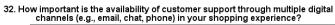
Question 32

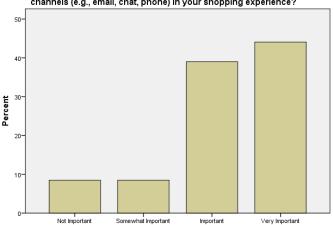
The 44,1% of the participants consider very important the availability of customer support through multiple digital channels in their shopping experience and the 39% consider it important as well.

#### 32. How important is the availability of customer support through multiple digital channels

(e.g., email, chat, phone) in your shopping experience?

(e.g., email, chat, phone) in your shopping experience:						
					Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid	Not Important	5	8,3	8,5	8,5	
	Somewhat Important	5	8,3	8,5	16,9	
	Important	23	38,3	39,0	55,9	
	Very Important	26	43,3	44,1	100,0	
	Total	59	98,3	100,0		
Missing	System	1	1,7			
Total		60	100,0			





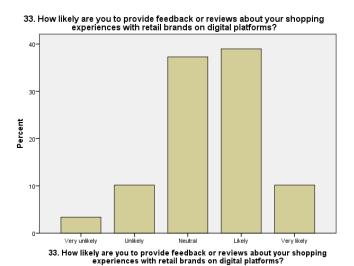
32. How important is the availability of customer support through multiple digital channels (e.g., email, chat, phone) in your shopping experience?

The 39% of the participants are very likely to provide feedback or reviews about their shopping experiences with retail brands on digital platforms, the 37,3% are neutral as to whether they would provide feedback or reviews about their shopping experiences with retail brands on digital platforms whereas the 10,2% are unlikely to provide feedback or reviews.

33. How likely are you to provide feedback or reviews about your shopping

experiences with retail brands on digital platforms?

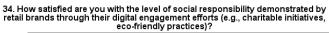
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	2	3,3	3,4	3,4
	Unlikely	6	10,0	10,2	13,6
	Neutral	22	36,7	37,3	50,8
	Likely	23	38,3	39,0	89,8
	Very likely	6	10,0	10,2	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		

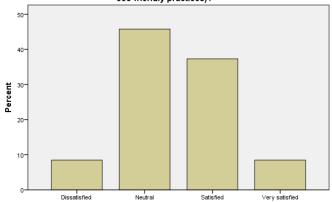


The 45,8% of the participants maintained a neutral position as to whether they are satisfied with the level of social responsibility demonstrated by retail brands through their digital engagement efforts whereas the 37,3% were satisfied.

34. How satisfied are you with the level of social responsibility demonstrated by retail brands through their digital engagement efforts (e.g., charitable initiatives, eco-friendly practices)?

practices	, .				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfied	5	8,3	8,5	8,5
	Neutral	27	45,0	45,8	54,2
	Satisfied	22	36,7	37,3	91,5
	Very satisfied	5	8,3	8,5	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





34. How satisfied are you with the level of social responsibility demonstrated by retail brands through their digital engagement efforts (e.g., charitable initiatives, eco-friendly practices)?

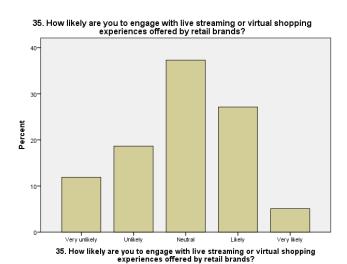
The 37,3% of the participants maintained a neutral position as to whether they would engage with live streaming or virtual shopping experiences offered by retail brands, the 27,1% are likely to engage whereas the 18,6% are unlikely to engage and the 11,9% are very unlikely to engage.

35. How likely are you to engage with live streaming or virtual shopping experiences

offered by retail brands?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	7	11,7	11,9	11,9
	Unlikely	11	18,3	18,6	30,5
	Neutral	22	36,7	37,3	67,8
	Likely	16	26,7	27,1	94,9
	Very likely	3	5,0	5,1	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		

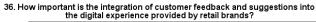


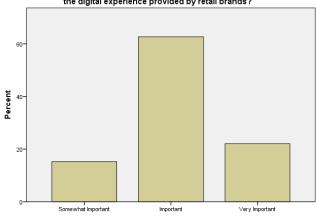


The 62,7% of the participants consider important the integration of customer feedback and suggestions into the digital experience provided by retail brands, the 22% consider it very important and the rest 15,3% somewhat important.

36. How important is the integration of customer feedback and suggestions into the digital experience provided by retail brands?

experience provided by retail brands?							
		Frequency	Percent		Cumulative Percent		
Valid	Somewhat Important	9	15,0	15,3	15,3		
	Important	37	61,7	62,7	78,0		
	Very Important	13	21,7	22,0	100,0		
	Total	59	98,3	100,0			
Missing	System	1	1,7				
Total		60	100,0				





36. How important is the integration of customer feedback and suggestions into the digital experience provided by retail brands?

