

## **USING GAMIFICATION TO CREATE BRAND LOVE IN ONLINE RETAILING: BRAND ENGAGEMENT AND VALUE CO-CREATION PERSPECTIVE**

### **Abstract**

Gamification has emerged as a popular approach to use a virtual platform in combination with social media and other emerging digital platforms to enhance brand engagement. We investigate the focal roles of co-creation and brand love in the impact of brand engagement on brand loyalty and advocacy in a gamified online retailing platform. We use a multi-method approach with two consumer surveys (Gen Y=389 and Gen Z= 496) and a sentiment analysis of user-generated content with tweets about gamification in the context of online retailing. Results confirm a positive link for social and emotional (but not cognitive) brand engagement with value co-creation. Brand love is positively associated with both brand advocacy and loyalty. Finally, brand trust fully moderates the relationship between value co-creation and brand love. Besides adding to the current research on brand love, gamification, and consumer brand engagement, these findings also provide useful insights to online retailers for using gamification to drive their customer engagement and value co-creation efforts to create brand love that in turn would lead to customer loyalty and advocacy.

### **Key Contributions**

This paper investigates the important roles played by value co-creation and brand love in the process by which brand engagement affects brand loyalty and advocacy in a gamified online retailing platform. Using a multi-method approach with two consumer surveys (Gen Y=389 and Gen Z= 496) and a sentiment analysis of user-generated content with tweets about gamification in the context of online retailing, we find that social and emotional (but not cognitive) dimensions of brand engagement have a positive association with value co-creation. Similarly, brand love is positively associated with both brand advocacy and loyalty. Finally, brand trust positively moderates (enhances) the link between value co-creation and brand love. All these findings make important theoretical contributions to current research on brand love, gamification, and consumer brand engagement, by demystifying the relationships among these diverse constructs. Specifically, we show that simply using gamification without linking with the brand engagement and value co-creation efforts may not lead to a positive impact on brand loyalty and advocacy from customers. These findings also provides useful insights to online retailers and social media managers on how they may be able to use gamification strategies to improve engagement level with their customers and value co-creation activities to create brand love that in turn would help them build customer loyalty and advocacy. For example, while designing their gamification activities and features, managers may find it useful to enhance the brand engagement and value co-creation aspects of their efforts, in order to reap maximum benefits in terms of positive impact on brand loyalty and advocacy from their customers.

## Introduction

Application of online gaming, virtual reality and interactive social software to the marketing context has generated a new phenomenon that helps enhance users' experience by promoting creative and active participation through gamification (Hamari and Koivisto, 2015; Bitrián et al., 2021; Weretecki et al., 2021). Gamification is described as "the use of game design thinking, while using game elements within a non -gaming context" (Deterding et al., 2011, p.10) and it has emerged as a cutting-edge concept that dynamically enhance customer engagement by incorporating the game-based dynamics and mechanics, aesthetics, and game thinking ( Hamari, 2017). Numerous industries, including education and e-learning (Putz et al., 2020), mobile marketing (Bitrián et al., 2021), tourism (Xu et al., 2021), health (Garett et al., 2019), and intraorganizational management have adopted gamification over the past few years as a new interactive online gaming design (Friedrich et al., 2020).

Gamification has also been offered as a service layer of reward and reputation systems, in order to enhance consumer brand engagement ( Xi et al., 2020; Feng et al., 2020; Berger et al., 2018). For example, Nike used a game-ware design, driving over millions of players to compete and improve personal fitness goals, which the company can monitor, and set their customers' a target. On achieving the target, Nike reward customers with points and rewards. The popular chocolate cookie brand Oreos' official game, "Twist, Lick Dunk," is another suitable illustration. Customers twist, lick, and consume virtual Oreo cookies to play this game. Customers can view their score and ranking on leader boards while playing. The points that are earned by customers may be retrievable in the form of price discount over the customers' next order. Similarly, Amazon, organizes gaming contests like 'spin the wheel'. Through this medium, the company gives their customers a chance to win exciting prizes. Adoption of these sorts of gamification techniques are all in a bid to woo customers, while keeping them integrally engaged to the brand. (Shouk and Soliman, 2021; Wong, 2021; Srivastava and Bag, 2021; Hass et al., 2021). Gamification also facilitates collaborative innovation practices among multiple actors (Leclercq et al., 2017).

