Key Strategic Drivers of Customer Engagement
- A managerial perspective in the Swedish pension industry

Master’s Thesis 30 credits
Department of Business Studies
Uppsala University
Spring Semester of 2015

Date of Submission: 2015-05-29

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Abstract

Customer engagement has become a hot topic in business journals emerging in the beginning of 2000s, elucidating a new paradigm of marketing science. Despite an increased interest in engagement, both academics and practitioners lack an explicit understanding of the focal firm’s role in the creation of engagement and how a firm’s internal factors contribute to the creation of customer engagement. Simultaneously, the Swedish pension industry has a challenge in creating engagement due to barriers such as complex system structure, industry ambiguity, and customer distance to the time horizon. This paper therefore examines how focal firms can create customer engagement in the context of the Swedish pension industry. Our research develops a holistic model of Customer Engagement Sub-processes and suggests a pivotal importance of internal factors that influence the other engagement sub-processes including learning, sharing, advocating, socializing and co-developing. Mainly, internal factors explain how a focal firm creates customer engagement by aligning employees, employee training and motivation, corporate culture, service quality, and managerial objectives and vision in order to enhance the other sub-processes. Finally, we suggest that customer engagement should be paid greater attention within the industry to enhance business possibilities.

Keywords:
Customer engagement, Strategic drivers, Internal factors, Managerial perspective
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1. Introduction

The Swedish Pensions Agency annually mails the individual pension record in an orange envelope (Pensionsmyndigheten, 2014), which is a well-known occurrence. Although maybe not the most exciting thing as pension often advocates negative feelings (Novus, 2014; Regeringen, 2014). To many people the orange envelope is nothing but another pile of papers thrown in the bin, despite its future financial significance. In fact the vast majority of people are becoming engaged too late to impact their pension levels, just a few years before retirement (Financial Conduct Authority, 2014).

Furthermore, Sweden has for some time experienced a transformation of demographic changes; ageing population, decreasing workforce, increased life expectancy, and longer retirement that strains public finances and entails an increasingly significance of individual pensions (Agudo & García, 2010; SCB, 2014a;b). Also, the pension industry is of pivotal importance for the Swedish welfare system as basis of social security (OECD, 2013) and is of axiomatic importance concerning almost every citizen.

Yet, the pension industry is characterized as bureaucratic, tedious and ambiguous with low-engaged customers (Financial Conduct Authority, 2014; Riksrevisionen, 2014). Recent research shows that 40 percent of people between the ages of 25-65 feel high anxiety or stressful over their pension situation and almost 60 percent have poor understanding of the pension system (Novus, 2014). The public uncertainty is further underpinned by a complicated and sophisticated pension system that almost only professional experts are familiar with (Regeringen, 2014).

Even though, digital platforms are beginning to take over the traditional role of the orange envelope offering convenient technology solutions to facilitate pension services, people are still not able to understand the industry and the importance of engagement at an early age (Regeringen, 2014). The Swedish pension market is also highly competitive and diversified consisting of both large and small actors, primarily the government and governmental agencies, employers’ organizations, banks and insurance companies. In which there is a great variation of interest rates, payment fees and different charges that further imply market and industry uncertainty to the consumers (Euromonitor, 2013; Riksbanken, 2014).
Although, there is a vast body of commercial reports as well as academic research of the pension industry (Bodegård & Durhan, 2005; Euromoney, 2013; Pensionsmyndigheten, 2014a), these are mostly focusing on financial aspects or pension system analysis, which creates a need for further research about the Swedish pension industry especially regarding understanding of customers and engagement in the industry.

There is a considerable interest in the potential to engage consumers to their pension as it would improve the chance for individuals to be able to ensure a decent quality of life in retirement by increasingly impact their pension levels. Increased engagement could further stimulate business performance in the market and create comprehensiveness of the pension industry in general that would be beneficial for Sweden as country to enhance the welfare system. Overcoming the public pension ambiguity as well as stimulating individual awareness and interests therefore calls for further research of the creation of engagement.

Customer engagement (CE) has become a hot topic in business journals emerging in the beginning of 2000s and elucidating the new paradigm of marketing science (Vivek, Beatty & Morgan, 2012). Although, engagement is not a new phenomena a variety of academic disciplines such as psychology, sociology, and organizational behavior as well as practitioners have been given significantly interest in the term in the last decade (BostonConsultingGroup, 2014; Bowden, 2009; Brodie et al., 2013; Hollebeek, 2011b; McKinsey, 2009). The concept of CE is comprising the interactive experience and value co-creation process between firms and customers, which is a development of relationship marketing in marketing theory and practice (Brodie et al., 2011; Grönnroos, 2010; Vivek, Beatty & Morgan, 2012).

Several scholars acknowledge the importance of CE by suggesting that the outcomes of CE is developed understanding of customer experience (Bowden, 2009; Mollen & Wilson, 2010; Verhoef, Reinartz, & Krafft, 2010), retention as well as an increased loyalty towards a brand through affecting the customers (Hollebeek, 2011a; Van Doorn et al., 2010) that further enhances profitability (Hollebeek, 2011b; Verhoef, Reinartz & Krafft, 2010). Contemporary research further suggests that there is a great potential to engage customers in order to enhance business performance and customer value (Hollebeek, 2011a; Jakkola & Alexander, 2014).

Consequently, focal firms’ initiatives for engaging consumers are of importance, which calls for greater attention of the focal firm’s role in the creation of
CE. Ulterior factors are therefore strategic drivers of CE that have gained increased attention in recent research (Brodie et al., 2011; Hollebeek, 2011b). Hence, strategic drivers could be explained as forces that shape an organization’s CE performance. In the CE literature there is still limited research addressing strategic drivers both in direct and indirect ways (Brodie et al., 2013; Van Doorn et al., 2010; Vivek, Beatty & Morgan, 2012), all of which is consisted with close similarities mostly using different words while describing same underlying mechanisms.

However, as CE is a relatively new approach in marketing and still in its development (Vivek, Beatty & Morgan, 2012) the research of strategic drivers has so far been characterized by a focus on consumer perspectives with initial developments in few research areas (Brodie et al., 2013; Hollebeek, 2011a). Consequently, there currently exists an academic research gap of strategic drivers of CE from a managerial perspective. Although, Vivek, Beatty and Morgan (2012) explores CE by interviewing managers their theoretical model of customer engagement has a customer’s perspective focusing on user experience. Further the influence of a focal firm’s internal performance in the creation of CE has been neglected in the consisting research and internal elements as part of strategic drivers of CE have been ignored. As a result of the lack of academic research of CE strategic drivers from a managerial perspective there is little knowledge of the focal firm’s role in CE creation process and the contribution of a firm’s internal factors to CE (Jaakkola & Alexander, 2014; Vivek, Beatty and Morgan, 2012).

Consequently, there is a need to bridge the current research gap of strategic drivers from a managerial perspective including firms’ internal factors as well as exploring the creation of CE within the Swedish pension industry, which leads to the following research question;

*How can focal firms create Customer Engagement in the Swedish pension industry?*

1.1 Research purpose
The aim of this study is to (1) find out how CE is created in the Swedish pension industry in order to (2) develop a framework for key strategic drivers of CE from a managerial perspective, and (3) advance the theoretical understanding about CE key strategic drivers by analyzing the influence of firms’ internal factors.
Therefore, we expect our study to contribute with new and up-to-date knowledge to the current academic research gap about strategic drivers of CE from a managerial perspective including distinguishing the role of firms’ internal factors as a theoretical development to previous CE literature. That is, a direct response to the special issue call for strategic drivers of CE in specific contexts in Journal of Marketing Management (Hollebeek, Conduit & Brodie, 2015). Moreover, several scholars have acknowledged the need for further contextualisation of CE (Jaakkola & Alexander, 2013) and specific firm contextual antecedents and consequences (Van Doorn et al., 2010). Also, there is a need for research to distinguish how organizations are able to manage and influence focal CE processes (Brodie et al., 2013).

