Positively and negatively valenced customer engagement: the constructs and their organizational consequences

Positively and Negatively Valenced Customer Engagement: The Constructs and their Organizational Consequences

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Abstract

Until recently, the majority of academic research on customer engagement (CE) has focused on the concept's positive valence that reflects consumers' favorable brand-related cognitions, emotions, and behaviors, which typically contribute positively to brand performance. While the existence of negative CE manifestations has been recognized, little is known regarding their particular expressions, characteristics, and position in the broader nomological network, as explored in this chapter. While the antecedents and consequences of unidimensional and multidimensional negatively valenced CE (NVCE) have been explored in the literature, the consequences of multidimensional NVCE, particularly those at the organizational level, remain nebulous, as explored in this chapter. In addition, we examine organizational-level consequences of positively valenced CE (PVCE) that are contrasted to those of NVCE. To achieve these objectives, we first conceptualize positively and negatively valenced CE, followed by an exploration of their respective consequences. We conclude by offering specific managerial recommendations to increase positive CE whilst halting the concept's negative expressions.

Keywords: Positively/negatively valenced CE, nomological network, managerial implications.

Introduction

Prior to 2005, few articles employed the terms *consumer engagement*, *customer engagement*, or *brand engagement* (Brodie et al. 2011). However, in the last decade, research on online and offline CE is thriving (e.g. Hollebeek, Srivastava, and Chen 2016). Until recently, the majority of research has focused on positively valenced CE (PVCE) and its antecedents and consequences, despite the growing importance of developing an understanding of negatively valenced CE (NVCE; Hollebeek and Chen 2014; Juric et al. 2016).

While PVCE has been regarded as those expressions of CE that are conducive to generating firm-based competitive advantage and performance (e.g. exerting brand-related effort, disseminating positive brand-related word-of-mouth; Rose et al. 2012; Vivek, Beatty, and Morgan 2012), NVCE's outcomes are expected to be less beneficial to firms. Specifically, NVCE has been found to have a detrimental impact on organizations, employees, and other customers (Grove et al. 2012; Rafaeli et al. 2012). In addition, while Bowden et al. (2017) and Brodie et al. (2013) highlight the potential occurrence of *neutrally* valenced engagement, where a customer feels relatively indifferent towards an engagement object, this chapter focuses on PVCE and NVCE, thereby gaining insight into CE's polarly opposed manifestations.

PVCE and NVCE have been studied from both unidimensional (e.g. Fullerton and Punj 2004; Sprott, Czellar, and Spangenberg 2009) and multidimensional perspectives (e.g. Algesheimer, Dholakia, and Hermann 2005), thereby reflecting a lack of consensus regarding the dimensionality of these concepts. For example, while some scholars study PVCE as a three-dimensional construct comprising cognitive, emotional, and behavioral aspects (Algesheimer, Dholakia, and Hermann 2005; Hollebeek, Glynn, and Brodie 2014), others consider PVCE to be unidimensional in nature by emphasizing the concept's emotional (e.g. Roberts and Davenport 2002; Sprott, Czellar, and Spangenberg 2009), *or* cognitive (Guthrie and Cox 2001), *or* behavioral (Kumar, Petersen, and Leone 2010; Sawhney, Verona, and Prandelli 2005) aspects. More recently, Hollebeek, Srivastava, and Chen. (2016, p. 12) add a social dimension, which is important under the adoption of a broadened networked, collective, or institutional view of PVCE (e.g. in social networks; Brodie et al. 2013) that is in line with service-dominant (S-D) logic's recent developments (Vargo and Lusch 2016).

Similarly, NVCE has been viewed from unidimensional as well as multidimensional perspectives. Taking a unidimensional view, NVCE has been viewed as counterproductive and destructive customer behaviors towards an organization or its employees (Daunt and Harris 2012). Based on their severity, counterproductive or destructive customer behaviors have been classified as *customer incivility* (Andersson and Pearson 1999), *misbehavior* (Daunt and Harris 2012), or *aggression* (Grandey, Dickter, and Sin 2004). While differing in intensity, these behavioral categories fall within the broader grouping of antisocial behaviors that can be harmful to the organization and its members (Andersson and Pearson 1999; Bowden et al. 2017).