Gamification provides an interactive and participatory and collaborative environment which tend to create high quality customer interaction through the gamification mechanics (Eisingerich et al., 2019; Högberg et al., 2019; Hammedi, et al., 2019; DeCanio et al., 2021). Consumers share their knowledge with other customers and even potential customers of the businesses due to gamification mechanics that may improve customer participation in company activities (Pansari & Kumar, 2018; Hollebeek et al., 2020). Therefore, active customer engagement is indeed a challenge for marketers, who wish to co-create value between two parties (Storbacka et al., 2019; France et al., 2020). Value co-creation is defined as the collaborative exchange of thoughts and activities between customers and companies (Prahalad and Ramaswamy 2004; Mai et al., 2022).

Recently, brand managers have given a lot of emphasis to the notion of "brand love" to symbolize the deep and persistent connections between a company and its consumers (Junaid et al., 2019; Singh et al., 2021). In other words, it may be seen as a process of creating an emotional bond between a brand and its consumers, which could help them develop a long-term relationship with the brand itself (Palusuk et al., 2019; Izquierdo et al., 2021). Although recent research provides several theoretical valuable insights upon the determinants of brand love and advocacy while integrating the gamification marketing strategy as there seems to be paucity of studies looking into the gamification mechanics that actually go on to effect customer engagement.

Furthermore, prior studies seemed to have focused on value co-creation and paid less attention to the various dimensions of customer engagement, which is an important aspect. Earlier

studies based on the customer perspective towards gamification have used either quantitative or qualitative approaches ( Hsu et al., 2018; Xi and Hamari, 2019; Eisingerich et al., 2019). However, a combination of both the approaches are limited specifically in the framework of gamification and online retailing. To address these gaps, we aim to understand the process by which gamification may help engage customers' engagement and value co-creation in the online retailing context. Accordingly, we identify the following questions:

RQ1: How does gamification enhance customer brand engagement and value co-creation between service providers and customers!

RQ2: How does value co-creation affect brand love that leads to customers' brand advocacy and brand loyalty!

RQ3: How does 'trust' for a brand effectively moderate the relationship between the value co-creation and brand love!

### **Theoretical background and hypotheses development**

Two theoretical stances—SDT (Self-Determination Theory) and Flow theory—have been used in previous research on the application of gamification in the commercial setting. More specifically, the motivation to use gamification features comprises of two types - extrinsic and intrinsic. Extrinsic motivation integrates the gamified mechanics/elements into non-gaming context (Zichermann and Cunningham, 2011; Hollebeek et al., 2021; Tobon et al., 2020). For example, most players use leader boards and avatar to play the game competitively within a gamified environment they feel satisfied and happy as the results are displayed on leader boards. By contrast, the design of game thinking incorporates the effects of positive arousal on intrinsic motivation driven by an internal desire to play the game in a non-gaming context (Ryan and Deci 2000; Xi and Hamari, 2019).

The gamified marketing that used the gaming elements and design like playable ads to attract and retain customers. Intrinsic activities triggered by intrinsic motivation are those, which the players find interesting, and which give enjoyment and pleasure to the players of gamification users (DeCanio et al., 2021; Hammedi et al., 2019; Feng et al., 2020). When people are intrinsically motivated, they are self-motivated to enjoy each and every activity immensely. The second theory used to provide a conceptual base to the gamification context is the flow theory of psychology. Flow theory is described as “a state in which people are so involved in an activity that nothing else seems to matter the experiences is so enjoyable that people will continue to do it even at great cost for the sheer sake of doing it”(Cskikszentmihalyi, 1990, p.56). One requires a balanced aim in order to accomplish flow because it is a state of intense attention and an abortion. In other words, the goal has to be challenging and attainable within an individual's ability (Matallaoui et al., 2017; Whittaker et al., 2021).

### **Customer brand engagement and value co-creation**

Customers who are emotionally and rationally attached to a brand are said to be engaged with it, which leads to a co-creative customer experience. Brand engagement also reflects an interactive brand relationship, where customers interact with service providers representing the brand (Hollebeek et al., 2014; Kumar et al., 2020). It consists of social, emotional, and cognitive engagement (Kumar, 2020; Fernandes and Moreira, 2019). While addressing value co-creation and interactive experience in marketing literature, theories have described the theoretical roots of Customer Brand Engagement (CBE) (Harmeling et al., 2017; Cheung et al., 2020; Lourenço et al., 2022). According to earlier research on gamification, the highly interactive CBE process is both developed and enhanced by gamification (Xi and Hamari et al., 2020; Högberg,et al., 2019).