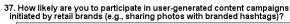
The 37,3% of the participants maintained a neutral position as to whether they would participate in user-generated content campaigns initiated by retail brands, the 23,7% are likely to participate whereas the 20,3% are unlikely to participate.

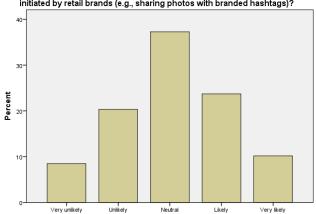
37. How likely are you to participate in user-generated content campaigns initiated by

retail brands (e.g., sharing photos with branded hashtags)?

	aao (o.g.; oa	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very unlikely	5	8,3	8,5	8,5
	Unlikely	12	20,0	20,3	28,8
	Neutral	22	36,7	37,3	66,1
	Likely	14	23,3	23,7	89,8
	Very likely	6	10,0	10,2	100,0

	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





37. How likely are you to participate in user-generated content campaigns initiated by retail brands (e.g., sharing photos with branded hashtags)?

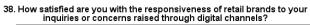
The 45,8% of the participants were neither satisfied nor dissatisfied with the I responsiveness of retail brands to your inquiries or concerns raised through digital channels whereas the 39% are satisfied and the 10,2% are dissatisfied.

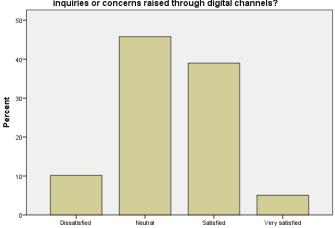
#### 38. How satisfied are you with the responsiveness of retail brands to your inquiries or

concerns raised through digital channels?

concern	is raised through	digital channel	IS?		
					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Dissatisfied	6	10,0	10,2	10,2
	Neutral	27	45,0	45,8	55,9
	Satisfied	23	38.3	39.0	94.9

	Very satisfied	3	5,0	5,1	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





38. How satisfied are you with the responsiveness of retail brands to your inquiries or concerns raised through digital channels?

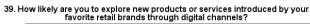
The 45,8% of the participants are likely to explore new products or services introduced by your favorite retail brands through digital channels whereas the 25,4% are neutral and the 16,9% are very likely to explore new products or services.

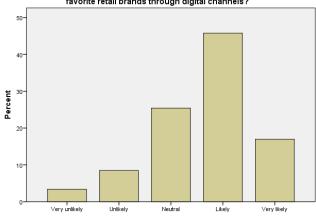
#### 39. How likely are you to explore new products or services introduced by your favorite

retail brands through digital channels?

TCtall bi	ands till odgir dig	tai chailleis:			
					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Very unlikely	2	3,3	3,4	3,4
	Unlikely	5	8,3	8,5	11,9

	Neutral	15	25,0	25,4	37,3
	Likely	27	45,0	45,8	83,1
	Very likely	10	16,7	16,9	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





39. How likely are you to explore new products or services introduced by your favorite retail brands through digital channels?

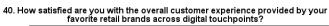
The 47,5% of the participants are satisfied with the overall customer experience provided by your favorite retail brands across digital touchpoints, the 37,3% are neutral whereas the 11,9% are very satisfied.

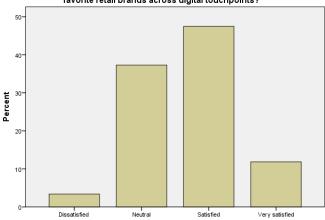
## 40. How satisfied are you with the overall customer experience provided by your

favorite retail brands across digital touchpoints?

lavorite retail brailes across	digital touch	points:		
				Cumulative
	Frequency	Percent	Valid Percent	Percent

Valid	Dissatisfied	2	3,3	3,4	3,4
	Neutral	22	36,7	37,3	40,7
	Satisfied	28	46,7	47,5	88,1
	Very satisfied	7	11,7	11,9	100,0
	Total	59	98,3	100,0	
Missing	System	1	1,7		
Total		60	100,0		





40. How satisfied are you with the overall customer experience provided by your favorite retail brands across digital touchpoints?

# Means and Standard Deviation of the main questionnaire

Mean and Standard Deviation of 4likert questions (descending order)

	N	Minimum	Maximum	Mean	Std. Deviation
10. How important are digital engagement strategies in influencing your purchasing decisions?	59	1	4	2,76	0,90
24. How important is the integration of offline and online shopping experiences (e.g., click-and-collect, in-store pickup for online orders) to you?	58	1	4	3,05	0,76
36. How important is the integration of customer feedback and suggestions into the digital experience provided by retail brands?	59	2	4	3,07	0,61
17. How influential are online reviews and ratings in your purchase decisions?	58	1	4	3,12	0,75
18. How important is customer service provided through digital channels (e.g., live chat, social media messaging) in your shopping experience?	59	1	4	3,14	0,86
28. How important is transparency regarding product information (e.g., ingredients, sourcing) provided by retail brands on digital platforms?	58	1	4	3,14	0,71
32. How important is the availability of customer support through multiple digital channels (e.g., email, chat, phone) in your shopping experience?	59	1	4	3,19	0,92
16. How important is the convenience of digital transactions (e.g., online payments, mobile wallets) in your shopping experience?	58	1	4	3,33	0,85
22. How important is the speed and efficiency of the digital checkout process (e.g., one-click checkout, mobile payments) in your shopping experience?	58	1	4	3,36	0,74

