

# How to Build Sustainable Customer Engagement that Impacts Customers' Well-being?

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## Abstract

In This study demonstrates how brands can build strong, sustainable engagement with customers and ascertains the key essence of communication between brands and customers. We examined the process of deepening customer engagement and generating customer benefits, which have been insufficiently discussed in the literature. We assessed long-term loyal customers who exhibited deep levels of engagement using two case studies of luxury fashion brands and utilitarian consumption in Japan. We collected qualitative data through one-on-one semi-structured interviews and analyzed them using the grounded theory approach. We found that a sustainable relationship between a brand and its customers is built when both their goals are consistent. Not only do customers select brands but brands also select customers based on their mission through interpersonal communication. Such interpersonal communication creates the possibility of fostering sustainable partnerships and positively impacts customers' well-being.

## Introduction

Nowadays, both brands and customers benefit from digital technologies, and business model innovations, along with digital transformation, have fundamentally altered consumer behavior and disrupted traditional markets [1]. However, while digital technology has eased the burden of purchasing for customers, it remains unclear whether these new brand experiences are effective for customers. Although personalized recommendations help customers discover products they could be interested in [2], such effortless decisions may also lead to "inertia purchases," defined as "spurious loyalty" [3]. For instance, subscription purchasers, incentivized simply by price reductions, easily switch brands for lower prices; they are regular customers but not sustainable ones. Communication based on algorithms alone does not guarantee the creation of an everlasting bond. Thus, we shed light on the genuine relationships between brands and customers and study the impact on customers' well-being. Although the importance of strong, sustainable customer relationships is often debated in the literature [4-8], their impact on customers has not been investigated yet from the customer's perspective. This study aims to demonstrate how brands can build strong, sustainable engagement with their customers and its impact on customers.

This study contributes to the literature in three steps. First, we collected qualitative data directly from customers who are deeply engaged with a specific brand. Second, we assessed the process of long-term changes in brand-customer engagement. Finally, we examined the impact of such a relationship on customers using the concept of well-being [9]. The remainder of this paper is structured as follows. First, we discuss the importance of customer engagement with reference to previous studies and define the scope of our research. Second, we describe our research methodology and the grounded theory approach (GTA) to explain the data collection and coding procedures. Subsequently, we present the findings of the GTA regarding a luxury and a utilitarian brand. Finally, we discuss the theoretical and managerial implications of our study's findings.

## Customer Engagement and Related Concepts

### Loyalty and its impact on management

Customer engagement has been recognized as a predictor of

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customer loyalty [10-12]. Customer loyalty has a positive effect on management in terms of customer retention and increased market share [6-8]. Loyalty includes two dimensions: attitudinal and behavioral loyalty [4,14]. While attitudinal loyalty refers to a customer's attachment, commitment, and repurchase intention toward a brand [14,15], behavioral loyalty focuses on the repurchase and recommendation behavior of a brand, which are clearly shown [14]. Behavioral loyalty and attitudinal loyalty increase a brand's market share and relative price, respectively [4]. Therefore, acquiring loyal customers results in sales and influencers who improve brand reputation [16,17].

## Customer engagement and its dynamism

Engagement is inherently a loyalty-building process [18] with an important impact on customer loyalty formulation, and customer-brand engagement creates attitudinal loyalty [19-23]. In marketing, engagement is assumed to be based on the customer's cognitive, emotional, and behavioral investment in a brand interaction [24-28]. Customer-brand engagement can thus be defined as a phenomenon that goes beyond purchase and consumption [29].

In recent years, research on customer engagement through digital communication [30] or analysis with extensive data [31] has been encouraged. The use of digital communication has become an important marketing tactic that directly enhances the customer's positive affective reactions [32]. Kanuri et al. [33] revealed that optimal scheduling of social media posts can induce customer engagement and contribute to company profit. Hollebeek and Macky [34] described digital communication messaging as creating valuable content relevant to the brand to boost customer-brand engagement, trust, and relationships, rather than directly persuading consumers

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to make a purchase. However, even when brand engagement is built, it is not always possible to maintain it, as customers are constantly exposed to information from their competitors. Siebert et al. [35] proposed a sticky model with spirals of engagement that make the customer's journey exciting by repeating unpredictable experiences, thereby increasing their involvement level over time. The manageability of customer experience is a higher-order resource for maintaining long-term customer loyalty [36]. Even after engagement has been created, it might not be sustained. Therefore, we formulate the following research question:

*RQ1: What prompts loyal customers to sustain their engagement with a brand?*

### Brand-customer relationship and customer's well-being

Although engagement is an interactive process between the brand and its customers, previous studies have only focused on the effect on brands, particularly the managerial impact. However, it is essential to understand the effects on customers to fully understand the brand-customer relationship. In this study, we examined the long-term relationship between brands and their customers. For this purpose, we considered the impact of this long-term relationship on customers rather than focusing on customer satisfaction at a single point in time.