Consequently, there is a need to bridge the research gap in the nature of CE from a managerial perspective including to elucidate the role of firms’ internal factors as key drivers in order to provide a more comprehensive and holistic view of the creation of CE.
2. Literature review

To be able to identify key strategic drivers of CE, we use an own adaptation of the model of consumer engagement process in a virtual brand community (Brodie et al., 2013). This is a conceptual model explaining strategic drivers of CE as five specific sub-processes including learning, sharing, advocating, socializing and co-developing. The identification of these five specific sub-processes closely parallels with previous research of strategic drivers of CE from a consumer perspective (Hollebeek, Glynn & Brodie, 2014; Jaakkola & Alexander, 2014; Van Doorn et al., 2010; Vivek, Beatty & Morgan, 2012).

Further, we are adding internal factors as a pivotal sub-process (Figure 1) to adapt the conceptual model of Brodie et al. (2013) and advance it with a managerial perspective to create CE in a more holistic context. As the contribution of firms’ internal factors to CE, so far, have been unexplored it is of considerable importance to add this sub-process as a development to Brodie et al.’s (2013) research since it is based upon a virtual setting with a consumer perspective. Specifically, it does not address the role of the focal firm’s internal factors in the creation of CE in non-virtual contexts.

Hence, there is a need for further research of internal factors and its possible impacts of CE in both virtual and non-virtual settings. It would seem reasonable to presume that internal factors play a vital role in understanding strategic drivers of CE from a managerial perspective since the sub-processes are strongly reflecting a firm’s internal capabilities and performance (Grönroos, 1981) that basically reflects a focal firm’s operations of CE. The theoretical adaptation including internal factors enables us to examine the focal firm’s role in creation of CE and examine the impact of internal factors.
Figure 1. Customer Engagement Sub-processes

2.1 Learning

Brodie et al. (2013) describes learning as a driver of CE as the acquisition process of cognitive competencies in consumption affect the consumers’ level of engagement. Jaakkola and Alexander (2014) are also arguing for learning as a key strategic driver of CE by referring to augmenting behavior in which consumers contributes with resources such as knowledge to directly augment a firm's offerings. Van Doorn et al. (2014) advocates that firms engage consumers through learning and that information exchange as well as the information environment strongly affects consumers. For example do Google as well as Apple spend extensive resources to engage consumers through learning by conferences, articles and different reports (Ibid). Sawhney and Mittal (2001) argue that brand-specific learning through e.g. online activities can provide competitive advantage in terms of customer retentions, which also indicates that the learning process can strengthening engagement. Vivek, Betty and Morgan (2012) emphasize that learning is an incitement for firms to create engagement through different programs, events and activities. The nature of learning is highly related to its context, purpose and the activities of which it is exerted that imply a subjective ambiguity to this sub-process. Although, this could be seen as a part of the
CE experience, the cognitive element of attracting consumers through learning is a psychological process in which engagement can be enhanced.

2.2 Sharing

*Sharing* express behavioral and/or cognitive engagement elements as consumers contribute with information, knowledge and experiences (Brodie et al., 2013). Customer sharing has been of interest to marketing research as it is stressed for its positive outcomes in aligning a firm’s value proposition to the consumers by enhancing the customer value (Erat et al., 2006; Thomke & Von Hippel, 2002). In networks sharing is increased by extrinsic rewards, social and cognitive capital that derives from experience (Wasko & Faraj, 2005). An example of sharing includes customers posting content in social media not intended by the firm (Jaakkola & Alexander, 2014). The sub-process of sharing could be viewed as a central element of participation of a firm and its current and potential customers (Vivek, Betty, & Morgan, 2012). The importance of sharing can also be stressed in relation to other aspects of CE as integration of customer resources is argued to affect firms’ offerings and the value co-creation process (Jaakkola & Alexander, 2014). Also, sharing between multiple actors is important if leveraging the perspective into a network orientation because of its role in mutually beneficial resource integration (Lusch & Vargo, 2014; Lusch, Vargo & Tanniru, 2010; Maglio & Spohrer, 2008).

2.3 Advocating

Brodie et al. (2013) suggest that *advocating* is the consumers’ expression of CE through recommending brands, products or activities of a specific firm. Van Doorn et al. (2010) argue that this is more or less a continuum of CE behavior expressed by both negative and positive word-of-mouth. In this conceptualization advocating is often underpinned by loyalty and the attitudinal relationship towards a brand (Ibid), in which it exists many known examples of customers spreading positive word-of-mouth about their preferred brands (Fuggetta, 2012). Jaakkola and Alexander (2014) are arguing that the influencing behavior of customer recommendations implies a collective dissemination. By sharing experiences and information through recommendations, customers influence each other’s expectation and are over time likely to affect other stakeholders and the interpretation of value of the firm’s
offerings. From a managerial perspective this is of significance since engagement can be classified as positive or negative, and the recommending actions have considerable impact in short term and in long term customer retention as well as for acquiring new customers (Van Doorn et al., 2010). Vivek, Betty and Morgan (2012) points out that highly engaged customers tend to provide positive word-of-mouth and act as an advocate of the brand. The sub-process of advocating is underpinned by affective, behavioral, and social components of CE, which recognizes the need for firms to establish and enhance positive incentives to create advocacy such as different types of rewards to consumers that recommend a specific brand (Van Doorn et al, 2010).

2.4 Socializing

Socializing is described as consumers’ interaction through which they develop common attitudes, norms and language (Brodie et al., 2013). This addresses the social influence of CE, which reflects today’s technological and interactive business landscape with social media as an imperative for firms to communicate and create interaction with customers. Van Doorn et al. (2010) suggest that the social value is context-based and that social incentives may enhance engagement through for example gaining status in activity-based ranking systems. The socializing process is implicitly emphasized by customer-centric and active participation for two-way communication between firms and consumers (Sawhney, Verona, & Prandelli, 2005). As the internet environment is creating new tools for firms and consumers to be increasingly active participants in interactive processes, the socializing process have increased in significance (Prahalad & Ramaswamy, 2004). Socializing underlines a non-transactional engagement whereby consumers contribute with a variety of resources, for example time and actions that directly or indirectly affect firms and other consumers in varying impact (Jaakkola & Alexander, 2014). Several scholars have addressed the importance of social identity and social influence of individuals in various contexts (Belk, 1988; Brodie et al., 2011; 2013), which strengthens the legitimacy and relevance in creating engagement.
2.5 Co-developing

Co-developing is defined as the process where consumers contribute in the development of firms’ offerings as products, services and the brand (Brodie et al., 2013). Jaakkola and Alexander (2014) suggest that co-developing means consumer resource integration of knowledge, skills and time to facilitate a firm’s development of its offers. For example Coca-Cola have created something called “the freestyle machine” where customers may create their own unique flavor combination, which enable consumer co-creation and customization (Visioncritical, 2013). Vargo and Lusch (2008) are arguing that consumers always are co-creators of value and that firms only make value propositions. This puts co-creation in a network orientation including several actors as co-creators of value and resource integrators (Lusch & Vargo, 2014). Consequently, the network engages actors, that is consumers as well as firms by exchange of resources. A numerous of CE literature have been focusing on customer involvement in product development (Jaakkola & Alexander, 2014), which explains the relation between tacit knowledge amongst users and between users and producers (Bogers, Afuah. & Bastian, 2010). This demonstrates that firms today are more willing to initiate active involvement and participation of consumers. Co-developing is implicitly about connecting and emotional bonding by exchanges of mutual beneficiary e.g. resource integration (Brodie et al, 2013), which gives deeper meaning for CE.

2.6 Internal factors

In traditional marketing literature internal marketing is enlightened to enhance the internal factors of a company’s operations in order to ensure that the organization is as capable as possible to provide value to customers (Berry, 1981; Eiglier & Langeard, 1976; Grönroos, 1981; 1982; 1990). The need for internal marketing is of pivotal importance in order to create high-performing service firms by focusing on improving a firm's internal capabilities, which have been widely recognized by several scholars (Berry, 1981; Eiglier & Langeard, 1976; George & Grönroos, 1989; Grönroos, 1990; Grönroos & Gummesson, 1986; Heskett, 1987).