Mean and Standard Deviation of 5likert questions (descending order)

Mean and Standard Deviation of Shkert questions (desce	9	0.00.,	Г	r	
	N	Minimum	Maximum	Mean	Std. Deviation
35. How likely are you to engage with live streaming or virtual	59	1	5	2,95	1,07
shopping experiences offered by retail brands?	33	'	3	2,33	1,07
37. How likely are you to participate in user-generated					
content campaigns initiated by retail brands (e.g., sharing	59	1	5	3,07	1,10
photos with branded hashtags)?					
29. How likely are you to trust recommendations from					
artificial intelligence (AI) algorithms (e.g., product	59	1	5	3,17	1,02
recommendations, personalized offers) provided by retail brands?					
27. How likely are you to participate in online surveys or					
feedback forms provided by retail brands?	59	1	5	3,27	0,89
21. How likely are you to engage with interactive content					
(e.g., quizzes, polls) provided by retail brands on digital	58	1	5	3,33	0.91
platforms?				-,	-,-
38. How satisfied are you with the responsiveness of retail					
brands to your inquiries or concerns raised through digital	59	2	5	3,39	0,74
channels?					
31. How likely are you to engage with gamification elements	l		_		
(e.g., loyalty point challenges, interactive quizzes) integrated	58	1	5	3,41	0,94
into digital platforms by retail brands?  33. How likely are you to provide feedback or reviews about					
your shopping experiences with retail brands on digital	59	1	5	3,42	0,93
platforms?	00	'	3	5,42	0,55
34. How satisfied are you with the level of social					
responsibility demonstrated by retail brands through their			_	0.40	0.77
digital engagement efforts (e.g., charitable initiatives, eco-	59	2	5	3,46	0,77
friendly practices)?					
20. How satisfied are you with the level of personalization in	58	2	5	3,53	0,71
the digital communications you receive from retail brands?		_		0,00	0,7 1
30. How satisfied are you with the level of security and			_	0.54	0.00
privacy protection provided by retail brands during your digital interactions?	59	1	5	3,54	0,88
39. How likely are you to explore new products or services					
introduced by your favorite retail brands through digital	59	1	5	3,64	0.98
channels?	00	'	3	5,04	0,50
40. How satisfied are you with the overall customer					
experience provided by your favorite retail brands across	59	2	5	3,68	0,73
digital touchpoints?					
15. How likely are you to recommend your favorite retail					
brands to friends and family based on their digital	59	1	5	3,68	0,84
engagement strategies?					
13. How satisfied are you with the overall digital experience	59	1	5	3,71	0,74
provided by your favorite retail brands?  11. How likely are you to remain loyal to a retail brand that					
offers personalized digital experiences (e.g., personalized	59	2	5	3,73	0.85
recommendations, targeted promotions)?	"	_		3,73	0,00
19. How likely are you to engage with augmented reality					
(AR) features offered by retail brands (e.g., virtual try-on,	59	1	5	3,75	1,06
product visualization)?					
					=

25. How satisfied are you with the ease of navigation and usability of retail websites and mobile apps?	59	1	5	3,76	0,84	
23. How likely are you to engage with user-generated content (e.g., customer reviews, photos) shared by other shoppers on retail websites or social media?	58	1	5	3,88	0,84	
26. Do you believe that digital engagement strategies enhance your overall shopping experience?	59	2	5	3,90	0,74	

### **Research Questions Results**

# What digital engagement strategies are most effective in influencing customer loyalty in the retail sector?

According to the means of the relevant questions we can conclude that participants are more likely to engage with augmented reality (AR) features offered by retail brands as their mean was 3,75, followed by gamification elements (e.g., loyalty point challenges, interactive quizzes) integrated into digital platforms by retail brands with a mean 3,41. Moreover they are likely to engage with interactive content with a mean 3,33 and are less likely to engage live streaming or virtual shopping experiences offered by retail brands with a mean 2,95.

# How do different demographic segments respond to various digital engagement initiatives concerning loyalty?

In order to answer the above question, we performed various statistical analysis with the gender, age group, educational level and annual income of our participants but there was only statistical significance with our Educational level and age group. The rest didn't have statistical significance as p>0,05. For statistical purposes we had to regroup our demographic questions with the most interest. We performed t-test and Anova test accordingly.