Seligman [9] defined well-being as the ultimate objective of positive psychology. He argued that well-being is sustainable and separate from happiness and suggested the importance of flourishing as a standard to measure well-being. Seligman [9] developed five basic elements for flourishing, naming it "PERMA":

- P for positive emotion: a subjective feeling of well-being
- E for engagement: a subjective feeling of the extent to which people are involved in something
- R for relationships: the extent to which we have positive relations with others
- M for meaning: the extent to which our lives are meaningful
- A for accomplishment: the extent to which we accomplish something

Flourishing is consistent with our study in terms of the impact of brand-customer relationship on customers, as it is long-term and subjective. This research follows Seligman's definition of well-being, and thus, we formulated the following research question:

*RQ2: How does the brand-customer relationship impact customer's well-being?*

### Method

We inductively explored how engagement is engendered using two case studies, conducted in-depth interviews, and adopted the GTA for data analysis. We triangulated the data source for effectiveness [37-39] and examined engagement in two contexts: First, we examined the case of luxury brands in the hedonic consumption category (Study 1); and second, we examined the case of the Japanese retail store MUJI in the utilitarian consumption category (Study 2).

Hedonic versus utilitarian characteristics are important for purchases [40]. Hedonic consumption is based on customers' experiences of shopping and emotional attachment to a brand, focusing on fun, playfulness, enjoyment, excitement, and the need for surprise [41,42]. In contrast, utilitarian consumption is more goal-directed and pertains to the need to complete specific tasks efficiently and effectively [43,44]. Therefore, we examined both characteristics.

### Sample and Data

#### Cases: hedonic/utilitarian brands

In Study 1, we chose behaviorally loyal customers who enjoy the hedonic consumption of luxury brands (e.g., CÉLINE, a French ready-to-wear and leather goods brand founded in 1945; Tiffany, a jewelry and accessory brand founded in 1837; and Van Cleef & Arpels, a jeweler founded in Paris in 1906).

In Study 2, we selected MUJI as a case in the utilitarian product category. MUJI is a specialty retailer of private label apparel, household goods, food, and more. It operates 1,029 stores (479 in Japan and 550 in 30 other countries or regions) (Keikaku, n.d.). Although the retail brand sells utilitarian products, MUJI has enthusiastic fans, who are called MUJIRER (Mujirushi + er), some of whom publish books about their brand experiences and appear on TV programs.

#### Sample selection

In each study, we interviewed loyal customers and carefully examined their processes from the pre-purchase stage to the sustained engagement stage. Schmitt [45] demonstrated that the strength of engagement is not uniform; it has various levels and elements, and a consumer psychology model of brand engagement does not focus on brand outcomes (e.g., brand choice, purchase, or loyalty) but rather on the underlying psychological constructs and processes that contribute to such outcomes. Schmitt's [45] consumer psychology model of brands distinguishes three levels of consumer engagement and five processes (identification, experience, integration, signification, and connection) (Table 1).

|                           | Levels of Engagement          |                          |                       |
|---------------------------|-------------------------------|--------------------------|-----------------------|
|                           | Object-Centered Engagement    | Self-Centered Engagement | Social Engagement     |
| Identifying               | Brand categorization          | Brand association        | Inter-brand relations |
| Experiencing              | Multi-sensory perception      | Brand affect             | Brand participation   |
| Integrating               | Brand concept                 | Brand personality        | Brand relationships   |
| Signifying                | Brand as an informational cue | Brand as identity signal | Brand symbolism       |
| Connecting with the brand | Brand attitude                | Brand attachment         | Brand community       |

Table 1: Consumer Psychology Model of Brands.

Notes: From left to right, the brand becomes increasingly meaningful to the consumer. The left column represents object-centered engagement; the consumer acquires information about the brand to receive utilitarian benefits from the brand. The middle column represents self-centered engagement; the brand is seen as personally relevant to the consumer. Finally, the right column represents the social engagement with the brand; the brand is viewed from an interpersonal and sociocultural perspective and provides a sense of community. Source: Schmitt [45].

We shed light on the customers who, according to this model, were assumed to be at the deepest level of engagement [45]. In each study, we identified long-term patronage customers using the following criteria: showing repeat patronage and plural social engagement features (Table 1) resulting in “brand participation” and “brand relationships” in the consumer psychology model [45](Table 2). All the respondents were recruited in Japan.

| Criteria            | Study 1   | Study 2      |
|---------------------|---|--------------|
|                     | CÉLINE, Tiffany, Van Cleef & Arpels, and an anonymous brand (n = 5) | MUJI (n = 5) |
| Repeat patronage    | X   | X            |
| Brand participation | X   | X            |
| Brand relationships | X   | X            |

Table 2: Sample Criteria for Loyal Customer Status.