Grönroos (1990, p8) defines it as “the focus of internal marketing is on how to get and retain customer-conscious employees”. Further, internal factors also include
employees, corporate culture, service quality, training and motivation for employees as well as managerial objectives and vision (Grönroos, 1981; 1990). Van Doorn et al. (2010) suggest that employees often manifest CE by providing useful actions such as helping customers with services. The attitudinal perception of consumers could therefore be explained as affected by the way employees interact with them (Jaakkola & Alexander, 2014). A firm’s initiative to create and positively influence CE is directly related to their employees and customer interaction process that explicitly offers opportunities to control the CE delivery (Grewal, Levy, & Kumar, 2009).

Internal marketing have also been emphasized to help achieve high-quality services by ensuring employees at all levels in an organization understand that creating customer value through various business activities needs to support customer consciousness (William & Grönroos, 1989). Furthermore, to ensure high-quality services all employees need to be trained and motivated to act in a service-oriented manner in accordance to the management’s philosophy (Grönroos, 1981). That is necessary for making employees operate effectively and make internal processes successful in achieving its organizational goals (George & Grönroos, 1989). According to Grönroos (1990) a main focus of internal marketing is to establish a service culture by creating and sustaining good customer interaction, as educating and training of employees probably have no impact on the employees thinking and behavior in an organization.

Thus, a service culture aims to create service-oriented employees that enhance the service performance. Internal marketing is foremost a management philosophy (Grönroos, 1990) in which internal and external strategic vision and goals should create and enhance the understanding of a service orientation within the organization (George, 1990; Heskett, 1987). Clearly, internal factors and particularly employees should have a central role of CE since they are the implementing elements of providing CE.

2.7 Conceptual integration and contribution
The conceptual model of Customer Engagement Sub-processes contributes with a theoretical development to Brodie et al.’s (2013) model of consumer engagement process in a virtual brand community. By integrating a focal firm’s internal factors as a sub-process an adaptation towards a managerial perspective creates a more holistic
and nuanced view of strategic drivers of CE. This is of pivotal importance because internal factors should determine the focal firm’s CE performance by influencing all other sub-processes. As seen in Figure 1 internal factors have a central role in the firm's creation of CE, affecting and being affected by the other sub-processes because of the interaction between the firm and its customers. The alignment of internal factors as a sub-process is hitherto an unused research approach in the CE literature (Hollebeek, Glynn & Brodie, 2014; Jaakkola & Alexander, 2014; Van Doorn et al., 2010), therefore there exist a lack of the focal firm’s role and initiatives in the creation of CE. As a result we contribute with new knowledge to an unexplored research domain. Altogether the theoretical integration contributes to create adequate constructs to measure a focal firm’s strategic drivers of CE in a managerial perspective. That further enables a theoretical development with internal factors to previous literature of CE strategic drivers.
3. Method

3.1 Research design
We used a confirmatory research design with exploratory elements in order to test the applicability of the literature framework as well as to give possibilities to find new information (Copestake, 2014; Long, 1983; Tang, 2010). The confirmatory design with exploratory elements was inspired by Chenail (2011) and recommended by Brodie et al. (2013). By using a qualitative study with in-depth interviews, the confirmatory design was testing our literature framework of Customer Engagement Sub-processes. The research design is further strengthened by the unexplored nature of the Swedish pension industry as well as lack of substantial and developed analysis of a firm’s internal factors from a managerial perspective in the CE literature (Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009; Tashakkori & Teddlie, 1998). Furthermore, the study aim is neither to deduce hypotheses nor to gain generalizability by statistically significance but rather to create a deep understanding of strategic drivers of CE in the context of the Swedish pension industry by generating nuanced and relevant knowledge. The explicitly managerial perspective of this study guided a natural way for qualitative interviews with executives and other managers in the pension industry. As in-depth interviews are well suitable in qualitative studies it creates good possibilities to get deep knowledge of certain phenomena (Saunders, Lewis, & Thornhill, 2009).

3.2 Situational context
The Swedish pension industry was chosen as research context due to its relevance to the practical problem of our research question and purpose (Denscombe, 2010). The Swedish pension industry characterizes a low-engagement context as well as playing a fundamental role in society, which altogether represents an interesting angle of incidence. Thus, there is a challenge in creating CE in the industry, which simultaneously offers opportunities to identify successful CE creation from managerial observations. Based on previous research in the CE literature, the context represented an unproven approach that logically suited to contribute with key relevant elements. The selection was also based on practical aspects of qualitative interviews with relevant respondents that allowed several possibilities to find legitimate
information with possibilities to high levels of validity and reliability. The main criteria for the selection of the research context were therefore its relevance to the practical problem as well as to the academic research gap in the theoretical literature.

3.3 Data collection

3.3.1 Primary data

To understand strategic drivers of CE from a managerial perspective primary data was collected through in-depth interviews with a series of executives and managers. The respondents’ positions enabled strategic knowledge about the focal firm’s creation of CE and suited the nature of this study as their expertise of the subject cover a range of issues and phenomena of interest (Healey & Rawlinson, 1993; Saunders, Lewis, & Thornhill, 2009). Since there was a need to find insights in internal components of creating CE, semi-structured qualitative interviews was used because of its benefits in testing frameworks as well as finding new data (Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009).

The questions were constructed based upon the theoretical constructs of the model Customer Engagement Sub-processes that originated from Brodie et al. (2013). The sub-processes were used as guidelines in order to construct questions in relation to the study aim, which is recommenced by Denscombe (2010). Each sub-process created a question directly linked to the previous literature framework used. Consequently, six variables constituted in total six questions with flexibility of following questions as presented in Table 1. As the interviews was performed in Swedish and the study is presented in English a translation process was conducted that followed Brislin’s (1970; 1980) suggestion to use two bilingual translators familiar with the research in which one translate forward and the other translate back without having seen the original text.
<table>
<thead>
<tr>
<th>CE sub-processes</th>
<th>Operational definition</th>
<th>Example question</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning</td>
<td>&quot;The vicarious acquisition of cognitive competencies that consumers apply to purchase and consumption decision-making&quot;</td>
<td>What is your opinion of learning as a part of customer engagement?</td>
<td>Brodie et al., 2013, p111</td>
</tr>
<tr>
<td>Sharing</td>
<td>&quot;Sharing of personal relevant information, knowledge and experiences through the process of active contributions to the co-creation of knowledge&quot;… &quot;reflects the behavioral and/or cognitive dimensions of consumer engagement&quot;</td>
<td>What are your thoughts about sharing of information, knowledge and experiences in order to create customer engagement?</td>
<td>Brodie et al., 2013 p111</td>
</tr>
<tr>
<td>Advocating</td>
<td>&quot;When consumers actively recommend specific brands, products/services, organizations, and/or ways of using products or brands&quot;</td>
<td>How do you work to affect consumers to recommend you?</td>
<td>Brodie et al., 2013 p111</td>
</tr>
<tr>
<td>Socializing</td>
<td>&quot;Denotes two-way, non-functional interactions through which consumers acquire and/or develop attitudes, norms and/or&quot; … &quot;language&quot;</td>
<td>How do you perceive the interaction between business and consumers in relation to customer engagement?</td>
<td>Brodie et al., 2013 p111</td>
</tr>
<tr>
<td>Co-developing</td>
<td>&quot;A process where consumers contribute to organizations and/or organizational performance by assisting in the development of new products, services, brands or brand meanings&quot;</td>
<td>What role do customers and business partners have in the development of your offerings?</td>
<td>Brodie et al., 2013 p111</td>
</tr>
<tr>
<td>Internal Factors</td>
<td>Including employees, corporate culture, service quality, training and motivation for employees as well as managerial objectives and vision</td>
<td>Can you describe internal factors that affect customer engagement?</td>
<td>Grönroos, 1981; 1990</td>
</tr>
</tbody>
</table>
The interviews was scheduled by email or phone and conducted in time and places convenient to the interviewees, mostly at the respondents’ workplaces, except in one case when a phone interview was the only option. The risk of less committed interviewees in phone interviews (Easterby-Smith, Thorpe & Jackson, 2012) could be ruled out as it was rather a result of the respondent’s strong commitment to participate despite a heavy schedule. To protect the code of ethics for respondents as well as ensuring accurate research results the study was underpinned by the work of Bell and Bryman (2007), in other words the respondents were well informed of the subject, procedure and presentation of the study. This was done both by email in the initial contact and further clarified in the personal meetings. All respondents received a list of guiding questions a priori the interviews to ensure they had insights in the topic. The questions were open-ended and semi-structured (Table 1) in order to strive for thorough and insightful responses. Also, follow-up questions were asked about various elements of CE and the Swedish pension industry (i.e. influence, barriers, implementation process).