Educational level and question 21

Descriptives

21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided by retail brands on

digital platforms?

argital piatronno.					95% Confidence Interval for Mean			
			Std.	Std.	Lower	Upper	Minimu	Maximu
	N	Mean	Deviation	Error	Bound	Bound	m	m
High School or equivalent	8	2,75	1,035	,366	1,88	3,62	1	4
Bachelor's Degree	14	3,00	,961	,257	2,45	3,55	1	5
Master's/PhD/Profes sional Degree	36	3,58	,770	,128	3,32	3,84	2	5
Total	58	3,33	,906	,119	3,09	3,57	1	5

We see from the above table that participants with Master's/PhD/Professional Degree had the highest mean among the participants with lower educational level, which means that participants with the highest level of education are more likely to engage with interactive content (e.g., quizzes, polls) provided by retail brands on digital platforms than the rest participants.

#### ANOVA

21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided by retail brands on digital platforms?

The state of the s					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6,526	2	3,263	4,459	,016
Within Groups	40,250	55	,732		
Total	46,776	57			

From the above table we see that the relationship of our variables is statistically significant as p<0.05 [F(2,55)=4,459, p=,016].

Educational level and question 28

#### Descriptives

28. How important is transparency regarding product information (e.g., ingredients, sourcing) provided by retail brands on digital platforms?

			Std.	Std.	95% Confidence Interval	Minimu	Maximu
	N	Mean	Deviation	Error	for Mean	m	m

						Upper Bound		
High School or equivalent	8	3,50	,535	,189	3,05	3,95	3	4
Bachelor's Degree	13	3,46	,660	,183	3,06	3,86	2	4
Master's/PhD/Profes sional Degree		2,94	,715	,119	2,70	3,19	1	4
Total	57	3,14	,718	,095	2,95	3,33	1	4

We see from the above table that participants that were High-school graduates and bachelor's degree graduates consider transparency regarding product information (e.g., ingredients, sourcing) provided by retail brands on digital platforms more important than participants that had a Master's/PhD/Professional Degree as they had higher means.

#### **ANOVA**

 $28. \ How \ important \ is \ transparency \ regarding \ product \ information \ (e.g., \ ingredients, \ sourcing) \ provided$ 

by retail brands on digital platforms?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3,758	2	1,879	4,039	,023
Within Groups	25,120	54	,465		
Total	28,877	56			

From the above table we see that the relationship of our variables is statistically significant as p<0.05 [F(2,54)=4,039, p=,023].

#### t-test

Age group and question 22

#### **Group Statistics**

	age_group	N	Mean	Std. Deviation	Std. Error Mean
,	<18-34	34	3,53	,615	,105

22. How important is the 35-54 speed and efficiency of the digital checkout process (e.g., one-click checkout, mobile payments) in your shopping experience?	24	3,13	,850	,174
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From the above table we see that participants that were under 34 years old had a higher mean from participants over 34 years old which means that the first ones consider speed and efficiency of the digital checkout process (e.g., one-click checkout, mobile payments) in their shopping experience more important than the others.

Independent Samples Test

independent Samples Test									
	Levene's for Equa Variances	-		Equality of	Mean	s			
	F	Sig.	t		tailed	Mean Differenc	Error	Interval Difference	onfidence of the
22. How Equal important is the variances speed and assumed	,995			56		,404	,192		,789

efficiency of the Equal digital checkout variances not process (e.g., assumed procedick checkout, mobile payments) in your shopping experience?		1,992	39,371	,053	,404	,203	-,006	,815
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From the above table we see that the relationship of our variables is statistically significant as p<0.05 [t(56)=2,104, p=,040].

#### **Discussion**

Speaking about the impact of digital engagement strategies on customer loyalty in the retail industry, it should be said that upon the advancement of information and communication technology and the emergence of e-commerce, the business sectors such as suppliers, manufacturers and customers have had to change the ways they work. Many companies have adopted the internet as a marketing tool to advertise their brands in the market, reach their potential customers quickly and improve the relationship with them (Gambetti, & Graffigna, 2010). In a large number of websites with such features, customers are able to compare and contrast the various products at different Internet Retail Stores (IRSs) with little effort in no time.

Shankar, Smith, and Rangaswamy (2003) compared the loyalty of Internet customers with the loyalty of store customers and concluded that the Internet enhances loyalty more and strengthens the positive relationship between satisfaction and loyalty. They argued that online customers should be more loyal than offline customers because of the strong influence of the internet and because the internet provides extensive information, which will lead to less dissatisfaction. In their empirical study, they proved that their ideas are

verified. However, the internet can also cause customers to focus on price because it increases market transparency (Jain, Aagja, & Bagdare, 2017).

When it comes to online retailers, the dissatisfied customers pass on their negative experiences to an average of nine other people, and it is estimated that companies lose ten to fifteen percent of their annual sales volume due to dissatisfied customers (McDermott, 2017). Therefore, it is important for online stores to carefully research and manage the behavior of their non-loyal customers. By effectively managing the behavior of dissatisfied customers, companies can positively change customer "disloyalty" (Fatma, 2014).