In Study 1, through luxury brand management, we obtained appropriate respondents who exhibited repeat patronage and had strong ties with the brand (brand relationships in Table 2), and consequently, participated in closed events (brand participation). The manager obtained consent from the respondents to participate in our research. Finally, we acquired five respondents from four brands. We used snowball sampling to conduct further interviews with the participants until we reached theoretical saturation. Among the respondents, one was male and four were females between the ages of 30 and 69. We conducted five in-depth interviews between May and October 2016. The interviews lasted 60–120 (average 90) minutes and were conducted at locations other than the store, such as coffee shops and hotel lounges.

In Study 2, using personal networking and snowball sampling, we recruited respondents who had published books or had been paid for writing articles about MUJI (brand participation). In these works, they professed their patronage for the brand (repeat patronage) and communicated with readers, followers, and others (brand relationships). We continued our interviews with MUJI loyal customers until theoretical saturation. Five interviews were conducted between November 2020 and February 2021, lasting for 30–60 (average 47) minutes. The interviews were conducted as a free-flowing conversation on three topics: (1) initial inspiration to buy the product, (2) reasons for continuous patronage, and (3) relationships with the brand.

### Data analysis for grounded theory development

This study investigated the evolution from a general customer to an engaged customer and the value that customers receive in sustaining their engagement with the brand. We aimed to understand respondents' insights and chronological changes. To structurally understand the interaction between brands and engaged customers, we analyzed the data using the GTA proposed by Glaser and Strauss [46]. Since its development, the GTA has been successfully used worldwide to construct theories grounded in long data periods. In line with other marketing research studies that developed a general theory of concepts [36,47,48], we follow Corbin and Strauss's [49] approach.

In both case studies, all interviews were transcribed, and we applied the schema of open, axial coding, converging into theory as follows [49]: breaking down the data into manageable analytic pieces;

brainstorming with the data to arrive at possible meanings and delineate the concepts (open coding); elaborating concepts to form categories; integrating categories into a core category and other categories; and analyzing the data for context.

After each interview, we analyzed the data (the first and second steps) and continued collecting and examining data until theoretical saturation. The concepts in the open coding were based on the language the respondents used. Then, we grouped them into categories based on theoretical abstracts in axial coding. Although we analyzed the data independently in each case, we referred the categories to the levels of engagement and the consumer psychology model [45], a common standard used to observe changes in engagement. Finally, we analyzed the data to identify the context of sustained engagement.

For triangulation, we analyzed the data independently as authors and then referred to each result for a consensus validation in each study. During the process of personal work and mutual confirmation, we carefully refined the categories and finalized the grounded theory in each study. After completing the analysis in the two studies, we reviewed the outcomes and determined the path of becoming a long-term engaged customer. In our discussions, we compared interpretations to achieve consensual understanding.

Finally, we considered how the brand–customer relationship impacts customer's well-being using PERMA (Seligman, 2011), which allowed for the examination of changes in well-being as experienced by the respondents.

## Study 1: Luxury Brands

### GTA coding results

From the interview transcripts, 49 concepts were derived through open coding, which we classified into 12 first-order categories to explore the mechanisms for deepening engagement. Finally, six second-order categories were distilled and integrated into the notion of strong engagement (Table 3). In this section, we describe the second-order categories and the process of deepening engagement.

Desire for an item, not a brand. The five customers had 18, 10, 7, 4, and 4 years of patronage of the brand. Not all of them had admired or had been fond of the brand from the beginning; in some cases, the encounter with the brand was coincidental, for instance, passing by a store. The initial image of the brand was simply as a luxury brand. Overall, they had a high-threshold image of luxury brands and were wary of them, as reflected in the following customer statement:

*At that time, I was window-shopping at Isetan. At first, it was difficult to enter the store unless you had already bought something, but when I walked in, they said, “Please come in and try it on,” and it looked great...*

Satisfaction with the service experience. The customers shared their first-time or initial satisfaction with goods and services. Regardless of whether the customers made a purchase, they were satisfied, as their communication with the sales representative had exceeded their expectations. Here, communication started with customers who had not made a purchase. Luxury brand products are not necessities; moreover, they are expensive and rarely bought in one visit. This is not the kind of marketing where artificial intelligence provides recommendations based on purchase history; rather, in this case,