Multidimensional NVCE has been studied as a three-dimensional concept, which consists of customer appraisal, emotions, and counterproductive behaviors (Surachartkumtonkun, Patterson, and McColl-Kennedy 2013). Related concepts include customer vengeance (Bechwati and Morrin 2003), retaliation (Bavik and Bavik 2015; Bonifield and Cole 2007), revenge (Gregoire, Tripp, and Legoux 2009; Obeidat et al. 2017), and rage (McColl-Kennedy et al. 2009; Grove et al. 2012). Grandey, Dickter, and Sin (2004) argue that 10 to 15 per cent of service employees are exposed to daily verbal customer aggression, and 82 per cent of these report being exposed to customer abuse at some point in their professional life. Extant research demonstrates that NVCE can have a negative impact on employees' mental and physical health and their affective commitment to the organization, and can increase employee absenteeism, burnout, and turnover intentions (Rafaeli et al. 2012). It is therefore important for managers to better understand NVCE and its dynamics to enable its reduction or halting. Until recently, research has focused on PVCE and NVCE and their associated nomological networks at the *individual*-level (Hollebeek and Chen 2014). Therefore, PVCE's and NVCE's *organizational*-level antecedents and consequences remain nebulous, as explored in this chapter.

Our contributions are as follows. Theoretically, we derive further insight into PVCE and NVCE and their consequences, which remain under-explored. In particular, we outline PVCE's key benefits and NVCE's detrimental effects to organizations, building on Bowden et al.'s (2017) work. Second, we offer a series of practical implications that can help managers devise strategies to optimize PVCE, while minimizing NVCE and its potentially detrimental effects on the organization. The remainder of this chapter is structured as follows. First, a review of the CE literature, and definitions of PVCE and NVCE are presented. Next, we develop a conceptual framework and an associated set of research propositions of PVCE and NVCE. The chapter concludes with key implications for theory and practice that arise from our analyses.

Customer Engagement

Positively Valenced Customer Engagement

PVCE can be seen to fit within the broader research area of relationship marketing (Vivek, Beatty, and Morgan 2012; Hollebeek, Srivastava, and Chen. 2016). PVCE's main focus is on optimizing the interactive customer experience that extends *beyond* purchase transactions (Van Doorn et al. 2010; Brodie et al. 2011; Pansari and Kumar 2017). PVCE can be categorized as one of the four thematic aggregates through which consumers are able to realize value (see Hollebeek

2011a, 2011b, 2013). The other three thematic aggregates besides PVCE are social networking (making connections through individuals), impression management (the influence of observations and opinions of others), and brand use (how the brand is used; usage intent; see Hollebeek 2011a, 2011b, 2013).

Goulding, Shankar, and Canniford (2013, p. 818 define engagement as “the central component of any consumption community, developing over time into community rituals and traditions.” Hollebeek (2011a, p. 790) emphasizes the customer’s state of mind in her CE definition that reads “the level of a customer’s motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interactions.” Moreover, Vivek, Beatty, and Morgan (2012) refer to CE as the level of a customer’s cognitive, emotional, and physical presence in their relationship with a service organization, while Bowden (2009) regards CE as a psychological process that comprises cognitive and emotional states.

Hollebeek (2011a/b) is among the researchers who consider PVCE to have three dimensions, namely cognitive, emotional, and behavioral. In particular, her study differentiates (a) *cognitive engagement*, which includes the individual’s level of concentration or engrossment in the brand during interactions with the brand, (b) *emotional engagement* or the customer’s level of brand-related affect during brand interactions, and (c) *behavioral engagement*, which reflects the customer’s level of energy exerted during brand interactions (see also Hollebeek, Glynn, and Brodie 2014). In a similar vein, Brodie et al. (2011, p. 258) define CE as a customer’s “interactive experience” that comprises cognitive, emotional, and behavioral aspects (see also Calder et al. 2018).