Moreover, in the era people live in, the internet enters all aspects of their social and economic life. To take advantage of this fact, many businesses have already created "online stores". Also, many banks provide the customer with the possibility to manage their accounts via the internet (Hollebeek, 2011). Given the spread of information technology in society, the existence of such transaction methods becomes necessary, and it is expected that in the future all businesses will provide their services online. The main form of e-business is e-commerce, which includes any type of business transaction in which participating members interact electronically, using networks, rather than physical contact (Gambetti, & Graffigna, 2010).

The e-shop is the most well-known business model encountered in the online activity of a company for the promotion of products and services on the Internet. The basic characteristics of an e-shop should be reliability, ease of navigation, aesthetic presentation, availability of services and information, security in transactions and protection of personal data. In this way, significant revenues for the online store come from product sales, while reducing transaction costs. The majority of commercial online stores are B2C stores.

The r-commerce, and more specifically B2C, is on a continuous upward trajectory, thanks to its advantages, as it provides access to a wider market at low cost, it improves the service provided to the customer and increases interactivity. At the same time as the development, the first problems in the use of these online business processes began to appear, with the most basic being the security of transactions (Fatma, 2014).

There have been recorded cases of data loss, fraud, falsification of documents, interception of personal and financial information, which have increased the concern of both consumers and businesses, increasing the hesitation to use the new types of transactions (Hollebeek, 2011).

The consumers, when purchasing products and services, are used to traditional payment methods, which are done with direct contact between the traders. These include cash, checks, credit cards, etc. Today, due to the development of e-commerce, new payment methods are also used, those that facilitate electronic transactions. However, electronic payments are viewed with distrust due to consumers' lack of experience (Zolkiewski, et al., 2017).

One of the main causes of this mistrust stems from the fact that the buyer does not have physical contact with the seller. This mistrust is further strengthened by the fact that electronic payments rely mainly on the security of the internet, which does not provide the highest degree of reliability. All of the above, make it necessary to take stricter security measures, so that the further development of e-commerce is possible.

In such case, Morgan and Hunt (1994) consider that trust exists when one party has faith in the reliability and integrity of the other party to the transaction. According to Deutsch (1960), trust consists of two components: trust in ability and intention. This is particularly important in the case of online retail transactions, where the buyer and seller are far away, and the relationships are difficult to control, and there are no clearly defined rules. Also, the level of customer experience is related to their confidence in transactions. Customers with a high propensity to trust online transactions perceive risk less (Fatma, 2014).

The customer confidence or assurance is another dimension of trust. The confidence also comes from the strength of the brand name, endorsement by trusted third parties, etc. Additionally, when customers do not feel confident about an online seller, they are discouraged from buying from that website. The confidence based on online trust affects the perception of system trustworthiness. Therefore, customers' perception of the technological adequacy of electronic communication systems e is very important for their behavior and the faith they show in online transactions (Gambetti, & Graffigna, 2010).

Also, the commitment significantly affects loyalty in online transactions. The concept of loyalty will also be strengthened with the help of marketing. The internet is considered a form of direct marketing. Marketers look for various ways to convince the customer to trust them and buy their product. Today many direct marketers use it to build a long-term relationship with the customer. The Internet offers companies and consumers opportunities for more two-way communication and personalization of advertising to the customer's needs.

In particular, the e-Marketing is marketing on the Internet. With the growth of the Internet, there is faster and more immediate access to customers. The customers, with more choice and availability of products combined with their educational level and different habits and purchasing interests, are becoming less loyal to a particular business, so businesses should make greater efforts to earn their trust (Hollebeek, 2011).

The use of the Internet as an advertising medium has brought significant changes to the classic concept of how advertising works. Advertising was considered, until recently, an eminently passive communication process on the part of the receiver. The characteristics of the internet, however, overturn this view, mainly through the interactive environment it offers. Therefore, the businesses are given the opportunity not only to select and precisely identify the target audience they are interested in, but also to approach people who may be many kilometers away (McDermott, 2017).

# Chapter 5

#### Conclusion

#### Conclusion

#### 1. Conclusions

This dissertation explored the impact of digital engagement strategies on customer loyalty in the retail industry, providing a detailed analysis of various approaches and their effectiveness in fostering long-term customer relationships. Key conclusions drawn from this study include:

#### a. Effectiveness of Digital Engagement Strategies:

- Social Media Engagement: Social media platforms such as Facebook, Instagram, and
  Twitter are crucial for building brand communities and fostering direct interactions
  between retailers and customers. The study found that active engagement on social
  media significantly enhances customer loyalty by creating a sense of community and
  belonging. Customers who frequently interact with brands on social media are more
  likely to develop emotional bonds, leading to increased loyalty.
- Email Marketing: Personalized email campaigns are effective in maintaining regular communication with customers. The study showed that targeted email marketing, with personalized offers and relevant content, significantly improves customer retention and loyalty. Regular newsletters and promotional emails keep customers informed and engaged, reinforcing their connection to the brand.
- Mobile Apps and SMS Marketing: The convenience and accessibility provided by
  mobile apps and SMS marketing play a vital role in enhancing customer loyalty. Mobile
  apps offer a seamless shopping experience, personalized recommendations, and
  exclusive rewards, which contribute to increased customer satisfaction and repeat
  purchases. SMS marketing, with timely and relevant messages, helps in maintaining
  customer interest and driving engagement.
- Online Customer Service: Efficient online customer service, including chatbots and
  responsive support teams, is essential for addressing customer queries and issues
  promptly. The study found that high-quality online customer service enhances customer
  trust and satisfaction, leading to greater loyalty. Customers appreciate quick resolutions
  to their problems, which reinforces their positive perception of the brand.