3.3.2 Secondary data

Several types of secondary data have been used in order to create a pre-understanding (Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009) of the Swedish pension industry as well as to the concept of CE. To enhance this study’s validity by cross-sectional and longitudinal knowledge and industry comprehensiveness, previous academic research have in combination with various types of commercial reports, governmental reports, factual statistics and other data sources of relevance been used (Saunders, Lewis, & Thornhill, 2009). Mainly, the data have been collected from various libraries, databases, journals, library catalogues, archives, periodicals and websites, online as well as analogically. Additionally, Sweden’s national governmental agency for pensions, namely the Swedish Pensions Agency has been useful in the collection of information.
3.4 Sample

Respondents to this study were purposively sampled to provide a comprehensive view of executives and managers active in the Swedish pension industry as a non-standardized sample was used by snowball sampling in order to give valuable data and generating relevant information in the research context. Non-standardized sample is useful when confirming and exploring a research topic when the aim is to test applicability as same time to explore new specific areas of the phenomena (Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009). Hence, the snowball sampling was enabled by an initial contact that recommended further relevant contacts. On the advice of the Swedish Pensions agency (2014) a list with the most prevailing and important actors in the pension industry was received that served as basis for the sampling. This strengthens the validity of the respondents as the Swedish responsible governmental agency implies relevancy and enabled horizontally connected respondents through business sector (Healey & Rawlinson, 1993).

In total, 24 firms were contacted of which 10 firms and 11 respondents agreed to be interviewed (Table 2). Hence, the response rate is about 42 percent and the falling-off rate is about 58 percent, of which some denied interviews and some did not answer at all. Since the respondents still represented a wide range of companies in varying sizes and focus of operations within the pension industry, validity was strengthened as it enabled shifting perspectives of the creation of CE contributing to a comprehensive reflection of the Swedish pension industry (Easterby-Smith, Thorpe & Jackson, 2012).
Table 2. Overview of respondents

<table>
<thead>
<tr>
<th>Company</th>
<th>Main focus of operations</th>
<th>Respondent</th>
<th>Date and time</th>
</tr>
</thead>
<tbody>
<tr>
<td>HANDELSBANKEN LIV</td>
<td>Major bank (1)</td>
<td>Head of Corporates and Institutions</td>
<td>2015-03-18, 10.00-11.00</td>
</tr>
<tr>
<td>NORDEA LIFE &amp; PENSIONS</td>
<td>Major bank (1)</td>
<td>Head of Marketing and Communication</td>
<td>2015-03-30, 13.00-14.00</td>
</tr>
<tr>
<td>SEB</td>
<td>Major bank (1)</td>
<td>Head of Communication at SEB Pension and Insurance and Sales Manager</td>
<td>2015-03-16, 11.00-12.00</td>
</tr>
<tr>
<td>ALECTA</td>
<td>Occupational pensions (2)</td>
<td>Head of Market Analysis</td>
<td>2015-03-12, 13.00-14.00</td>
</tr>
<tr>
<td>AMF</td>
<td>Occupational pensions (2)</td>
<td>CMO</td>
<td>2015-03-17, 15.00-16.00</td>
</tr>
<tr>
<td>PROMETHEUS</td>
<td>Occupational pensions (2)</td>
<td>CEO</td>
<td>2015-03-18, 14.00-15.00</td>
</tr>
<tr>
<td>AVANZA PENSION</td>
<td>Online bank (3)</td>
<td>CEO</td>
<td>2015-03-20, 09.00-10.00</td>
</tr>
<tr>
<td>NORDNET</td>
<td>Online bank (3)</td>
<td>Country Manager Sweden</td>
<td>2015-03-23, 13.00-14.00</td>
</tr>
<tr>
<td>FOLKSAM</td>
<td>Pension and insurance (4)</td>
<td>CMO</td>
<td>2015-03-11, 15.00-16.00</td>
</tr>
<tr>
<td>SPP</td>
<td>Pension and insurance (4)</td>
<td>Brand Manager</td>
<td>2015-03-18, 16.00-17.00</td>
</tr>
</tbody>
</table>

The respondents are representing the main influential business actors in the Swedish pension industry and covering different sectors to provide nuanced insights from the Swedish pensions system context (Appendix 1). These are categorized in four main groups based upon their main focus of operations; major banks (1), occupational pensions (2), online banks (3), and pension and insurance (4).

Major banks reflect the “big four” in Swedish banking and work with occupational pensions as well as private pensions as part of complete banking
services. *Occupational pensions* companies work exclusively with employers’ collectively agreed pensions and do not offer any private pensions. *Online banks* work with both occupational pension and private pensions but differ from the major banks as they have a niched focus on online private investment. Lastly, *pension and insurance* companies work both with occupational pensions and private pensions but are specialized in their operations to different types of social security insurances.

3.5 Data analysis

The data analysis followed an inductive approach of content analysis (Saunders, Lewis, & Thornhill, 2009) in which several different methods of interpretive analysis were used to arrive at the key findings from the interviews. The aim of the analysis was to confirm the theoretical development of the conceptual model of *Customer Engagement Sub-processes* as well as to explore the key strategic drivers of CE in the Swedish pension industry and to uncover any other undiscovered themes of relevance.

Thus, content analysis is suitable as it is commonly used for analyzing data in qualitative studies, particularly through analysis of interviews (Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009). The data analysis involved text analysis by taking notes during interviews and later from listening to the audio-records, coding the interview transcript summarizing it, using keyword search and identification. Thereafter the data was sorted into conceptual categories based upon the literature framework, structured by ordering meanings and information into matching concepts, reduced of irrelevant and useless information, and compared to themes identified by previous analysis methods.

All involved methods are appropriate for this study as it is based on analyzing qualitative data, which are recognized by several scholars (Bryman & Bell, 2011; Denscombe, 2010; Saunders, Lewis, & Thornhill, 2009). These procedures were refined and developed over time as the research progressed, which is suggested by Denscombe (2010) in order to create a thorough research process. To verify reliability we used an intercoder model recommended by Perreault and Leigh (1989). The calculated reliability was about 90 percent, which shows high level of reliability (Appendix 2). Moreover, each coding was conducted independently as "the specific judgments on which one judge is reliable are independent of the other judges reliable judgments" (Perreault & Leigh, 1989, p.140).
Furthermore, the findings are generated on previous research on key strategic drivers of CE and are the basis of our data analysis. The empirical data is simultaneously presented with the analysis under each sub-process of CE. Similarities and differences of significance between the different main focus of operations of the respondents will be explained whenever appeared. To elucidate the major concepts a table is presented consisting exemplifying manifestations and frequency amongst the respondents of the sub-processes of CE. Further, a resembling table is showing explicitly the added sub-process internal factors and its included constructs. Thereafter the results are discussed in the light of contemporary CE literature before final conclusions are made.
4. Findings

4.1 Strategic drivers of CE

Brodie et al.’s (2013) five sub-processes underpinned our theoretical development adding internal factors to their conceptual model of consumer engagement process in a virtual brand community, which served as basis for identifying the focal firm’s creation of CE through using key strategic drivers. The sub-processes examine the nature of CE strategic drivers from a managerial perspective, especially focusing on a focal firm’s specific CE creation undertaken activities. It has become apparent that a focal firm’s initiative to create CE is underpinned by six key strategic drivers that showed high levels of validation (Table 4). Our data revealed these key strategic drivers of CE as a process without any orderly progression over time. Thus, the findings provide strong evidence for the importance of the focal firm’s role in the creation of CE and consequently for the importance of the key strategic drivers, and the pivotal role of internal factors in order to create CE. In the sections below the findings of each of the sub-process is further explained.