In this chapter, the concepts of CE, online CE, consumer engagement, brand engagement, and engagement in online brand communities are regarded as essentially the same concept. The rationale for our position is as follows. While CE’s focal engagement subject is usually the (paying) customer or (non-paying) consumer (Groeger et al. 2016; Islam et al. 2017), its associated engagement object tends to be the brand, product, or organization. Therefore, despite their slight potential terminological variations, these terms essentially capture essentially the same notion (Hollebeek 2011a). We therefore define PVCE as specific interactive experiences between the customer/consumer and the organization or its focal brand(s). In addition, engagement’s scope covers customer/consumer interactions with other customers/consumers (Brodie et al. 2013). During these interactions, individuals will make particular (e.g., cognitive, emotional) investments in their (brand) interactions (Hollebeek, Srivastava, and Chen 2016). Overall, we view PVCE as a context-dependent psychological state characterized by fluctuating intensity levels that occur within a broader, dynamic, iterative engagement process.

Consequences of Positively Valenced Customer Engagement

PVCE's key consequences, which can be categorized as individual- or organizational-level outcomes, have received relatively extensive attention in prior literature (e.g. Brodie et al. 2011; Hollebeek 2013, 2017, 2018). For example, customer experience (Hsu and Tsou 2011) or brand experience have been suggested as important *individual*-level consequences of PVCE. In addition, customers' brand purchase or usage intent (Hollebeek, Glynn, and Brodie 2014; Naidoo and Hollebeek 2016) and loyalty (Maslowska, Malthouse, and Collinger 2016; Brodie et al. 2013) have also been regarded as PVCE's potential individual-level consequences. Scholars also suggest that PVCE may affect customer satisfaction (Maslowska, Malthouse, and Collinger 2016), affective commitment, and trust (Brodie et al. 2011; Hollebeek, Malthouse and Block 2016).

PVCE can however also impact the organization. For example, CE behavior may influence organizational reputation (Van Doorn et al. 2010), thereby resulting in idea generation for new product improvement (Wirtz et al. 2013). It can also affect brand image and brand equity (Fournier and Lee 2009; Sung et al. 2010), sales (Joshi et al. 2013), customer value (Hollebeek, Srivastava, and Chen 2016), and ultimately, revenue, profit, and market share and firm performance (Kumar et al. 2013; Brodie and Hollebeek 2011).

Negatively Valenced Customer Engagement

In the offline context, NVCE has been studied under several terms over the years. Similar to PVCE, some scholars consider NVCE to be a unidimensional (mainly behavioral) concept (Fullerton and Punj 2004; Harris and Reynolds 2003). Under this view, negative engagement behaviors include customer incivility, misbehaviors (Fullerton and Punj 2004), jay-customer behaviors (Harris and Reynolds 2003), dysfunctional behaviors (Reynolds and Harris 2009), customer rage (Grove et al. 2012), customer revenge (Gregoire, Tripp, and Legoux 2009), and customer aggression and violence (Bowden et al. 2017), which we discuss further below.

Dysfunctional Customer Behaviors

Research on counterproductive customer behaviors that are moderate in intensity has yielded a range of terms. For example, while Moschis and Cox (1989) employ the term *deviant customer behaviors*, Fullerton and Punj (2004) use the term *aberrant behaviors*. Similarly, Lovelock (1994) coins the term *jay-customer*, and Harris and Reynolds (2003) utilize the term *dysfunctional customer behaviors*. Harris and Reynolds (2003) classify dysfunctional customer behaviors, including verbal abuse, vindictive behaviors, physical abuse, and illegitimate complaining behaviors.

