

## Gamification Tool for Customer Engagement – An Empirical Study

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**Abstract:** The study presents gamification as a tool for customer engagement. The study empirically attempts to find wards (Story Theme, Feedback, Rewards, Progress, Challenge, Points, Leader Boards, Badges, Levels and Clear Goals) that are mostly preferred by the users and their further interest in continuing with the same website/app/game. With the changing needs of consumers the marketers are finding better ways of engaging customers. As a known fact if an adult is asked his preference of work and games, the answer many times would be games. Now in this digital era an increasing number and variety of business applications are integrating game mechanics, or gamification, to improve user engagement, engage new customers, incent employees, build loyalty, and more. Now, users are competing against each other for points, or badges or to be known as a leader. The study, also attempts to find if the type of motivation (extrinsic and intrinsic) will have any influence on the choice of the awards. This study also focuses on the influence of the demographic variables on the choice of awards.

**Keywords:** Motivation, Extrinsic Motivation, Intrinsic Motivation, Gamification and In-Game Advertising.

### INTRODUCTION

Facebook is a very common name for all those who now don't feel like touching the real books. What's your IQ? This is something very familiar to many of Facebook users.

So what is this all about? It is a simple game where the social networking site is engaging the users of Facebook based on news. Gamification is a set of techniques that generally revolve around engaging and motivating individuals and groups to perform specific actions and rewarding either points or levels. Here technology places a very important role although the technologies are in a nascent state. One employee receive an e-mail how he could lower his energy usage n bills. When he followed the tips provided he earned prizes for saving energy as part of "Manage – Act – Save" program. Each time the employee learnt one tip and implemented, he earned certain points giving him badges. These earned badges could be turned to prizes like Starbucks gift card. The points, badges and rewards are termed as motivational affordance. This motivational affordance gives psychological and behavioral outcomes. So, in the example the behavioral outcomes are getting Starbucks gift cards. Now coming to psychological outcomes are satisfied when the employee competes with his friends and neighbors to earn new badges and moves up the leaderboards.

### Theory of Motivation

Self-Determination Theory is a theory of motivation that aims to explain individuals' goal-directed behavior [1, 2]. The theory proposes universal,

innate psychological needs: Competence is defined by a perceived self-belief in one's ability to perform well in an activity, e.g. in triathlon; Autonomy or freedom of choice. Perceived autonomy is high when individuals feel they are engaging in sport because they choose to do so, not because they feel pressured by other people (parents, coaches) or external factors (expectations).

Psychological relatedness is defined by a sense of shared experience and meaningful relationships. Therefore, people are motivated by activities which allow them to form and enjoy good relationships.

Thus, people feel motivated by activities which allow them to satisfy those three needs. Those activities are enjoyable and driven by intrinsic motivation. Originally, the theory differentiated between intrinsic and extrinsic motivations were. Later, a continuum with varying degrees of individual autonomy was proposed [2]. Intrinsic motivation represents the most self-determined or autonomous behavior regulation by inherent interest, enjoyment and satisfaction. There are three types of intrinsic motivation: Intrinsic motivation toward knowledge is observed if an activity is performed for the pleasure or satisfaction of learning or understanding something. Intrinsic motivation toward accomplishment is defined

as engaging in an activity for the pleasure of accomplishing or creating something. Intrinsic motivation toward stimulation occurs when an activity is performed to obtain stimulating experiences.

Differently, extrinsic or controlled motivation characterizes those activities that yield specific outcomes in terms of rewards or avoided punishments whereas perceived autonomy is low. Within extrinsic motivation there is a continuum of behavioral regulations reflecting the degree to which the behavior has been integrated into the individual's sense of self. The continuum includes: External regulation, where behavior is controlled by external incentives such as praise, rewards, and punishment avoidance; Introjected regulation, when the external contingencies have been internalized and the individual acts to facilitate self-esteem (e.g. exhibit ability) or lessen guilt and avoid demonstration of failure; Identified regulation, where the behavior is explicitly recognized and valued by the individual; Integrated regulation which is then the most autonomous kind of extrinsic motivation and appears when the behavior is fully integrated into personal values and beliefs.