<table>
<thead>
<tr>
<th>Manifestation of CE sub-processes</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE sub-process</td>
<td></td>
</tr>
<tr>
<td>Learning</td>
<td>10/11</td>
</tr>
<tr>
<td>“What we can do as a sector together with other actors is making people understand”</td>
<td></td>
</tr>
<tr>
<td>Sharing</td>
<td>9/11</td>
</tr>
<tr>
<td>“There is a willingness to share amongst individuals, if not on social media so for example on dinners based on individual preferences”</td>
<td></td>
</tr>
<tr>
<td>Advocating</td>
<td>8/11</td>
</tr>
<tr>
<td>“Emotional communication builds a brand over long-time, which leads to CE and make customers recommend us”</td>
<td></td>
</tr>
<tr>
<td>Socializing</td>
<td>7/11</td>
</tr>
<tr>
<td>“The most important thing is to create a dialogue with the customer and that occurs mostly during our customer meetings”</td>
<td></td>
</tr>
<tr>
<td>Co-developing</td>
<td>8/11</td>
</tr>
<tr>
<td>“Many, and especially young people, seek opportunities to gain insights and to influence, and the possibility to influence creates engagement”</td>
<td></td>
</tr>
<tr>
<td>Internal Factors</td>
<td>11/11</td>
</tr>
<tr>
<td>“All parts of the organization have a role in the creation of CE”</td>
<td></td>
</tr>
</tbody>
</table>
4.1.1 Learning

Learning was seen as a driver of CE based on the data derived from the interviews and can be negatively framed by the expression of one respondent argued “unawareness creates inaccessibility” (pensions and insurance 4). The acquisition of cognitive competencies enhancing CE could further be divided into contextual subcategories as (1) learning about the pension system as a whole, and (2) learning about managing the individual’s specific situation, as both are related to CE creation. This provides support to the studies of Brodie et al. (2013) as well as of Jaakkola and Alexander (2014), which both have argued that cognitive competencies affects consumers’ level of engagement.

Learning about the pension system as a whole enables necessary understanding of the importance of the pension in which the increasing knowledge can augment the relevance of engaging:

“What we can do as a sector together with other actors is making people understand in order to attract customers, and just realizing the system change that has been made can cut through all consumer segments”. (Occupational pensions 2)

Learning about managing the individual’s specific situation pinpoint different levels of engagement amongst consumers with different levels of knowledge. This as most of the consumers appear to seek an uncomplicated explanation of their situation in orders to motivate basic engagement in form of making an active choice. At the same time, already engaged consumers posses profound knowledge in managing their pension savings and other related areas such as stock or fund trading and investments, and hence are more motivated to engage not only in active choices but other activities as seeking information and advice:

“Activity and engagement is not necessary the same thing, however, less active customers need to get an overview of their situation in order to enable engagement whilst the most active customers think that it is fun and are interested in investments and therefore seek information by themselves”. (Online bank 3)

Amongst the respondents, no important different level of learning was stated that further provides evidence to the significance as a strategic driver. Also, when a focal
firm integrate resources with consumers and create incitements to learning, motivation and interests get stimulated that have proven to indicate increased engagement. However, due to the industry contextualization a basic level of learning tends to show larger effects on consumers. Improved learning of the pension could therefore be explained to be promoting a wider agenda of CE and the industry, which seem to be beneficial for all stakeholders.

4.1.2 Sharing

*Sharing* is a driver of CE and conveyed in the interviews as strategically significant both directly through encouraging consumer sharing, and indirectly through networked aspects of sharing. This provides support to the study of Brodie et al. (2013) that expressed sharing as contribution of information, knowledge and experiences based upon behavioral and/or cognitive engagement elements. Thus, consumer sharing is an expression of CE in itself and information and knowledge derived from consumer sharing can support initiatives for facilitating CE through extended sharing.

Consumer sharing involves the behavioral and cognitive aspects of CE that a focal firm can facilitate in strategic purposes. This is an area where many interviewees find a drive amongst consumers to share amongst each other, as well as low barriers of sharing information with the responding firms. However, many express both challenges and opportunities in the facilitating of consumer sharing:

“There is a willingness to share amongst individuals, if not on social media so for example on dinners based on individual preferences. Therefore it is an art form to engage in multiple channels”. (Pension and insurance 4)

Extended aspects of sharing that can contribute strategically to CE concerns sharing between focal firms. This as the contextualization of the industry allows multiple stakeholders that can be connected in sharing valuable knowledge of pension related information for example through comparison sites. Also, several actors are often active in a focal firm’s service process, which both demands mutual sharing. A respondent exemplify:
“All departments and several partnerships cooperate in long-term and patient work. This starts with insights regarding customer perceptions, which is based on information from the customers”. (Major bank 1)

Amongst the respondents, a different level of sharing could be confirmed as focal firms with larger customer focus also revealed greater willingness to share more with their customers. For example occupational pensions showed less intensity of sharing with employers’ organizations whereas online banks showed large intensity of sharing with high level of technology solutions with their customers. However, there also existed an intensity of sharing between the stakeholders in the industry contextualization.

Thus, there is potential in enabling sharing amongst consumers in order to create CE in the industry, which in turn can be elucidated to sharing amongst focal firms in the industry as basis for generating CE solutions. Therefore, sharing of pension both between consumers, between focal firms and consumers as well as between focal firms contributes to enhance industry attractiveness and engagement between the involved actors.

4.1.3 Advocating

Advocating is a driving factor of CE as it is manifested by the focal firm's initiatives to influence and affect customers by contributing with resources particularly through market communication, brand building and in employees’ interaction with customers. Therefore creating affective and behavioral elements has emerged as essential since the pension industry is generally a low-engagement context with large ambiguity. This provides support to the studies of Brodie et al. (2013) and Van Doorn et al. (2010), which both have implied that engagement often is expressed by positive or negative word-of-mouth and is underpinned by the attitudinal relationship towards a brand. Thus, firms need to interact and contribute to enhance positive elements in order to create engagement.

Several interviewees’ point out that their market communication towards customers is based, to large extent, on emotional elements in order to connect and create an emotional bonding:
“Emotional communication builds a brand over long time, which leads to customer engagement and make customers recommend us. Only positive communication can create engagement while rational communication can create direct effects but not any significant effects over time”. (Pensions and insurance 4)

Further, employees’ meeting with customers is explicitly an interactive process, which emerge at different density levels that reflect customers’ satisfaction over time. The interaction is underpinned by an emotional bonding that implicitly compromises trust and commitment towards the focal firm. The data reveal that firms show tendencies to use financial sustainability strategies, mostly promoting and offering security to customers as people in general do not understand or know what to do with their pension:

“If we manage our customers money with sustainability and communicate our values and can offer security to our customers, we can engage them to us because they would trust us and they would believe us, therefore we can create stronger confidence through our sustainability and values that in return create engagement and loyalty towards us […] And it is difficult for customers to not like someone that does a good work with managing their money and in the same time is standing for values they like”. (Occupational pension 2)

Amongst the respondents, there existed different levels of advocating as major banks and pension and insurance companies promoted emotional bonding in their customer meetings. However, insurance companies also indicated a large focus on emotional communication in similarity to occupational pensions and in particularly online banks. At same time, all stakeholders emphasized advocating in close connection with emotional elements.

Thus, advocating customer behavior can be concluded to contribute to CE and is mainly created through positive emotional communication aligned with the consumers’ values and emotional bounding through customer interaction.
4.1.4 Socializing

*Socializing* has appeared as an increasingly important driving factor of CE in the pension industry that in relation to the use of technology solutions is becoming more prevalent. This provides support to the study of Brodie et al. (2013) that addressed social influences of CE by developing common attitudes, norms and language. During the interviews it has emerged that technology solutions facilitate pension services as well as create social incentives that enhances engagement:

“The pension industry lags behind when it comes to use digital platforms but this is changing as customers demand more digital solutions for example to their cell-phones”. (Online bank 3)

However, the socializing process can also be referred to the extent of collaboration with other firms in the creation of CE. Our empirical data imply that social elements influence all stakeholders of the focal firm. One respondent stated that social elements is often underpinned by private financial interests and that the combination of financial interest and social elements is an imperative for engagement:

“Availability is the basis for pension and the orange envelope is an obstacle for it, pension is not something you should check one time each year but on regularly basis [...] to get people interested requires networking and sharing and allowing customers to get involved in each other, in which social networks with blogs, commentaries and the digital environment have become very important”. (Online bank 3)

Moreover, socializing is underpinned by a customer-centric firm focus of the focal firm, which appears to be of increasing importance in the pension industry. Several respondents mean that the industry itself is under a systematic change to become more customer-friendly, although it is a slow process:

“We are trying to embrace the digital development by adopting to a more customer-centric approach by creating more service platforms than only our old ways of doing things with the interaction between employees and customers, however it takes time as the industry moves slowly”. (Major bank 1)
However, the industry is starting to become more customer-centric offering more digital solutions than ever before, yet most of the respondents stated that the personal meeting with customers still is of highest priority:

“The most important thing is to create a dialogue with the customer and that occurs mostly during our customer meetings and even though digital platforms offers convenient solutions they can never replace the personal impact”. (Pension and insurance 4)

Amongst the respondents the different levels of socializing were the type of utilized channels of socializing. For example did online banks work extensively with digital solutions and social media as imperative for engagement, while the other respondents focused more on face-to-face meetings. However, the socializing process between consumers and firms is noted to generate CE, even though the enabling of such processes may differ between the respondents. While digital solutions are of significant importance for online banks, they are of interest amongst all respondents but noted as less influential than personal customer interaction to a larger extent focused on customer meetings.