Customer Aggression and Violence

Customer aggression and violence are amongst the more intense sub-forms of dysfunctional customer behaviors (Andersson and Pearson 1999). While workplace aggression is an attempted injurious or destructive behavior in violation of social norms (Baron and Neuman 1996), customer aggression occurs when an individual engages in behaviors against an organization or its employees that are intended to harm the organization or cause nuisance to its employees (Schat and Kelloway 2005). Such aggression can take either a verbal/psychological form, or a direct and physical form (Schat and Kelloway 2003). Verbal/psychological aggression can emerge in various forms such as yelling, threatening, name-calling, or swearing (Glomb 2002; Neuman and Baron 1998), while physical aggression can manifest itself through hitting, kicking, or threatening with a weapon (Rogers and Kelloway 1997). Similar to other categories discussed above, customer aggression has been mainly studied as a unidimensional construct in which customer behaviors are the main focus of researchers.

Other scholars consider NVCE to be a multidimensional concept that comprises customers' unfavorable cognitive appraisals, negative emotions, and detrimental behaviors (Gelbrich 2010). Like its unidimensional counterpart, multidimensional NVCE has been studied under several terms, including retaliation (Bavik and Bavik 2015; Bonifield and Cole 2007), revenge (Gregoire, Tripp, and Legoux 2009; Obeidat et al. 2017), and rage (McColl-Kennedy et al. 2009; Grove et al. 2012).

Customer Retaliation and Revenge

Customer retaliation is defined as those customer actions performed to punish the organization, in exchange for the damage the customer believes the organization has caused them

(Gregoire and Fisher 2008. Similarly, customer revenge reflects a customer's efforts for *getting even*, righting a perceived wrongdoing or avenging an injury that the organization or its employees are believed to have caused (Bechwati and Morrin 2003). The critical notion in retaliation or revenge is service failure, loss of equity, and perceived injustice, which emerge when the organization is perceived to have failed in the fulfilment of its promises (Skarlicki, Folger, and Gee 2004). Gregoire and Fisher (2008) argue that retaliation is more cognitively (rather than emotively) driven. Therefore, in their model they substitute anger with perceived betrayal and argue that the organization's violation of distributive, procedural, and interactional justice results in the customer's belief that the organization is betraying them and/or its other customers, particularly when the firm's customer relationship is of high quality (Gregoire and Fisher 2008).

Customer Rage

Customer rage is a form of anger, which consists of a range of negative emotions including ferocity, fury, wrath, disgust, contempt, scorn, and resentment (McColl-Kennedy et al. 2009). In customer rage, anger is a forceful and recurrently experienced emotion that correlates with aggression, and hostile and retaliatory behaviors (Bougie, Pieters, and Zeelenberg 2003). Customer anger is often associated with customer dissatisfaction, which emerges from service failures (Grove et al. 2012). If the service failure is not successfully recovered, customer anger will turn into rage (Surachartkumtonkun, Patterson and McColl-Kennedy 2013). By contrast, customer rage can be a severely negative and antisocial behavioral response, in which hostility, ferocity, hate, and the like are manifested (Grove et al. 2012). While extant research has mainly focused on rage episodes related to service failure (Grove, Fisk, and John 2004), even if service performance is flawless, customer rage is likely to occur. In a no service failure situation, occurrence of customer rage is a result of the customer's unfavorable experience resultant from customer, organizational, or contextual factors, particularly when customers are engaged at an emotional level (Grove et al. 2012).

In line with this second research stream, we consider NVCE in line with PVCE to be a multidimensional concept that we define as a customer's unfavorable appraisal of an organization. This is followed by strong negative and antisocial emotions, such as anger, ferocity, hostility, hate, and rage that manifest through various intentionally harmful behaviors (e.g. verbal, physical, non-verbal, or otherwise displayed aggression), which can have a detrimental impact on the organization, its employees, and/or other customers (adapted from Deffenbacher et al. 2001; Harris and Reynolds 2003; McColl-Kennedy et al. 2009).