| First order categories  |     |     |                          | Order Categories                                      | PERMA                         |
|---|-----|-----|--------------------------|---|-------------------------------|
| 1. Brand does not matter  | O-C | Id  | Brand categorization     | A) Desire for an item (not a brand)                   |                               |
| 2. Good location and environment are motivations for visiting the store     | O-C | Id  | Brand categorization     |   |                               |
| 3. Brand evaluation is based on satisfaction with both products and service | O-C | Ex  | Multi-sensory perception | B) Satisfaction with the service experience           | Positive emotion/relationship |
| 4. Increasing expectations for service and hospitality                      | O-C | Con | Brand attitude           |   |                               |
| 5. Developing trust   | O-C | Con | Brand attitude           | C) Build rapport with the brand through the sales rep | Relationship                  |
| 6. Complete trust in the sales representative                               | S   | Int | Brand relationships      |   |                               |
| 7. Brand-driven communication   | S-C | Ex  | Brand affect             | D) The stage of brand devotion                        | Engagement/relationship       |
| 8. Immersion in the brand experience  | S   | Ex  | Brand participation      |   |                               |
| 9. Awareness of being comfortable   |     |     |                          | E) Ideal self (core category)                         | Meaning                       |
| 10. Sense of self-improvement through products                              | S-C | Sig | Brand as identity signal |   |                               |
| 11. Strong attachment to the brand  | S-C | Con | Brand attachment         | F) Building reciprocal relationships (core category)  | Accomplishment/relationship   |
| 12. Unity of self-interest and altruism                                     |     |     |                          |   |                               |

Table 3: Coding Results of the Grounded Theory Research Procedure: Luxury Brands.

\*O-C: object-centered engagement; S-C: self-centered engagement; S: social engagement. #Id: identifying; Ex: experiencing; Int: integrating; Sig: signifying; Con: connecting with the brand.

communication is initiated based on the sales representative's appeal to the customers who have not yet made a purchase, as reflected in the following typical customer statement:

If she had not been in the store, I never would have made the purchase... She called me again and said that she had something that she thought I would really like and that I should come see it.

*Build rapport with the brand through the sales representative.* A specific brand's sales representative approaches customers during the pre-purchase stage or after they become repeat customers. In the process, the accumulated customer satisfaction that meets or exceeds expectations is gradually transformed into credibility. At this stage, four of the five customers relayed their trust to their family members. The accumulated trust in the sales representative makes advice essential when purchasing a product, as reflected in the following customer statement:

*I started to feel like I should basically buy whatever she recommends.*

*The stage of brand devotion.* At this stage, customers are recognized by the brand as loyal customers and are given special treatment. While shopping, they no longer choose what they want for themselves but look forward to suggestions from the brand. They are further encouraged by the brand's special treatment and the brand experience that they cannot have on their own. They are happy to be chosen by the brand, which leads to brand patronage. A seller-buyer relationship evolves through the sales representative, who acts as the mediator, and a partner relationship toward shopping is developed, which, in turn, creates a strong two-layered engagement loop with the customer, as reflected in the following statement:

*I could not help but think that I would like to remain a (brand) customer.*

*Ideal self.* At this stage, customers realize (emotionally and materially) their ideal self by experiencing and purchasing the brand's products. Their awareness of this feeling leads to the realization that the brand and its sales representatives will be their partners in achieving their own aims. At this stage, the customer reaches the *strongly engaged* customer phase, where they are in a state of deep engagement. The comfort that comes from interacting with the brand and the reassurance of being understood make the customer realize that the brand and the sales representative are irreplaceable. The customers simultaneously develop a sense of personal growth by purchasing the brand's products from sales representatives. Furthermore, customers are satisfied with the product and sense that the brand suits their ideal self-image, as expressed by a respondent below:

*She [the sales representative] understands me without me having to tell her; she anticipates what I am thinking or what I want to do.*

*Building reciprocal relationships.* Reciprocal behavior is identified when the customer does not buy simply to obtain a product but to maintain a relationship with the brand and its representatives. This is especially apparent when the price is high. Some make purchases to contribute to the sales representative or the brand itself. At this point, they have made up their minds to buy from that brand, and even if other brands approach them, they do not switch. In other cases, even if the brand designer changes, the customer tries to find something from the brand that would suit them, as reflected in the following quote:

*If I did not buy it, I would embarrass the sales representative, and if I bought it out of a sense of duty, I would regret it in the future. That's why brand[s] are always the ones I like because they give me the security that I will always find something I like.*



## Transition of engagement levels

We referred the engagement level of each first-order category to the consumer psychology model [45](Table 3). Consequently, the six second-order categories were divided into the engagement (A, C, D, and F), which can be explained by the consumer psychology model, and the stimulus, which influences engagement (B and E). All five elements of Schmitt's model were confirmed, but the relationship with experience was particularly strong when the customer reached the brand devotion stage. Although Prentice and Loureiro [50] demonstrated a link between social motivation and luxury brand engagement, there were more connections between "objective-centered engagement" and "self-centered engagement" than "social engagement" in this study. Within the first-order categories, *awareness of being comfortable* (9) and *unity of self-interest and altruism* (12) do not correspond to any of the elements of Schmitt's model. These characteristics are not the state of engagement but the engine that keeps it going. Our findings indicate the existence of diverse motivations that sustain and enhance engagement.