4.1.5 Co-developing

Co-developing is noted as a driver of CE as customers and other stakeholders contribute in the development of service offerings in several levels within the pension industry. This appears as the individual consumer gets the chance to be involved in its pension plan, but also as consumer input is used in the development process of service offerings, and as multiple firms cooperate in creating value propositions. This provides support to the studies of Brodie et al. (2013) as well to Jaakkola and Alexander (2014) that suggested co-developing means resource integration of knowledge, skills and time to facilitate a firm’s offerings.

Co-developing through consumer involvement appears to differ in character depending on the consumer group. This as consumers with profound interest in investments happily devote knowledge, skills and time in the service shaping whilst others are engaged by the possibility to influence the investments based on personal values and beliefs. Simultaneously, a large consumer group is involved much less
frequent and is driven mainly by simplicity and trust in the focal firm’s ability to handle the investments:

“...many, especially young people seek opportunities to gain insights and to influence, and the possibility to influence creates engagement”. (Occupational pension 2)

Another respondent put words on contrasting perspectives:

“Interested customers take large part in the investments over time and seek many choices, whereas others seek an easy and secure solution so they can focus on something else, which is a challenge in packaging”. (Online bank 3)

Another aspect of co-developing, with strategic possibilities for creating CE, is the inclusion of consumer input in the service development process. This as the respondents benefit from several types of consumer feedback in aligning the value propositions towards the market:

“A customer focus means that we take input when we meet and talk to the customers, which is compared to external data and included in the shaping of the offerings [...] The offerings are then always tested towards the customers”. (Major bank 1)

Thus, co-developing between focal firms explain how actors in the pension industry cooperate in order to increase CE. For example, stakeholders in the pension industry such as competing firms, the governmental agency, and specialized service companies have established a digital engagement platform:

“We as an industry need to make it understandable for the savers, and also make it easier to compare and for example is Min Pension a great tool with potential. By adding more comparison services to Min Pension there is possibilities to create a common tool that can tear down barriers towards the consumers”. (Occupational pension 2)

Further, a respondent put words on a belief in opportunities of co-developing with other services and industries:
“There is potential in connecting the pension to other services, for example new needs as the living – many wants to move abroad – but also gyms and health check-ups, which not only can create a greater engagement but also generate direct incomes”.

(Major bank 1)

Amongst the respondents, the different level of co-developing was based upon their different operational focus as online banks and pensions and insurance companies worked more with developing their offerings in collaboration with their customers. At the same time, major banks and some occupational pensions may be too large organizations to be flexible in their offerings nevertheless a paradigm shift toward co-developing was indicated with innovative suggestions. Consequently, possibilities to co-develop and to influence may engage customers.

However, companies that offer extended varieties in consumer choice also noted that a large variety of choices might become a barrier for some consumer groups. Thus, simplifying customer decision-making through packaging may increase CE. Further co-developing between business actors can generate developed solutions for CE creation and combined services may offer potential in generating CE.

4.1.6 Internal factors
Internal factors have proven to be an indispensable part in the CE creation for focal firms and are contributing as a pivotal driver of CE. A focal firm’s ability of creating CE is therefore underpinned by internal factors that further determine the CE performance by influencing all the other sub-processes. At the same time, the extent of internal factors for focal firms is likely to change depending on its organizational context and is proposed to be diverse dependent on the firm’s offerings. This advances Grönroos (1990) definition of internal marketing factors including employees, corporate culture, service quality, training and motivation for employees as well as managerial objectives and vision, to be of pivotal importance for a focal firm’s CE performance.

This can be manifested and directed particularly by employees’ interaction with customers. However, there is an evident spectrum in the nature of employee performance in relation to the creation of CE between firms. Nonetheless, all of which
is of importance to different extent in the creation of CE, which strengthens the significance of employees:

“The customer meeting is far more important than both our offerings and our prices”. (Major bank 1)

Another respondent stated it as:

“[…] Employees are the part of our organization that meets customers directly and therefore affects engagement the most”. (Pension and insurance 4)

However, by integrating firms’ internal resources a focal firm demonstrates the capabilities of CE creation in its organization, which reflects the focal firm’s initiatives to create CE:

“All parts of the organization have a role in the creation of customer engagement, for example, IT builds tools for us and customers to work with, market division create experiences and customer service supports and helps out, and back office create fast and clear solution for us, which all are of equal importance for us”. (Online bank 3)

Altogether this exemplifies how differences in business direction and more specifically the type of customer interaction affect the way in which CE can be derived from the role of the employees. Several interviews suggested that education and training for employees are vital parts to enhance internal performance that lead to possibilities for engagement:

“It may cost what it costs as long as our employees feel assured that they got the right knowledge in their back to enhance our business and make our customers feel good”. (Major bank 1)

Another respondent added:

“Our employees mean of course a great deal to us as well as to our customers and we work a lot with personal development amongst our staff in order to be more
customer-centric, which is a shift in system in our organization that we are in the beginning of, to become more and more customer-centric”. (Major bank 1)

Our analysis enhanced the importance of internal factors by suggesting that the CE performance is the result of an organization’s CE creating ability. That is depending to large extent on how well the employees interact with customers that is connected to a customer-centric corporate culture, and how the organization itself is managed or organized to consistently focus on creating engagement. Thus, a focal firm’s willingness to adapt their offerings to become more customer-centric and striving towards engaging customers is crucial for their CE ability and performance, which makes managerial objectives and vision of great importance:

“When it all comes down it is to the business model and to what costs you are really trying to engage customers, not only talking about it but doing it by making it the first for the employees to focus on”. (Occupational pension 2)

Nevertheless the quality of the service itself is prominent in order to engage customers and the importance of a well-working solution cannot be overestimated as fundamental criteria for enhancing CE:

“The customers have to be able to trust us with their investments in order to engage”. (Pension and insurance 4)

Amongst the respondents, being customer-centric in the whole organization or being customer-centric in the customer interactions could explain different utilization levels of internal factors. For example, online banks show to large extent customer-centric organizations but lack the customer meetings, whereas major banks as well as pensions and insurance companies revealed a clear level of customer-centrism mostly in their customer meetings. Occupational pensions also served as customer-centric organizations but lack customer meetings.

To summarize the importance of internal factors in the creation of CE a detailed explanation of its constructs and a high-level of validation are presented in Table 5. That high-lights how employees, corporate culture, service quality, employee
training and motivation, and managerial objectives and vision together contribute to the CE creation and influence all other sub-processes.

**Table 5: Internal Factors**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Empirical manifestation</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>“The personnel means everything in the creation of CE”</td>
<td>11/11</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>“The customer is in focus in every part of the organization”</td>
<td>9/11</td>
</tr>
<tr>
<td>Service quality</td>
<td>“The customers have to be able to trust us with their investments in order to engage”</td>
<td>11/11</td>
</tr>
<tr>
<td>Employee training and motivation</td>
<td>“All employees are evaluated based on customer satisfaction and not results”</td>
<td>8/11</td>
</tr>
<tr>
<td>Managerial objectives and vision</td>
<td>“The answer to why CE is created is found in a firm’s business model”</td>
<td>9/11</td>
</tr>
</tbody>
</table>
5. Discussion

This empirical study examines how CE is created in the Swedish pension industry from a managerial perspective. From previous literature five sub-processes of CE was identified and we added internal factors to bridge the current academic research gap in the creation of CE together with the lack of substantial managerial perspective, which served as basis for our analysis of CE. Using qualitative interviews with CEOs and managers in the Swedish pension industry enabled information of relevance that contributed to support the five key strategic drivers of Brodie et al. (2013) and to provide strong evidence to the added sub-process internal factors.