#### b. Influence on Customer Loyalty:

- Personalization: Personalized digital interactions significantly impact customer loyalty.
  Customers who receive tailored recommendations, offers, and communications are
  more likely to feel valued and appreciated, which enhances their loyalty. Personalization
  helps in creating a unique and memorable customer experience, fostering long-term
  relationships.
- Customer Satisfaction: The overall satisfaction derived from digital engagement strategies is a strong predictor of customer loyalty. When customers have positive experiences with digital touchpoints, such as easy navigation on websites, engaging social media content, and responsive customer service, their satisfaction levels increase, leading to higher loyalty.
- Trust and Emotional Connection: Building trust and emotional connections with
  customers through consistent and meaningful digital interactions is crucial for loyalty.
  The study found that brands that actively engage with customers and provide reliable,
  transparent information are more likely to gain customer trust. Emotional connections,
  fostered through personalized and engaging content, strengthen the bond between the
  customer and the brand, leading to increased loyalty.

#### c. Repeat Purchases and Recommendations:

Encouraging Repeat Purchases: Digital engagement strategies that focus on providing
value and convenience encourage repeat purchases. Loyalty programs, personalized
offers, and seamless online shopping experiences motivate customers to return to the
brand for future purchases. The study highlighted that customers who are engaged
through multiple digital channels are more likely to make repeat purchases, contributing
to long-term loyalty.

Word of Mouth and Recommendations: Satisfied and loyal customers are more likely
to recommend the brand to others. Positive digital interactions, combined with highquality products and services, lead to word-of-mouth referrals, which are invaluable for
acquiring new customers and enhancing brand reputation. The study emphasized that
effective digital engagement strategies not only retain existing customers but also attract
new ones through recommendations.

#### Overview of conclusions

#### a. Key Digital Engagement Strategies:

- Social Media Engagement: Social media platforms have emerged as powerful tools for customer engagement. The study found that brands actively engaging on social media through posts, responses, and interactive content build a strong community of loyal customers. Social media facilitates direct and personal interaction with customers, which enhances their emotional connection to the brand. Customers appreciate real-time engagement and feel more valued when their comments and queries are acknowledged promptly.
- Email Marketing: The research highlighted the effectiveness of personalized email
  marketing in fostering customer loyalty. Brands that send tailored emails based on
  customer preferences and behaviors see higher engagement rates. These emails, which
  include personalized offers, product recommendations, and relevant content, keep
  customers informed and engaged, fostering a sense of personal connection and loyalty to
  the brand.
- Mobile Apps and SMS Marketing: The study showed that mobile apps provide a
  convenient and personalized shopping experience, which is crucial for customer
  retention. Features such as personalized recommendations, exclusive offers, and easy
  access to customer service through mobile apps contribute significantly to customer
  satisfaction and loyalty. Similarly, SMS marketing, with its immediate and direct
  communication, effectively keeps customers engaged and informed about promotions and
  updates.
- Online Customer Service: Efficient and responsive online customer service was found to be a critical factor in maintaining customer loyalty. The study underscored the importance of quick and effective resolution of customer issues through online channels. Customers who experience high-quality service are more likely to trust the brand and remain loyal.

#### b. Impact on Customer Loyalty:

Personalization and Customer Experience: Personalized digital interactions are
paramount in building customer loyalty. The research showed that customers value
personalized experiences that cater to their individual needs and preferences. Such
interactions make customers feel special and appreciated, leading to increased loyalty.

- Personalization extends to various aspects, including product recommendations, marketing communications, and customer service interactions.
- Customer Satisfaction and Trust: The overall satisfaction derived from digital engagements is a key driver of loyalty. The study found that positive experiences across digital touchpoints, such as user-friendly websites, engaging social media content, and efficient customer service, enhance customer satisfaction. High satisfaction levels, in turn, foster trust in the brand. Trust is further strengthened by consistent and transparent communication, reliability, and the perceived value of interactions.
- Emotional Connection: Building an emotional connection with customers through digital engagement is crucial for fostering loyalty. The study highlighted that customers who feel emotionally connected to a brand are more likely to stay loyal. This emotional bond is cultivated through meaningful and personalized interactions, engaging content, and a sense of community fostered by social media engagement.

