

Initial Development and Validation of Digital Customer Engagement Determinants

Maridali Alicea-Allinson

IAE Nice, France

Abstract

Traditional financial institutions (FIs) face increasing challenges from digitally empowered customers and new entrants to the digital banking market. As a response, many Traditional FIs invest heavily in technology to replicate the digital experiences of innovative competition. Despite customers' demand for convenient digital banking experiences, the expectation to connect to a physical person remains. The complexity of balancing digital innovation with human interactions has created new challenges for Traditional FIs. In order to provide experiences that influence customer loyalty, strategies for engaging customers at all possible touchpoints are required. By using sequential mixed method research, developing a scale, and empirically validating the findings with data collected from digital banking customers of a Traditional FI, this study proposed an initial development and validation of Digital Customer Engagement (DCE) determinants. This process was completed in several phases; the first was a review of the Customer Engagement (CE) literature to draw attention to the concept's application. Then, to support a holistic view of the concept within digital contexts, CE and User Engagement (UE) scales are assessed. Furthermore, findings from qualitative interviews that captured digital banking customers' CE perceptions are summarized. The analysis of the interviews yielded eight themes, which served to develop a scale to examine DCE determinants. Four DCE factors were identified with strong reliability and validity evidence based on exploratory factor analysis with a sample of 210 digital banking customers and confirmatory factor analysis with a second sample of 210 digital banking customers. The study aimed to contribute to the academic and practical body of knowledge with empirical research on Digital Customer Engagement and help guide future research.

Keywords: digital banking, online banking, customer engagement, user engagement, digital customer engagement, digital customer engagement determinants, scale development