## Deepening engagement and customer's well-being

These findings demonstrate the process of deepening mutual engagement between the brand and the customers. We considered how such processes influence the respondents' (customers') well-being by referring to the distilled six categories and the PERMA model. It started with the desire for an item, not a brand (second-order category A in Table 3). However, since these customers simultaneously experienced satisfaction with the service experience (B; positive emotion), they gradually built rapport with the brand through the sales representative (C; relationship). Category B influenced the transition from category A to category C. Engagement is already deepening at this stage. The customer develops a trusting relationship with the sales representative and begins to appreciate the special treatment they receive from the brand. Aware that the brand has chosen them, they try to maintain their chosen status because of the valuable impact of this experience. This leads to the *stage of brand devotion* (D; engagement). In the process, customers become more conscious of what determines their comfort level and *ideal self* (E; meaning). This *ideal self* then helps the transition from C to D, as well as the transition from D to strong attachment to the brand (F; accomplishment). In this stage, a mutually beneficial relationship is established, as well as strong mutual engagement. To elaborate, each respondent found their ideal in life (E) and tried to get closer to it with the help of the brand and its representative (F). The brand representatives also carry out their mission. Therefore, E and F are the core categories from which we obtain the *strongly engaged* brand customers. Our results demonstrate that the process of deepening brand-customer engagement influences customers' well-being.

## Study 2: MUJI

### GTA coding results

From the interview transcripts, 55 concepts were acquired through open coding, and these concepts were, subsequently, classified into 24 first-order categories to explore the mechanisms for deepening engagement. Finally, seven second-order categories were distilled and integrated into the notion of strong engagement (Table 4). In this section, we describe the second-order categories and the process of deepening engagement.

*Commitment to the brand.* At the early stages, the respondents were satisfied with the functional benefits of the brand and, subsequently, found MUJI products to be unique, specifically for room organization. Finally, MUJI became a part of their lifestyle. The respondents deepened their commitment to the brand, as did many other fans.

*Sharing the brand experience with others.* The respondents discussed their lifestyles in their blogs and Social Networking Services (SNS) and enjoyed communication with like-minded people. The respondents enjoyed sharing brand experiences with others at this stage.

*Inner motivation.* Regardless of the brand, the respondents are mostly extroverts and pursued a passion.

*When I organized my rooms, it was not only for myself but also to show others, so I wanted to do so in a professional way. That is why I started to pursue official qualifications and received some certifications.*

They were also motivated to support others by sharing their experiences and ideas. Some respondents' inner motivations led to the following stages, differentiating them from general fans.

*External recognition.* When the respondents reached a certain number of readers or followers, media representatives, such as TV producers, magazine editors, or publishers, approached them. Similarly, the respondents became involved in media projects, and after appearing in the media as representatives of MUJI users, they were approached with similar offers and experienced more media exposure. They were recognized by their peers as well as outsiders.

*Awareness of being different from others.* Recognition from the media makes the respondents more confident. The respondents set themselves apart from MUJI's enthusiastic fans, the MUJIRER.

*I really like MUJI, but not to the extent that I do not accept other brands, unlike common MUJIRERs...*

Through the jobs related to the brand, the respondents were clearly aware that their relationship with the brand was different from that of other users.

*Being a professional.* Some respondents became certified by the Housekeeping Association and started a new job with specialized knowledge. As the respondents built their reputations, they received opportunities to advocate for the brand as authorities, such as through the publishing medium. They were no longer private advocates, as they were vetted by the brand's public relations and were in contact with brand employees. They were consciously responsible for their own words and motivated to satisfy the needs of others while considering the view of the brand, social trends, and so on. Consequently, they established their position in the media. They were willing to respond to external requirements, including challenges, and reveal their private lifestyles to the public for the brand. As a result, they extended their scope and reach. Finally, they became paid professionals for their knowledge and skills.

*Mutual recognition with the brand employees.* After the respondents contacted the employees, they became aware of the consistency in their attitudes with the brand mission. Furthermore, they became aware of the brand's mission after they were invited to official events and had opportunities to listen to the top management.