Consequences of Negatively Valenced Customer Engagement

NVCE has been predominantly addressed in the organizational behavior literature. For employees, negatively valenced employee engagement includes limited affective commitment towards their employer (Dupre, Dawe, and Barling 2014; Schat and Kelloway 2003), turnover intentions (Dupre, Dawe, and Barling 2014), absenteeism (Grandey, Dickter, and Sin 2004), lack of psychological well-being (Ben-Zur and Yagil 2005; Schat and Kelloway 2003), and low job satisfaction (Schat and Kelloway 2003; Hollebeek and Haar 2012). Transferring these notions to the customer domain, customer aggression can generate a level of psychological relief after venting. Other key organizational NVCE consequences include customer-perceived brand equity (Bennett 1997), organizational image and reputation (Daunt and Harris 2012; Hollebeek 2017; Van Doorn et al. 2010), and financial costs (Daunt and Harris 2012; Grove et al. 2012).

In this chapter, we develop a conceptual framework that depicts PVCE and NVCE and their respective *organizational* consequences. Through our research, we identify two important consequences of PVCE and NVCE in online and offline contexts, including its impact on engagement value and organizational reputation that in turn affect organizational performance, as discussed in the next sections.

Engagement Value

The *customer value* concept represents one of the cornerstones of the marketing discipline that has been studied from two main perspectives. Under the first perspective, scholars study the customers' derived value from their interactions with a service provider (Hollebeek and Andreassen 2018). Under the second perspective, scholars study the value derived by service providers from the customer. While the latter is known as *customer lifetime value* or *customer equity* (Bonacchi and Perego 2012; Kumar, Petersen, and Leone 2010), the former reflects the customer's perceived value of a brand or offering (Woodall 2003).

The concept of customer-perceived value is extensively discussed by marketing academics and practitioners, and reflects the demand-side notion of value (Woodall 2003). Since the 1990s, customer value has become more prominent in the literature (Sweeney and Soutar 2001; Woodruff 1997), reflecting increasing scholarly interest in the topic (Jensen 2001). In this chapter, contrary to the above-mentioned customer value viewpoint, we study the value that organizations derive or lose from PVCE or NVCE respectively (Hollebeek 2013; Walter, Ritter, and Gemünden 2007. In particular, Kumar et al. (2010) introduce the concept of organizational *total CE value*, which comprises the value from customer transactions as well as from non-transactional behaviors (e.g. brand-related word-of-mouth). We propose that non-transactional behaviors include customer influencer value, referral value, and knowledge value. Moreover, transaction value refers to customers' lifetime value to the organization (Van Doorn et al. 2010), which, while important, does not capture customer contributions to brand-related value outside the transaction (Groeger et al. 2016; Hollebeek and Brodie 2016).

CE value is also considered to be an important metric by practitioners (e.g. EIU 2007). Specifically, the prevailing practitioner view is that CE is crucial for business growth, while low PVCE or high NVCE may undermine its future growth (Bowden et al. 2017). The level and valence of CE with a brand can therefore significantly affect brand or company value (Kumar et al. 2010; Hollebeek 2013, 2017). Therefore, measuring CE value is important to demonstrate an individual's contribution to the brand's value development (Kumar 2013; Kumar and Pansari 2016). In this chapter, we consider CE value to be an important outcome of PVCE and NVCE (Hollebeek 2013; Hollebeek and Chen 2014). Further, we adopt Kumar's (2013) four-partite conceptualization of CE value, which includes customer lifetime value, referral value, influencer value, and knowledge value, which are explained in the next sections.

Customer lifetime value represents the net present value (NPV) of future profits or a customer's total financial contribution to the firm over their lifetime of doing business with the company (Srivastava, Shervani, and Fahey 1998). Therefore, customer purchasing behavior contributes to the development of customer lifetime value either through repeat purchase or through cross- or up-selling (Kumar et al. 2010). Customer lifetime value is pivotal for the organization, given its positive linkage to company value (Rust, Lemon, and Zeithaml et al. 2004; Gupta and Mela 2008). We therefore propose that:

Proposition 1: A positive relationship exists between PVCE and customer lifetime value.