As the individuals progress along this continuum, their motivation becomes less controlled and more self-determined [2]. At the far end of the self-determination continuum is amotivation representing a lack of any impetus for behavior. Importantly, more autonomous motivation is associated with sustained engagement in the behaviour [3- 5].

#### **REVIEW OF LITERATURE**

Digital games are not just for young people. The digital games have evolved over a period of time and gamers are from different age group as well. These digital games are employed by companies for breaking the cluster of advertising to reach consumer and engage them effectively. Gamification helps in advertising, employee engagement, and customer retention and brand loyalty.

The first ever digital games appeared in the form of self-promotional advertisement "Adventure

land". This advertisement was for their next game titled "Private adventure" in 1978. From then marketers have started using gamification as a tool of communication with consumer.

According to Ralf and Micheal [6] there three types of digital gaming advertisements

- 1) In-Game Advertising (IGA)
- 2) Advergimes
- 3) Advertising in social network games

In-game advertising (IGA) is similar to product placements in movies, where the products or brands are included within a digital game [7]. The aim of such games is purely entertainment. Coming to advergimes, the main aim is to promote a brand, service or idea through powerful brand sdvertisement. These being casual games are ususally free of charge, easily downloadable or playable on the brand's website. These provide fun with quick rewards [7].

The concept of work and play for years were separated from each other [8]. While the benefits of gaming were accepted, both were just isolated as games and were seen as an instrument only for joy or to develop mind and body. However, today the lines between work and play are dissolving. Growing technology and competition is allowing companies to use games as a means to connect and engage with the users or the customers [9].

Off late the very popular type of advertising is on social network. Here the brands or products are placed in digital games, played via social networks. This is also called gamification. Gamification has been defined as a process of enhancing services with (motivational affordances in order to invoke game full experience and further behavioral outcomes. Further, according to Zichermann & Lender [8] the basic objective of gamification is driving engagement. It is a tool that brings about a behavior change with increased consumer engagement and a twist of fun in staying loyal to the product or brand.

Fleetly



Source: [www.zombiesrungame.com](http://www.zombiesrungame.com)

It is a well-known fact that in order to take a regular regime of walk or run or exercise is so boring and after two days it is generally not happening. Zombies! Run! Functions as a RPG and the person using this as iPhone app will be given a character that

exists inside the game. Incentive for exercising through the story is provided and the user at the end of every 20 minute section after meeting the sunning milestones can unlock the next chapter with a hook in that strong to make it more interesting.

Spent



Source: Playspent.org

Spent website shows people the hard choices of life when a person lives a life of adverse poverty. At the end of the experience you not know about better choices but this leads to empathy.

**Objectives**

- To identify the type and rank of the rewards that is preferred by the users of the website/app/game.
- To examine the influence of type of motivation on the rewards preferred by the users of the website/app/game.

**Hypotheses**

Ho: There is no difference between the extrinsic and intrinsic type of users in preference of awards.

H1: There is difference between the extrinsic and intrinsic type of users in preference of awards.

Ho: The choice of different awards is independent of customers’ demographic factors’.

Ho: The choice of different awards is dependent on customers’ demographic factors’.

**Sample Profile**

The respondents are from age group of 15 – 45 years in the ratio of 4:3 male and female respectively. The respondents belong to educational background viz., Degree to PhD. Around 120 students were administrated with the questions containing the 23 questions and out of these only 102 questionnaire were usable. Hence, the analysis will reflect only for 102 respondents.

**Data Processing and Analysis**

In the present study frequency, chi-square and ranking are used for data analysis and proving the hypothesis. The below table is analyzed to find the preference of the respondents who are interested to use/play the games online. The results are presented in the table below.

**Table- 1: Preference of Awards**

	Points	Leader boards	Badges	Levels	Story Theme	Clear Goals	Feedback	Rewards	Progress	Challenge
Most Preferred					✓		✓	✓	✓	✓
Less Preferred	✓	✓	✓	✓		✓				

An analysis of the above table reveals that out of the ten recognitions that are used to award the participants only five are most preferred (Story Theme, Feedback, Rewards, Progress and Challenge) by the respondents. Hence, the less preferred awards are Points, Leader Boards, Badges, Levels and Clear Goals.

