

Connecting customers with the company: the role of interactiveness and its effect on performance

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Abstract

The aim of this dissertation is to explore the concept of interactiveness in marketing, to understand managers' attitudes and perceptions about interactiveness and to assess empirically the effect of interactiveness on the generation of marketing assets and firm performance. The motivation behind this dissertation is the growing concern among marketers stemming from an increased difficulty to connect with customers and to prove the contribution of marketing to firm's financial performance.

We first review the roots and the drivers behind the use of the terms interaction and interactivity, which have seen growing popularity in marketing. Interactiveness is suggested as a unifying concept that refers to continuous interaction and dialogue between marketers and consumers in both online and offline marketplace.

The review of the literature revealed that while interactiveness is likely to bring competitive advantages to firms committed to continuous dialogue with consumers, it will also require organisational changes and will pose managerial challenges. Thus, we further focus on a qualitative research approach based on interviews with managers in order to provide in-depth understanding on how managers perceive interactiveness. We used the techniques and procedures of Grounded Theory in the process of gathering and analysing data.

Based on the analysis of the interviews and a review of the relevant literature, we conceptualise and theoretically anchor interactiveness as a dynamic capability and we suggest models of analysis and hypotheses linking interactiveness with marketing assets, innovation, stakeholder involvement and performance, as well as a model linking interactiveness with innovation efficiency and consequently to profitability. To test the hypotheses, we used survey data. We ran several different analyses, employing Confirmatory Factor Analysis, Structural Equation Modelling, Data Envelopment Analysis, Free Disposal Hull analysis, Tobit and Truncated regressions.

The results revealed that interactiveness influences positively customer and brand assets, as well as stakeholder involvement and innovation. This way, interactiveness helps achieve competitive advantage, which is translated consequently into improved performance. In addition, interactiveness helps improve the efficiency with which innovations are converted into higher customer satisfaction and perceived brand value (innovation efficiency), thus influencing indirectly profitability. A major implication is that the results of interactiveness at the performance level are not seen directly and immediately, since interactiveness works through building and leveraging intangible firm-specific assets. Interactiveness drives firms toward more flexible, participative culture and co-creation of value with consumers, thus helping firms to re-connect with customers and to enhance performance.

Keywords: interactiveness, value co-creation, marketing assets, stakeholder involvement, innovation efficiency, performance.