Proposition 2: A negative relationship exists between NVCE and customer lifetime value.

Customer referral value relates to new customer acquisition (e.g., through referral programs incentivized by the company (Kumar et al. 2010)). Referrals are important because they can decrease customer acquisition cost. Therefore, in companies where customers are positively engaged, customers will tend to recommend the company and its offerings to others. However, in companies where customers are negatively engaged, customers may spread negative brand-related word-of-mouth that can prevent these customers' family and friends from purchasing the company's products (Kumar 2013). We thus propose the following:

Proposition 3: A positive relationship exists between PVCE and customer referral value.
Proposition 4: A negative relationship exists between NVCE and customer referral value.

Customer influencer value is the customer's influence or effect on other current or prospective customers, which can be generated in a number of ways (e.g. online, offline). Customer influencer value can be calculated by tracking and quantifying customer behaviors on social media or other (online) networks or communities (Kumar 2013; Hollebeek 2017). For PVCE, customers' favorable brand-related blog posts, comments, or word of mouth will increase customer influencer value. For NVCE, customers' negative blog posts, comments, or word of mouth are likely to have a detrimental effect on ensuing customer influencer value. We thus propose:

Proposition 5: A positive relationship exists between PVCE and customer influencer value.
Proposition 6: A negative relationship exists between NVCE and customer influencer value.

Customer knowledge value is generated through customer feedback to the firm so that it can improve its offerings based on the customer's shared brand-related knowledge (Kumar 2013; Chen et al. 2018). This process is also known as value co-creation, in which customers add value to themselves *and* the firm. In PVCE, customers co-create value with the company, such as through brand communities or open innovation. In NVCE, customers tend not to share their innovate ideas with the organization, and potentially share their experiences with its competitors. We therefore posit that:

Proposition 7: A positive relationship exists between PVCE and customer knowledge value.

Proposition 8: A negative relationship exists between NVCE and customer knowledge value.

We next discuss the impact of PVCE and NVCE on organizational reputation, which is another organizational consequence of CE.

Organizational Reputation

The impact on organizational reputation represents another potential consequence of both PVCE and NVCE (Hollebeek 2017; Reynolds and Harris 2003; Van Doorn et al. 2010). While organizational reputation has been studied by scholars in the fields of organizational theory, marketing, and economics (Nguyen and Leblanc 2001), these scholars took different perspectives on the concept. For example, economists have studied reputation with respect to product quality and price (Shapiro 1983; Wilson 1985), while organizational researchers view CE as the organization's social identity-based currency, which is likely to contribute to organizational performance and firm survival (Fombrun and Shanely 1990; Hall 1993; Rao 1994). Finally, marketing scholars have investigated organizational reputation in light of its implications for brand equity, thereby typically associating organizational reputation with firm credibility (Aaker 1996).

Walsh and Beatty (2007, p. 129) define a firm's customer-based reputation as a customer's overall evaluation of the organization as derived from their interactions with the organization and/or its representatives. Organizational reputation is a pivotal, intangible resource conducive to organizational performance and survival (Fombrun and Shanley 1990; Hall 1993). The consequences of negative customer behaviors can range from direct damage to financial costs and wreckage of a firm's or brand's reputation (Penaloza and Price 1993). Harris and Reynolds (2003) posit that manifestation of dysfunctional customer behaviors can have a detrimental impact on other customers and consequently on the firm, as others' service experience might be affected under such conditions. In sum, regardless of their valence, CE behaviors can have a positive or negative reputational effect on the firm (Hollebeek 2017; Van Doorn et al. 2010).