However, the study was to understand the most important award to the respondents out of the ten awards. The ranking by the respondents are discussed in the below table.

**Table- 2: Ranking of Awards**

Awards	Ranking	Number of Respondents
Story Theme	1	26
Challenge	2	20
Feedback	3	18
Rewards	3	18
Progress	3	18
Badges	6	14
Levels	7	12
Clear Goals	7	12
Leader Boards	9	10
Points	10	8

From the above table it is evident that most of the respondent preferred story theme as the most important ward that make them sticking to the app/game/website when compared to rest. However, in the order of the ranking it is revealed that challenge stands at number 2 rank while, feedback takes third position and the least preferred is the points.

From the above table it is found that story theme is the most preferred and hence chi-square was used to analysis if there is any relationship between the awards and the type of type of motivation (respondents). The analysis of the same is presented in the table below.

**Table- 3: Motivation and Awards**

Awards	Extrinsic Motivation 'p' Value of chi-square	Intrinsic Motivation 'p' Value of chi-square
Story Theme	.000	.000
Feedback	.000	.000
Rewards	.000	.000
Progress	.000	.001
<b>Challenge</b>	<b>.074</b>	.000
Points	.000	.000
Leaderboards	.000	.000
Badges	.000	.000
Levels	.000	.000
<b>Clear Goals</b>	.000	<b>.052</b>

From table 3 it is found that even though story theme is the most preferred by major respondents but the extrinsic type of motivated respondents are influence by challenges while using app/game/website games. Further, if clear Goals were provided while using the app/game/websites games the intrinsic motivated respondents were influenced to continue using the website/app/game.

**Demographic Factors and Awards**

The table 4 studies the impact of various demographic variables on the choice of various rewards. The demographic variables that are used to analysis the data are the age, monthly income, occupation and education. The results of the influence of the demographic factors are presented in the table 4.

**Table-4: Demographic Variable and Awards**

Awards	'p' Value Of Age	'p' Value Of Monthly Income	'p' Value Of Occupation	'p' Value Of Education
Story Theme	.000	.000	.002	.000
Feedback	.000	.000	.005	.000
Rewards	.000	.008	.000	.000
Progress	.042	.000	.000	.014
Challenge	.002	.000	.002	.002
Points	.000	.000	.000	.001
Leaderboards	.005	.005	.000	.000
<b>Badges</b>	.000	.002	<b>.070</b>	.003
<b>Levels</b>	.000	.002	.000	<b>.065</b>
Clear Goals	.000	.000	.000	.000

In order to understand the association between demographic factors (age, monthly income, occupation and education) and choice of rewards, it was hypothesized that 'the choice of different awards are independent of customers' demographic factors '. From table 4 it is understood that occupation influences the choice of badges as the 'p' value is .07 which is more than .05 and education influences the choice of levels as the 'p' value .065 of more than .05. However, it is found that the choice of awards is independent of age, the choice of awards is independent of monthly income. Occupation has no influence on choice of story theme, feedback, rewards, progress, challenge, points, leaderboards, levels and clear goals. It is also found that education has no influence on choice of story theme, feedback, rewards, progress, challenge, points, leaderboards, badges and clear goals.

preferred wards when compared to Points, Leader Boards, Badges, Levels and Clear Goals. From the finding it is analyzed that most preferred award was story theme which kept the respondents continuing to use website/app/game, while the rest of the order of preference found was Challenge, Feedback, Rewards, Progress, Badges, Levels, Clear Goals, Leader Boards and Points. Further, it was found that extrinsic motivated persons would be influence by challenges awards, clear Goals were provided while using the app/game/websites games the intrinsic motivated respondents were influenced to continue using the website/app/game. However, it was also found that occupation influences the choice of badges and education influences the choice of levels, while the rest of the demographic factors have influence on choice of rest of the awards.

**CONCLUSION**

In conclusion, it was found that Story Theme, Feedback, Rewards, Progress and Challenge are the

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