## THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING





Fun Shopping – A Randomized Field Experiment on Gamification By

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## **Abstract**

Gamification utilizes game-like features to engage users in a variety of contexts. The novel strategy can sever as an effective marketing tool to promote sales and customer loyalty in business settings. Gamification pulls consumers' internal motivations to interact with the mall, while couponing pushes external, monetary incentives to consumers to make purchases. To quantify the effects of gamification, we conduct a randomized field experiment in one of the largest shopping malls in China. In the experiment, we investigate how two game features, badges, and level-up, affect shopping behavior in money spending, walking distance, and the number of store visits. We also consider traditional couponing and benchmark its impact against the effects of the two-game features. Besides, we design the experiment with a two-period setting (i.e., the treatment and post-treatment periods), enabling to study the long-term effects after the treatment removal. The main results suggest that the effects of badges and level-up promote sales by 21.6% and 23.8%, respectively, in the treatment period, while couponing has a stronger positive impact of and 36.5%. While we also show that the coupon treatment effects fade over time, the impacts of gamification remain significantly strong in the post-treatment period. The additional analyses show the heterogeneous treatment effects across gender. The results highlight not only the effectiveness of gamification-based engagement but the cost-efficiency of gamification features. This study provides useful managerial implications on how practitioners can take advantages of gamification

**Dr Yi-Jen (Ian) Ho** is an Assistant Professor of Supply Chain and Information Systems at the Smeal College of Business, The Pennsylvania State University. He received his Ph.D. in Information Systems at The Paul Merage School of Business at The University of California, Irvine. He is mainly interested in understanding the impacts of information technologies on consumer choice. His current research focuses on the areas of social media, mobile, and location-based technologies in digital markets.

## All interested are welcome.



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