#### c. Behavioral Outcomes:

- Repeat Purchases: The study demonstrated that effective digital engagement strategies encourage repeat purchases. Customers who experience consistent and positive digital interactions are more likely to return to the brand for future purchases. Loyalty programs, personalized offers, and a seamless online shopping experience contribute significantly to this behavior. The convenience and satisfaction derived from digital engagements motivate customers to make repeat purchases, thereby enhancing customer retention.
- Customer Advocacy: Satisfied and loyal customers are more likely to recommend the
  brand to others. The research emphasized that positive word-of-mouth referrals are a
  powerful outcome of successful digital engagement strategies. Customers who have
  favorable experiences are inclined to share these with their networks, attracting new
  customers and enhancing the brand's reputation. This advocacy is driven by the overall
  satisfaction, trust, and emotional connection customers feel towards the brand.

#### **Research Limitations**

This study faced several limitations. First, the reliance on self-reported data through online questionnaires may introduce response biases. Second, the non-probabilistic sampling method used might limit the generalizability of the findings. Third, the study focused on a specific geographical region, which may not fully represent global retail trends. Additionally, rapid technological changes in digital engagement strategies may affect the long-term applicability of the results.

### Suggestions for future study and research

Future research should consider longitudinal studies to track changes in customer loyalty over time with evolving digital strategies. Expanding the sample size and incorporating diverse geographical regions would enhance the generalizability of the findings. Further studies could also explore the impact of emerging technologies, such as artificial intelligence and augmented

reality, on customer engagement and loyalty. Additionally, examining the effectiveness of digital engagement strategies across different retail sectors could provide more tailored insights.

## **Epilogue**

In conclusion, this dissertation underscores the critical role of digital engagement strategies in shaping customer loyalty within the retail industry. As digital technologies continue to evolve, retail businesses must adapt and innovate their engagement approaches to meet the changing preferences and expectations of their customers. The insights gained from this research offer valuable guidance for retailers seeking to enhance customer loyalty through effective digital strategies, ultimately contributing to sustained business success in a competitive market landscape.

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#### Appendix

#### Questionnaire

- 1. Age:
- a. Under 18
- b. 18-24
- c. 25-34
- d. 35-44
- e. 45-54
- f. 55-64
- g. 65 and above
- 2. Gender:
  - a. Male
  - b. Female
  - c. Non-binary/third gender
  - d. Prefer not to say
- 3. Education Level:
- a. High School or equivalent
- b. Bachelor's Degree
- c. Master's Degree
- d. Doctorate or Professional Degree
- 4. Employment Status:
- a. Employed full-time
- b. Employed part-time
- c. Unemployed
- d. Student
- e. Retired

5.	Income Level:
a.	Under €25,000
b.	€25,000 - €49,999
c.	€50,000 - €74,999
d.	€75,000 - €99,999
e.	€100,000 - €149,999
f.	€150,000 and above
6.	How frequently do you shop at retail stores?
a. 1	Daily
b.	Weekly
c.	Monthly Occasionally
d.	Rarely
e.	Kalely
7.	How often do you engage with retail brands through digital channels (e.g., social media, email, apps)?
a.	Daily
b.	Weekly
c.	Monthly
d.	Occasionally
e.	Rarely
8.	What digital platforms do you primarily use for interacting with retail brands?
a.	Social media (e.g., Facebook, Instagram)
b.	Email newsletters
c.	Retailer's mobile apps
	Retailer's websites
	Other (please specify)
	• • •
9.	Have you ever made a purchase from a retail brand due to a digital marketing campaign?
a.	Yes

b.	No.
C.	Maybe
10.	How important are digital engagement strategies in influencing your purchasing decisions?
	Very important
	Important
c.	Somewhat important
	Not important
11.	How likely are you to remain loyal to a retail brand that offers personalized digital experiences (e.g.,
	personalized recommendations, targeted promotions)?
a.	Very likely
b.	Likely
c.	Neutral
d.	Unlikely
e.	Very unlikely
	Do you prefer shopping online or in physical stores?
	Online
	In physical stores
	Both equally
d.	Depends on the product/category
13	How satisfied are you with the overall digital experience provided by your favorite retail brands?
	Very satisfied
	Satisfied
	Neutral
	Dissatisfied

e. Very dissatisfied

14.	Do you actively participate in loyalty programs offered by retail brands?
a.	Yes, regularly
b.	Occasionally
c.	No, never
15	How likely are you to recommend your favorite rateil brands to friends and family based on their digital
13.	How likely are you to recommend your favorite retail brands to friends and family based on their digital
2	engagement strategies? Very likely
a. b.	Likely
о. с.	Neutral
d.	Unlikely
e.	Very unlikely
c.	very unincery
16.	How important is the convenience of digital transactions (e.g., online payments, mobile wallets) in your
	shopping experience?
a.	Very important
b.	Important
c.	Somewhat important
d.	Not important
17	How influential are called accious and actions in community and actions 2
	How influential are online reviews and ratings in your purchase decisions?
a.	Very influential  Influential
b.	Somewhat influential
c.	Not influential
u.	110t influential
18.	How important is customer service provided through digital channels (e.g., live chat, social media
	messaging) in your shopping experience?
a.	Very important
	101