*MUJI preferences: "It may be MUJI" rather than "It must be MUJI."*

| First-Order Categories   | Level* | Category# | Literature Support [45]  | Second-Order Categories  | PERMA                         |
|--|--------|-----------|--------------------------|--|-------------------------------|
| 1. Experiences with functional benefits                                | O-C    | Id        | Brand categorization     | A) Commitment to the brand                                     | Engagement                    |
| 2. Emotional satisfaction with the brand                               | S-C    | Ex        | Brand affect             |  |                               |
| 3. Integration into lifestyle  | O-C    | Ex        | Multi-sensory perception |  |                               |
| 4. Private advocate of the brand                                       | S-C    | Con       | Brand attachment         | B) Sharing the brand experience with others                    | Relationship                  |
| 5. Relationship with other users                                       | S      | Int       | Brand relationships      |  |                               |
| 6. Extrovert attitude  |        |           |                          | C) Inner motivation  | Positive emotion/Relationship |
| 7. Pursuit of passion  |        |           |                          |  |                               |
| 8. Altruism  |        |           |                          |  |                               |
| 9. Contact with the media  | S      | Int       | Brand relationships      | D) External recognition  | Meaning                       |
| 10. Recognition from the media   | S      | Int       | Brand relationships      |  |                               |
| 11. Confidence derived from recognition                                |        |           |                          | E) Awareness of being different from others                    | Meaning                       |
| 12. Self-distinguishing from other users                               |        |           |                          |  |                               |
| 13. Brand relation through job   | S-C    | Con       | Brand attachment         | F) Being a professional  | Meaning                       |
| 14. Specialization related to the brand                                |        |           |                          |  |                               |
| 15. Authoritative advocate of the brand                                | S-C    | Sig       | Brand as identity signal |  |                               |
| 16. Contact with a brand employee                                      | S      | Int       | Brand relationships      |  |                               |
| 17. Development of one's own position                                  |        |           |                          |  |                               |
| 18. Responding to external requirements                                |        |           |                          |  |                               |
| 19. Extending scope and reach  |        |           |                          |  |                               |
| 20. Awareness of the brand mission                                     | S-C    | Ex        | Brand affect             | G) Mutual recognition with the brand employees (core category) | Accomplishment/relationship   |
| 21. Selection from the brand   | S      | Int       | Brand relationships      |  |                               |
| 22. Empathy with the brand mission                                     | S-C    | Sig       | Brand as identity signal |  |                               |
| 23. Awareness of consistency between self-belief and the brand mission | S-C    | Sig       | Brand as identity signal |  |                               |
| 24. Sustainable relationship with the brand                            | S-C    | Con       | Brand attachment         |  |                               |

Table 4. Coding Results of the Grounded Theory Research Procedure: MUJI

\*O-C: object-centered engagement; S-C: self-centered engagement; S: social engagement. #Id: identifying; Ex: experiencing; Int: integrating; Sig: signifying; Con: connecting with the brand.

Although this phrase is well-known among business people from business books and articles and not usually known to customers, the respondents used this phrase during their interviews. The respondents grew to empathize with the employees and looked to new products as general fans, evaluating them not only as independent products but also within the MUJI context.

*They're always thinking of ways to make life better to live, and that is so inspiring to me.*

The respondents empathized with the brand mission and the employees comprehensively. Furthermore, brand employees were interested in the respondents' ways of thinking.

*My policy for organizing seems to match the MUJI way.*

Although the respondents deepened their commitment to MUJI, each continued with their strong lifestyle policy, which was their top priority. They considered the brand mission objectively and found it to be consistent with their own beliefs. Brand employees also recognized consistency. Finally, the respondents internalized the brand and were willing to engage with the brand in the long term. The respondents and brand employees recognized each other's mutually consistent goals.

### Transition of engagement levels

As appropriate, we matched the engagement level of our seven categories to the consumer psychology model [45]. As in Study 1, the seven categories were divided into those relating to the engagement itself (second-order Category A in Table 4, B, G) and those that stimulated engagement (C, D, E, and F). In the consumer psychology model, the engagement levels generally move from "object-centered" toward "self-centered" and "social engagement." However, as Schmitt [45] stated, the movement was not always unidirectional across the three layers. The transitions tended to have intrinsic rather than extrinsic causes; three of the four categories were derived from the respondents. The brands selected those customers who coherently possessed similar beliefs as them via interpersonal communication. Consequently, strong engagement developed between the customer and the brand.

### Deepening engagement and customer flourishing

Finally, we considered the process of deepening mutual engagement and how it influences customers' well-being by referring to the distilled seven categories and the PERMA model. The relationships started with a *commitment to the brand* (A; engagement) and, consequently, the respondents *shared their brand experience with others* (B; relationship).

We found that *inner motivation* (C; positive emotion/relationship) influenced the respondents' transition from category A to category B. The respondents were outgoing and willing to perfect their knowledge and skills, leading to *external recognition* (D; meaning), which made the respondents aware of their differences from others (E; meaning). External recognition of their potential (D) increased their *inner motivation* (C), and they moved on to *become professionals* (F; meaning). As the respondents built their reputation, they received opportunities to have contact with the brand employees and develop strong relationships. Notably, the brand selected the customers just as much as the customers selected the brand. Finally, the respondents and the brand *mutually recognized* and worked together to achieve consistent goals (G; accomplishment), and category G is the core category comprising engaged customers. Besides the hedonic brands in Study 1, we found that brands with utilitarian products also created strong engagement with customers, which influenced customers' well-being.