While Bromley (2001) defines reputation as the dissemination of the public's opinion about an entity or organization, Miles and Covin (2000) define organizational reputation as stakeholder reflections about the organization. Ultimately, reputation is a perceptible indication of an organization's capabilities, reliability, and credibility, which grows from the interaction amongst stakeholders (e.g., employees, customers, shareholders, and representatives (Alexander, Jaakkola, and Hollebeek 2018; Mahon and Wartick 2003; Wartick 1992)). Alternative views regard reputation as “customers’ overall evaluation/perception of a firm based on the communications and interactions with the firm and/or its representatives” (Walsh et al. 2009, p. 190). Based on this view, we define customer-perceived organizational reputation as a customer’s overall evaluation of a firm based on their reactions to the firm’s goods, services, communication, activities, interactions, representatives, or constituencies (e.g. employees, management, or other customers), and/or known corporate activities.

Customer-perceived organizational reputation has five main components. First, *customer orientation* is concerned with customer perceptions of the organization’s willingness to satisfy customer needs (Walsh and Beatty 2007), thereby implying a level of customer trust in the organization. Second, the *good employer* dimension reflects customer perceptions of the organization’s management towards employees (e.g. managing their well-being, selecting suitable employees (Calder, Hollebeek, and Malthouse 2018)). Third, the *reliable and financially strong company* dimension determines customer perceptions of the organization’s strength and profitability, its use of financial resources, and the perceived level of risk inherent in investing in the company (Walsh et al. 2009). Fourth, the *product and service quality* dimension addresses customers’ quality, value, and reliability perceptions. Finally, the organization’s *social and environmental responsibilities* dimension captures customer perceptions of the firm’s role in society and environmental management (Walsh and Beatty 2007; Walsh et al. 2009).

Organizations may have only limited control over their reputation as this may develop through stakeholder interactions that are not under the firm’s direct authority or control (Bromley 2001). Customers are amongst the more critical organizational stakeholders and can have a significant impact on firm reputation (Walsh et al. 2009). In service organizations, customers have been viewed as partial employees of the firm, who are able to represent the organization in some way (e.g., by coproducing focal offerings), thereby in turn affecting organizational reputation (Walsh and Beatty 2007). On the one hand, PVCE can contribute to enhancing organizational reputation. On the other hand, negative engagement behaviors not only impact other customers’ service experience but may also affect their perceived organizational reputation. Therefore, we propose the following:

Proposition 9: A positive relationship exists between PVCE and organizational reputation.

Proposition 10: A negative relationship exists between NVCE and organizational reputation.

We next address the indirect impact of PVCE and NVCE on organizational financial performance by exploring the mediating role of customer value to the organization and organizational reputation in this process.

Organizational Performance

Organizational performance can be viewed as the ultimate dependent variable in management research, which typically comprises three main areas, namely financial performance, product market performance, and shareholder returns (Pansari and Kumar 2017; Richard et al. 2009). In line with Galbraith and Schendel (1983), we posit that an organization's financial performance results from the indirect effect of its PVCE and NVCE through organizational reputation and customer value.

As discussed, engagement value can serve to improve company financial performance (i.e. increasing revenues or decreasing transaction cost (Beckers, van Doorn, and Verhoef 2017; Kumar et al. 2010)). Engagement value can also result in reduced exchange uncertainty or perceived risk (i.e. sales growth and/or reduced transaction cost (Kotha, Rajgopal, and Rindova 2001)). As a result, the organization's financial performance can be boosted. Moreover, a sound reputation is also known to serve as the basis for commanding premium prices and customer retention and, consequently, firm-based competitive advantage and profitability (Inglis, Morely, and Sammut 2006; Shapiro 1983). We therefore propose that:

Proposition 11: A positive relationship exists between engagement value and organizational financial performance.

Proposition 12: A positive relationship exists between customer-perceived organizational reputation and organizational financial performance.

A graphical depiction of our hypothesized relationships is shown in Figure 1. The propositions are also summarized in Table 1.