b. Important
c. Somewhat important
d. Not important
19. How likely are you to engage with augmented reality (AR) features offered by retail brands (e.g., virtual
try-on, product visualization)?
a. Very likely
b. Likely
c. Neutral
d. Unlikely
e. Very unlikely
20. How satisfied are you with the level of personalization in the digital communications you receive from
retail brands?
a. Very satisfied
b. Satisfied
c. Neutral
d. Dissatisfied
e. Very dissatisfied
21. How likely are you to engage with interactive content (e.g., quizzes, polls) provided by retail brands on
digital platforms?
a. Very likely
b. Likely
c. Neutral
d. Unlikely
e. Very unlikely

22. How important is the speed and efficiency of the digital checkout process (e.g., one-click checkout, mobile

payments) in your shopping experience?

a. Very important

b. Important	
c. Somewhat important	
d. Not important	
23. How likely are you to engage with user-generated content (e.g., customer reviews, photos) share	d by other
shoppers on retail websites or social media?	
a. Very likely	
b. Likely	
c. Neutral	
d. Unlikely	
e. Very unlikely	
24. How important is the integration of offline and online shopping experiences (e.g., click-and-collec	et in-store
pickup for online orders) to you?	,
a. Very important	
b. Important	
c. Somewhat important	
d. Not important	
u. Not important	
25. How satisfied are you with the ease of navigation and usability of retail websites and mobile app	os?
a. Very satisfied	
b. Satisfied	
c. Neutral	
d. Dissatisfied	
e. Very dissatisfied	
26. Do you believe that digital engagement strategies enhance your overall shopping experience?	
a. Strongly agree	
b. Agree	
c. Neutral	

d. Disagree

e.	Strongly disagree						
27.	How likely are you to participate in online surveys or feedback forms provided by retail brands?						
a.	Very likely						
b.	Likely						
c.	Neutral						
d.	Unlikely						
e.	Very unlikely						
a. b. c.	How important is transparency regarding product information (e.g., ingredients, sourcing) provided by retail brands on digital platforms?  Very important  Important  Somewhat important						
d.	Not important						
29. a. b. c. d.	How likely are you to trust recommendations from artificial intelligence (AI) algorithms (e.g., product recommendations, personalized offers) provided by retail brands?  Very likely  Likely  Neutral  Unlikely  Very unlikely						
30. a. b. c. d.	How satisfied are you with the level of security and privacy protection provided by retail brands during your digital interactions?  Very satisfied  Satisfied  Neutral  Dissatisfied  Very dissatisfied						
	104						

31.	How likely are you to engage with gamification elements (e.g., loyalty point challenges, interactive quizzes)
	integrated into digital platforms by retail brands?
a.	Very likely
b.	Likely
c.	Neutral
d.	Unlikely
e.	Very unlikely
32.	How important is the availability of customer support through multiple digital channels (e.g., email, chat,
	phone) in your shopping experience?
a.	Very important
b.	Important
c.	Somewhat important
d.	Not important
33.	How likely are you to provide feedback or reviews about your shopping experiences with retail brands on
	digital platforms?
a.	Very likely
b.	Likely
c.	Neutral
d.	Unlikely
e.	Very unlikely
34.	How satisfied are you with the level of social responsibility demonstrated by retail brands through their
	digital engagement efforts (e.g., charitable initiatives, eco-friendly practices)?
a.	Very satisfied
b.	Satisfied

c. Neutrald. Dissatisfiede. Very dissatisfied

35.	How likely are you to engage with live streaming or virtual shopping experiences offered by retail brands?	
a.	Very likely	
b.	Likely	
c.	Neutral	
d.	Unlikely	
e.	Very unlikely	
36.	How important is the integration of customer feedback and suggestions into the digital experience provided	
	by retail brands?	
a.	Very important	
b.	Important	
c.	Somewhat important	
d.	Not important	
37.	How likely are you to participate in user-generated content campaigns initiated by retail brands (e.g.,	
	sharing photos with branded hashtags)?	
a.	Very likely	
b.	Likely	
c.	Neutral	
d.	Unlikely	
e.	Very unlikely	
38.	How satisfied are you with the responsiveness of retail brands to your inquiries or concerns raised through	
	digital channels?	
a.	Very satisfied	
b.	Satisfied	
c.	Neutral	
d.	Dissatisfied	
e.	Very dissatisfied	
	106	
	106	

39.	How likely are	you to e	explore ne	w products	or services	introduced	by your	favorite retail	brands t	hrough
	digital channels	s?								

- a. Very likely
- b. Likely
- c. Neutral
- d. Unlikely
- e. Very unlikely
- 40. How satisfied are you with the overall customer experience provided by your favorite retail brands across digital touchpoints?
- a. Very satisfied
- b. Satisfied
- c. Neutral
- d. Dissatisfied
- e. Very dissatisfied