## Conclusion

### Triggers of deepening engagement

This study determined what prompts loyal customers to sustain their engagement with a brand (RQ1). The findings of the two case studies revealed that the respondents commonly processed (1) the changes in commitment to the brand, (2) self-establishment, and (3) sharing the goal with the brand (Figure 1). First, the respondents' commitment to the brand grew the same as other customers. Afterward, the respondents defined their value standard via experiences related to the brand, and the brand discovered that the respondents' standards and the brand mission were consistent. Through interpersonal communication, the brand selected customers based on the brand's mission in all contexts. The respondents were aware of being selected from among other customers, which intensified their engagement. Finally, the brand and the respondents pursued the same goal, leading to their sustainable relationship. Goal sharing is the key trigger for sustainable engagement and is the most important finding of this research.

### Impact on customers' well-being

The long-term process in which the brand and the customer are deeply engaged greatly impacts customers' well-being (RQ2). Our results demonstrate that all the PERMA elements were included in the deepening brand–customer engagement process (Tables 3 and 4). Each process was based on interpersonal communication between the brand and the customer; thus, it could be considered a Relationship (in the PERMA model). Moreover, the respondents found their ideal self and made an effort to get close to it (self-establishment in Figure 1); in other words, they found the Meaning (of their lives) through brand-related experiences. Finally, the brand and the respondents pursued the same goal; thus, it could be regarded as customers sharing the Accomplishment process with the brand. We, therefore, conclude that the process of fostering sustainable engagement between brands and their customers had a positive impact on customers' well-being.

### Implications

#### Theoretical implications

This study demonstrated how brands can build strong, sustainable engagement with their customers and focused on customers who engaged strongly and sustainably with the brand. We carefully observed the process of change in customer engagement and found a partnership between the brand and its customers. Research has identified customer engagement as a predictor of customer loyalty [10-12], and the concept is based on a customer's cognitive, emotional, and behavioral investment in a particular brand interaction [24-28]. This study extends previous research in tracking changes over time. We found that the interpersonal communication between the brand and its engaged customers is based on their motivations for goal attainment, which leads to the sustenance of mutual engagement.

Furthermore, we found that the process of constructing brand–customer engagement could positively impact customers' well-being [9]. An important contribution of this study is that it demonstrates the benefits of firms in understanding their customers. Customers enjoy positive relationships with others through continuous interpersonal