However, as due to Brodie et al.’s (2013) specific context the adaptation of our model of Customer Engagement Sub-Processes proved to be justified as it was applicable to the managerial perspective and could conclude internal factors to have a governing role that affect all original sub-processes. Thus, the focal firm’s internal factors have a direct effect on an organization’s CE creating ability as they influence all the other sub-processes. Therefore the creation of CE starts from the focal firm’s initiatives to initiate any form of engagement activity, which reflects a firm’s internal performance. This elucidates the importance of the focal firm’s role as a driver of initiating CE and demonstrates that internal factors have a decisive role in the creation of engagement.

Our research also highlights a low-engagement context in a complicated industry whereby CE is sometimes restricted by certain systemic barriers such as pension industry complexity and a sophisticated system structure with automatic pension contributions, and consumer distance to the time horizon. These barriers further provide an explanation to the contemporary status of a large majority of low-engaged consumers at same time as reflecting public ambiguity towards the industry.

However, our findings provide support that CE is becoming increasingly important in the Swedish pension context in order to enhance business performance and create competitive advantage from becoming more customer-centric, which seems to be an organizational paradigm shift in the industry. In addition, the research enhance evidence that engagement can be positively influenced by collaboration between stakeholders in the industry that support the study of Jaakkola and Alexander’s (2014) co-creation of CE. Another noted factor for creating CE is the increasing use of technology solutions that further indicates great market potential for future business. In order to enhance engagement, technology solutions seem to be a
key factor contributing with convenient opportunities for consumers to bridge their engagement gap of the industry and their pension situation, which support Brodie et al. (2013) who expressed engagement platforms as fundamental parts of creating CE.

Hence, the contextualization enables possibilities for a focal firm to govern the original sub-processes through internal factors in order to create CE. Learning about the pension system as well as of the individual pension situation is foremost underlying knowledge of information that affects consumers, which consents with the study of Van Doorn et al. (2010). Nevertheless the level of learning is, in our study, to large extent revealed as simplification and accessibility of information that may reflect the industry ambiguity and many consumers’ limited knowledge of pensions.

In the context of the Swedish pension industry, learning of the individual pension situation is of great importance for a focal firm’s CE creation, however, closely linked to the individual consumer’s acquisition of knowledge about the pension system as a whole. This advances Brodie et al.’s (2013) notion of learning as a sub-process of CE to not only concern learning about a specific brand but also the structural learning about the pension system in general. The latter imply a common responsibility amongst industry actors in the creation of CE in which a focal firm can benefit from participating. Such benefits can be enhanced by building brand specific learning through programs, events, and other online and offline activities, which aligns with the studies of Sawney (2001) and Vivek, Betty and Morgan (2012). This is clearly associated with internal factors as managerial objectives and visions would set the agenda for a focal firm’s invested resources in consumer learning.

In addition, this reasoning emphasizes a focal firm’s ability to share information with other actors and consumers in order to facilitate CE through for example digital CE platforms, which also advance Brodie et al.’s (2013) description of sharing that only concerns consumer sharing. As the barriers to share amongst consumers are low in the industry, potential to create CE appears through augmented levels of industry transparency, in other words the focal firm’s ability to share information with the consumers and other actors. Augmented transparency as part of the focal firm’s corporate culture could in that sense lead to improved accessibility and comprehensive understanding amongst the consumers that has the potential to generate CE, which develops Jaakkola and Alexander’s (2014) CEB to involve transparency as a positive outcome.
An evident basic necessity in the creation of CE within the Swedish pension industry concerns the internal factor of service quality, as the consumers must be able to trust the focal firm with their investments in pension savings. However, the sub-process advocating offers possibilities for the focal firm to differentiate itself and to create engagement towards the specific brand. According to Brodie et al. (2013) advocating is manifested when consumers are recommending a brand and parallels with brand building activities that includes both internal and external communication. In the context of the Swedish pension industry emotional bonding with the consumers was evident as the main driver of advocating consumer behavior. In accordance to Van Doorn et al. (2010) this can enable both retention of existing customers and attraction of new customers. In order to do so, and depending on the business model and corporate culture, a focal firm can create emotional bonding through market communication that appeals to the consumers’ values or through customer-centric employees in the customer meetings, which consequently enhance CE.

The emotional bonding occurs simultaneously as the socializing process between brand and consumer and a driving factor of CE is the focal firm’s ability to facilitate socializing in accordance to Brodie et al. (2013). As there are tendencies that consumers also discuss their pension with each other the main challenge seem to be to direct these discussions into arenas where the focal firm can participate. Successful examples of such were found amongst consumers with larger interest in their pension and investments in general that also involved in forums that the companies provided. However our analysis reveals opportunities for a focal firm to enable socializing for larger consumer groups by being present and seek interaction through social media and other platforms, which is supported by several studies such as Brodie et al (2013) and Jaakkola and Alexander’s (2014).

Moreover, a growing number of consumers seek opportunities to participate in the service creation and influence investments based on personal interests and values, which supported co-developing as a sub-process of CE (Brodie et al., 2013). However extended consumer choice was also noted to increase complexity and could lead to less CE. As the pension industry concerns almost the entire Swedish population, a focal firm must put great emphasis on adapting service offerings towards different consumers in order to generate CE, in which a balance between simplicity and possibilities to influence is of essence. Especially, since our research showed positive outcomes from CE co-developing, which supports the study of Jaakkola and
Alexander (2014). Thus, a customer-centric corporate culture needs to acknowledge these differences if a focal firm is to develop engaging propositions for consumers. Also, there appeared to be opportunities in further co-developing amongst industry actors in order to create a comprehensive understanding and increased accessibility concerning the pensions solutions, in which transparency regarding the focal firm specifically and the industry generally can enhance the creation of CE.

Our analysis revealed how a focal firm’s internal factors directly affect the creation of CE, which contributes to a development of Brodie et al.’s (2013) sub-processes of CE. The need for a focal firm to manage their internal factors to create CE is therefore a fundamental part of the CE creation. That is, in accordance to several scholars such as Berry (1981), Eiglier and Langeard (1976) and Grönroos (1981) that highlights the importance of internal factors to create high-performing service firms. As such, employees’ interaction with customers appear as a prevailing factor in the creation of CE, which points out the importance of a focal firm’s employees to be engagement-centric to succeed to create CE. This also implies that the other sub-processes through the customer interaction in turn affect a focal firm’s internal factors. Although, there is a quite large difference in customer interactions between focal firms, nevertheless, the underlying premise emphasize the same engagement-minded corporate culture and organization. In order to engage consumers focal firms therefore need to mobilize their internal factors to enhance their business performance.

The recognition of internal factors plays an important role in the CE literature, which so far has been characterized by a focus on customer perspectives. Our analysis therefore contrasts and develops earlier research such as Brodie et al. (2013), Jaakkola and Alexander (2014), Van Doorn et al. (2010) and Vivek, Betty and Morgan (2012) by distinguishing the focal firm’s internal factors as drivers of CE that directly influences the other sub-processes. Finally, the preceding analysis has shown that in addition to the five key strategic drivers from previous literature, internal factors have a large impact on the CE creation that determines the focal firm’s ability of CE performance.
5.1 Research contribution

This research provides a comprehensive understanding of the focal firm’s role in the creation of CE by elucidating internal factors as a key strategic driver. The internal factors of a focal firm influence all the other sub-process as it governs the firm’s CE performance, in the same time as the other sub-processes also affects internal factors. Our model Customer Engagement Sub-processes (Figure 2) provides strong evidence of the importance of internal factors as a pivotal sub-process that further is created by the focal firm’s initiative to create activities or platforms for engagement. Therefore, the focal firm’s ability to manage internal factors is of highest importance to its CE performance.