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Insert Table 1 about here

Conclusion and Implications

In this chapter, we discussed the concepts of PVCE and NVCE, which are increasingly important for firms to manage in the contemporary, highly competitive business landscape. The chapter also elaborated on a specific set of direct and indirect organizational consequences of these concepts, including engagement value, organizational reputation, and organizational performance. Based on our literature review, we developed a conceptual framework (Figure 1) that comprises a set of research propositions, which may be tested in future empirical research.

Theoretically, the chapter sheds light on the understudied area of organizational consequences of both PVCE and NVCE. Extant literature has mainly focused on PVCE, while NVCE has received considerably less attention. This chapter looks at organizational consequences resulting from PVCE and NVCE, and proposes new pathways for empirical research in this area. Once tested, the twelve research propositions will permit the development of initial insight into how CE can be linked to an organization's reputation, its value and ultimately, its financial performance. Further empirical investigation should facilitate the development of insights into PVCE's benign and NVCE's detrimental impact on the organization, thereby helping organizations to develop effective strategies for increasing PVCE and halting NVCE. For example, organizations can improve the relationship quality between the customers and frontline employees (offline and online) by working on the effectiveness of communication and discourse.

Moreover, organizations can be proactive by listening to their engaged customers and replying promptly. This will satisfy or at least calm down customers quickly in case of NVCE, which will prevent outbursts of rage and aggressive behaviors as these mainly appear if the customer feels they are not heard or appreciated by the company. Organizations could educate their customers about appropriate and inappropriate behaviors prior to the actual service interaction. This is in order to reduce NVCE and its negative impact on organizational reputation, engagement value, and the organization's financial performance, as discussed in this chapter.

The chapter also helps develop practitioners' understanding of the different impacts of PVCE and NVCE behaviors on organizational reputation, engagement value, and consequently the organization's financial performance, which again highlights the importance of engagement for companies. The findings show that customers' engagement behavior should not be underestimated as it has huge impacts on the organization's financial performance, which is of high importance for practitioners. Moreover, we emphasize that each customer's engagement valence is important and can affect organizational reputation and ultimately performance. As shown, CE's valence can have either a positive or negative, and either a direct or indirect impact on organizational performance. Therefore, PVCE's and NVCE's timely identification and effective management is crucial for deriving optimal value and ultimately profit from it.

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Appendix

Figure 1: Conceptual Framework

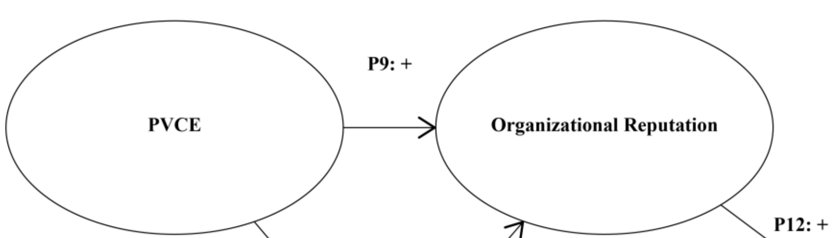

Table 1: Summary of the Research Propositions

P1	A positive relationship exists between PVCE and customer lifetime value.
P2	A negative relationship exists between NVCE and customer lifetime value.
P3	A positive relationship exists between PVCE and customer referral value.
P4	A negative relationship exists between NVCE and customer referral value.
P5	A positive relationship exists between PVCE and customer influencer value.
P6	A negative relationship exists between NVCE and customer influencer value.
P7	A positive relationship exists between PVCE and customer knowledge value.
P8	A negative relationship exists between NVCE and customer knowledge value.
P9	A positive relationship exists between PVCE and organizational reputation.
P10	A negative relationship exists between NVCE and organizational reputation.
P11	A positive relationship exists between engagement value and organizational financial performance.
P12	A positive relationship exists between customer-perceived organizational reputation and organizational financial performance.