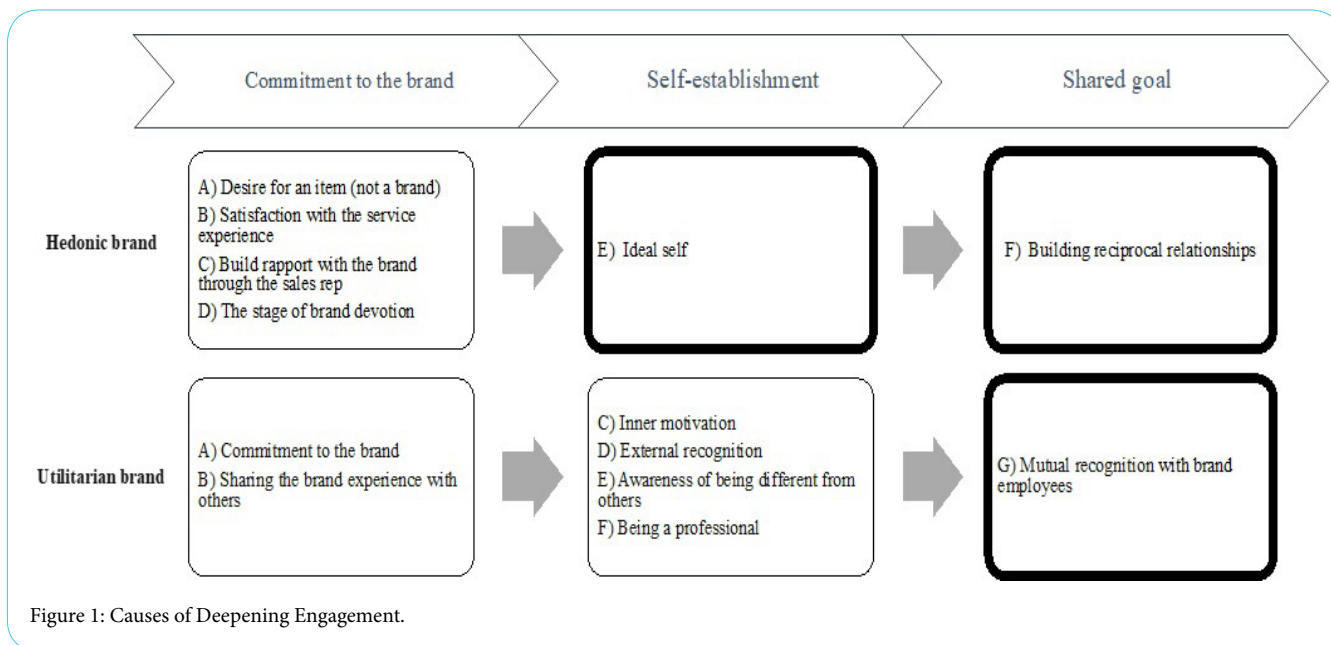


Figure 1: Causes of Deepening Engagement.

communication, including brand employees. Moreover, they were reminded of the meaning of their life through brand-related experiences and, consequently, enjoyed the process of achieving their goals with the brand. This is in line with this study's findings, which were corroborated by Schmitt's [45] model on the changes a customer undergoes. We found that social engagement in the consumer psychology model is not necessarily the ultimate state of engagement and that self-centered engagement is more important among customers with strong engagement (Figure 2). In the process of finding the meaning of life and making an effort to pursue it, the respondents (customers) focused more on themselves than on others. Brands are subjective, and therefore, brands could increase customers' well-being.

### Practical implications

This study carefully observed the process of change in customer engagement and revealed the importance of interpersonal communication. Although digital technologies enable marketers to provide accurate offerings to the customers, they might not be able to accurately differentiate themselves from other brands. As Kotler et al. [51] emphasized, marketers should focus on activities that humans can only achieve. When brands explore potential strongly engaged customers, the use of Internet algorithms saves time and enables them to focus on interpersonal approaches for the right population. Brands need to provide opportunities for customers to understand the brand mission. There is value in revealing the brand mission and sharing the core products or services through a continuous relationship with the brand employees. Furthermore, it is essential to build strong engagement wherein brand employees comprehend customer policies. Such mutual comprehension could deepen engagement and even enhance customers' well-being.

### Limitations and Future Research

This study has some limitations. First, our research only included major retail brands; further in-depth investigations can add to the study findings. Due to the recent increase in direct-to-consumer businesses, small brands are getting many opportunities to develop deep ties with customers, and our findings can be applicable in such situations. Second, we exclusively focused on customer perspectives and did not regard the brand's perspective. Consideration of brand perspectives in future research may validate the outcomes of this study.

### Competing Interests

The authors declare that they have no competing interests.

### Data Availability Statement

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

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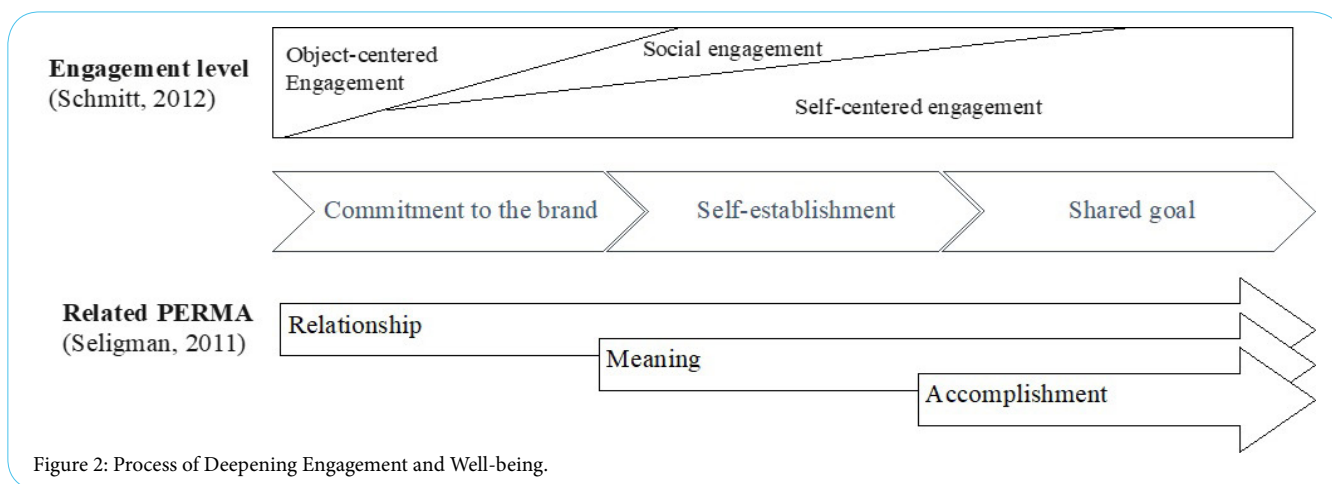


Figure 2: Process of Deepening Engagement and Well-being.



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