By integrating the findings of our empirical study with the literature of CE, we advance the conceptualization of CE strategic drivers from a managerial perspective, thereby responding to the special issue call for strategic drivers of CE in different contexts in Journal of Marketing Management (Hollebeek, Conduit & Brodie, 2015). Our research contributions increase the current understanding of key strategic drivers and the importance of the focal firm’s role in CE, thereby responding to the call of Jaakkola and Alexander (2013) to explore CE in a range of contexts and to build on their empirical research. Thus, we have demonstrated a practical significance of CE in the contextualization, which develop earlier theoretical literature of CE, thereby responding to Van Doorn et al.’s (2010) call for further links to specific firm contextual antecedents and consequences. Our analysis resulted in a development of the model of consumer engagement process in a virtual brand community by Brodie et al. (2013) to become more nuanced to the managerial perspective as well as to create a more holistic view of the focal firm’s creation of CE, and explicitly how internal factors govern the original sub-processes. We thereby responded to the call by Brodie et al.’s (2013) for research about how organizations are able to manage and influence focal CE processes and contributed with creating new substantial knowledge in this domain.

In sum, our result contributed to provide new and up-to-date information to bridge the current academic research gap of key strategic drivers of CE by elucidating the pivotal importance of internal factors that governs all other CE sub-processes.
5.2 Managerial implications

The findings of this research demonstrate several managerial implications that can enhance business performance and increase the ability to engage customers. Our research imply that organizations can improve and differentiate their CE performance by utilizing their resources more effectively by incorporating the key strategic drivers presented in this study. In particularly a focal firm needs to align its internal factors to enhance the other sub-processes learning, sharing, advocating, socializing, and co-developing, in order to create CE.

Therefore, managerial objectives and vision should focus on creating engagement and prioritize this on the agenda. As the customer interaction with employees must be emphasized in order to create engagement, employee training and motivation becomes of essence and is closely connected to a customer-centric and engagement-centric corporate culture. This implies that the firm’s capabilities and resources should be aligned in order to create employees that deliver a high level of service quality.

We also found that through understandable communication learning about the pension industry and about an individual’s specific situation increase engagement
towards a firm. Firms should therefore learn more about customer needs and wants in order to adapt the offerings to customer values and interests, which further paws ways for possibilities to cooperate with other businesses. Also, facilitating platforms for customers to share preferences is beneficial as same time as creating platforms between firms create possibilities to become more customer-centric and improve the focal firm’s offerings.

Further, we found engagement to be influenced by emotional market communication and the employees’ interaction with customers. Thus, firms need to create affective elements through all of their customer interaction channels. As the use of technology solutions is becoming more prevalent in the industry and will be increasingly important in the future, our research suggest that firms should develop technology solutions offering easy tools for consumers to use.

Finally, our advice is an extended focus on internal factors and enhancing the interaction between the focal firm and its customers, which show large potential in affecting CE. We therefore suggest that the industry in general should pay greater attention to CE due to the contextualization that indicates great business possibilities.

5.3 Conclusion
The aim of this research was to examine how focal firms can create CE in the context of the Swedish pension industry. The findings provided strong evidence for the focal firm’s role in the creation of CE, in particularly the pivotal importance of internal factors that directly influence the other sub-processes learning, sharing, advocating, socializing and co-developing. Mainly, internal factors explain how a focal firm creates CE by aligning employees, employee training and motivation, corporate culture, service quality, and managerial objectives and vision in order to enhance the other sub-processes. Consequently, we contribute to bridge the current academic research gap of key strategic drivers of CE from a managerial perspective with new knowledge developing a substantial and holistic model of Customer Engagement Sub-processes. That is, a response to the special issue call of strategic drivers of CE in Journal of Marketing Management and is an advancement of previous conceptualization by Brodie et al. (2013). Therefore, we develop the domain of strategic drivers of CE from a customer perspective to a managerial perspective by
contributing with the importance of the focal firm’s role in the creation of CE and enlighten the significance of internal factors to create CE.

5.4 Limitations and further research
Due to its qualitative and context nature, this research has several limitations that provide further directions for future research. At a theoretical level our development of the conceptual model of Customer Engagement Sub-processes needs to be tested in different contexts as well as to incorporate generalizability with a larger profitability sample. Therefore, future research suggests involving quantitative studies to verify statistical significance. Since our research contributes with a development of the managerial conceptualization of CE in an unexplored research context, further research addressing the same perspective should test our findings in different settings. Simultaneously, future research should aim to measure the effects of CE outcomes by combining both perspectives of firms and consumers. Future research also needs to pay more attention to the financial outcomes of CE revenues and costs distinguishing the channels of maximization. A critical issue is also to consider internal factors in different contexts and in various types of organizations. In the development of CE it would further be interesting to see if there exists any cultural differences.
Acknowledgments

The authors would like to thank assistant Professor David Sörhammar from Uppsala University for his superior support and guidance in the formation of this research. We would also like to thank all the respondents for their willingness to participate in our research that enabled this paper.
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Appendix 1

The Swedish pension system is administered by the Swedish Pensions Agency and consists of three parts: (1) retirement pension including (1b) premium pension, (2) occupational pension and (3) private pension, and is often linked to a pyramid (Regeringskansliet, 2014). The retirement age is flexible and the pension contribution is 18.5 percent of the salary taxation (Ekonomifakta, 2014). The money paid to the State on incomes in a year is paid out to the pensioners in the same year. In practice, it is the working generation who pays pensions to current pensioners (Pensionsmyndigheten, 2014b).

1. The retirement pension
Everyone who has worked and lived in Sweden is entitled to the national retirement pension. The government provides a guaranteed minimum pension level for persons older than 65 with low or no income. The size of the guarantee pension depends on how long a person has lived in Sweden (Regeringskansliet, 2014).

2. The occupational pension
The major component of the pension system is the income-based pension, which is financed on a pay-as-you-go basis. The benefits are determined by nationwide collective bargaining agreements. Permanent employees automatically belong to an occupational pension scheme. Furthermore, 2.5 percent of the pension contribution is paid to the premium pension, which is included, the occupational pension. The money is deposited in individual investment accounts with individual choice. The government has set up a special investment fund for individuals who do not want to make their own investment decisions. The individual is free to change the chosen fund at any time and free of charge. (Ibid)

3. The private pension
In addition, some people also have private pension savings with banks or insurance companies.
Appendix 2

The index was used to verify the convergence between the results and is defined as:

\[ I_r = \left( \frac{F_0}{N} - \frac{1}{K} \right) \left( \frac{K}{K - 1} \right)^{0.5} \]

Under the condition that: \( F_0/N \geq 1/K \)

Where:
- \( I_r = \) Reliability index between the judges
- \( F_0 = \) Observed frequency of agreement between judges
- \( N = \) Number of coded elements
- \( K = \) Number of categories

In our case:
- \( F_0 = 6 \)
- \( N = 6 \)
- \( K = 11 \)

Consequently, \( F_0/N = 1.0 \) and \( 1/K = .09090 \)

This means that the condition was satisfied given that \( .0 \geq .9 \) and that the index of reliability corresponds to \( I_r = .9 \). Therefore, a percentage of 90 percent can be considered to be satisfactory. Initial differences in the coding were resolved through discussion. Thus, Table 3 shows that the reliability of this study in each of the sub-processes is high.

Table 3. Interjudge contingency table

<table>
<thead>
<tr>
<th>Nominal Reliability Index</th>
<th>CE Sub-processes</th>
<th>Respondents</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning</td>
<td>11</td>
<td>.966</td>
<td></td>
</tr>
<tr>
<td>Sharing</td>
<td>11</td>
<td>.910</td>
<td></td>
</tr>
<tr>
<td>Advocating</td>
<td>11</td>
<td>.959</td>
<td></td>
</tr>
<tr>
<td>Socializing</td>
<td>11</td>
<td>.945</td>
<td></td>
</tr>
<tr>
<td>Co-developing</td>
<td>11</td>
<td>.971</td>
<td></td>
</tr>
<tr>
<td>Internal Factors</td>
<td>11</td>
<td>.980</td>
<td></td>
</tr>
</tbody>
</table>