Cognitive brand engagement focuses on the degree of consumers' understanding and their involvement with a brand, particularly in terms of the amount of time, energy, and effort they expend on analyzing and dealing with a brand (Hollebeek et al., 2021; Rather et al., 2021). Extant literature on both gamification and branding highlighted that, achievement-related features like earning rewards, badges, encountering with adventures, leaderboards, progression metrics are closely associated with cognitive style and composed the goal-structures (see goal setting theory, Landers et al., 2017). Prahalad and Ramaswamy (2004, p. 5) confirm this as, "business cannot develop anything of value without the engagement of individuals." To create a strong consumer base for value co-creation, engage your brand (Ramaswamy and Ozcan, 2016). Accordingly, we hypothesize as follows:

**H1a.** Cognitive brand engagement has a positive effect on value co-creation.

Social brand engagement on the other hand, refers to social involvement and interaction, based on the inclusion of society and the brand's social groups (Frimpong and McLean, 2018). In the present context, socialization and online interaction with a brand community is very relevant and essential for enhancing customers' brand interaction (Osei, 2019; Cheung et al., 2021). Social interaction-related features, such as feedback, reviews, likes, comments, and cooperation, fundamentally tailor social brand engagement (Leclercq et al., 2018). Gamification features may open up potential for online service providers, notably e-tailers, who want to increase client involvement. In the process, it could help both e-tailers and customers to come on a common platform and be intrinsically connected with the intent to foster value co-creation among them (Osei-Frimpong, 2019; Cheung et al., 2020). Based on the above arguments, we posit:

**H1b.** Social brand engagement has a positive effect on value co-creation.

Customer sentiments, relationships, and love are reflections of their sense of brand loyalty. Emotional brand engagement basically develops an emotionally charged link between consumers and the brand that helps brands establish long-term, sustainable relationships with them (Torres et al., 2020; Pansari and Kumar, 2017). The immersion in environment and its features are potentially important for customer experience (Peters et al., 2018). Therefore, immersion-based gamification features like story, role play sharing photos and audio-visual richness can expressed emotional brand engagement. It also believed that this emotional aspect of brand engagement also includes a positive brand-related affect through customer value co-creation (Hollebeek et al., 2014; Torres et al., 2020). In the context of e-tailing, customers' emotional ties to brands do play a big part in raising their spirits and inspiring them to co-create values with them.

**H1c.** Emotional brand engagement has a positive effect on value co-creation.

### **Value co-creation and brand Love**

Value co-creation is a collaborative development of value that enables users to jointly create a unique experience with the service providers (Prahalad and Ramaswamy, 2004). Effective value co-creation, requires certain kind of principles which includes (i) enthusiastic participation of stakeholders with a firm's strategies to co-create value; (ii) rewards and recognition for the stakeholders, customers, employees and suppliers; (iii) A continuous dialog among all the firm's stakeholders, regardless of their direct or indirect association with the firm; and (iv) an interactive platform to engage stakeholders for sharing their experience, while partaking in the process of creating a future road map (Ramaswamy and Guillard, 2010). Applying these principles would increase the chances of having a more pleasant and productive collaborative atmosphere, which would facilitate value co-creation instead of reducing the risks of a challenging and resource-intensive process.

Value co-creation may also be related to "brand love," the outcome of a sustained partnership between a customer and a particular brand. In fact, 'brand love' is formed through a continuous dialogue between both parties that bring about value co-creational aspects in the relationship (Stach, 2019; Wallace et al., 2021). Extant literature of branding discussed the brand love from various perspective which subsequently incorporated various dimensions and allied concepts like, brand acceptance, brand loyalty, positive word-of-mouth (Shetty and Fitzsimmons, 2021; Ayuningsih and Maftukhah, 2020). In this relationship marketing paradigm, where customers' roles are transforming from passive to co-creator and where they actively participate in the process of value co-creation using interactive platforms (Junaid et al., 2020; Nadeem et al., 2021). Thus, we posit as follows:

**H2.** Value co-creation has a positive impact on brand love.

### **Brand love, brand loyalty, and brand advocacy**

Brand love represents the customers' affection with a brand, which in turn, reflect continuous commitment and responsible behavior towards a brand, turning the customers into 'brand advocates' being loyal to the brand (Wilk et al., 2021; Bhati and Verma, 2020). However, the relationship between a brand and its customers is intricate and multifaceted. Consumers who can connect with a brand are more likely to be brand loyal, willing to support business initiatives, and focused on assisting others with brand-related questions (Coelho et al., 2019; Wongsansukcharoen , 2022; Khamwon and Masri, 2020). Interestingly, extant literature has also documented brand loyalty-brand advocacy relationship even in offline contexts (Coelho *et al.*, 2019; Kumar and Kaushik, 2020). Past research also shows that more intense love and connect with brand leads to the higher possibility of purchasing the products even at premium price (Ayuningsih, and Maftukhah, 2020; Verma, 2021) and continuous relationship with a brand (Nikhashemi et al., 2019). Therefore, we argue that brand love could be a central aspect of customer-brand relationship that may help develop brand loyalty and advocacy, as follows:

**H3a.** Brand love has a positive influence on brand loyalty.

**H3b.** Brand love has a positive influence on brand advocacy

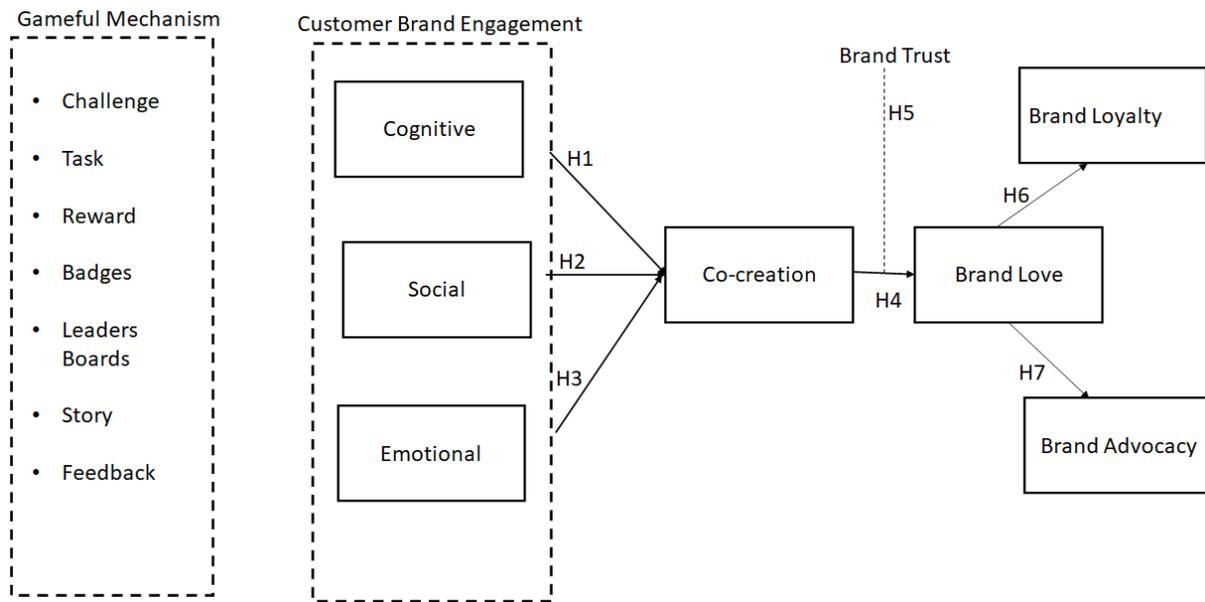
### **Moderating effect of brand trust**

Mayer et al. (1995) defined trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that other party" (p.172). Numerous academic fields, including psychology, sociology, economics, management, and marketing, have investigated the role of trust (Bennur and & Jin, 2017). Due to its complex nature and diverse metrics, "trust" lacks a clear definition, making it difficult to understand the concept as well as its antecedents and results (Chen & Dhillon, 2003; Vorm et al., 2022; Akhmedova et al., 2021).

In the context of marketing, brand trust refers to consumers' willingness to place their trust in a brand's ability to fulfil its intended purpose (Khan and Fatma, 2019). Brand trust is a crucial element that confirms customers' trust in their preferred brands and describes the long-term relationship between the brand and the customer (Shin et al., 2019; Ramirez and Merunka, 2019). Previous research also expressed the importance of brand trust, as it reduced the risk for selecting a new product, and thereby create a connection between a customer and a brand that is both emotional and logical. (Hafez, 2021; Konuk, 2021; Seifert and Kwon, 2019).

**H4.** Brand trust moderates the relationship between value co-creation and brand love.

**Figure 1: Conceptual model**



## Methodology

This paper uses a multi-method approach combining the traditional and user generated content analysis, divided into two phases (Ray et al., 2022; Eslami et al., 2018). We first conducted an intensive literature review on gamification and online retailing to identify specific research gaps and develop our conceptual model, which we tested using PLS-SEM. In the second phase, we performed user-generated content analysis on online user comments and tweets about the use of gamification in the context of online retailing. We adapted scale from extant literature to measure all the constructs using seven-point Likert scales, ranging from ‘strongly agree’ to ‘strongly disagree’. We assessed customer brand engagement through three dimensions (cognitive, social, and emotional). The three items used to measure cognitive dimension adapted from Hollebeek et al., (2014). Further, we used five items to measured emotional brand engagement and social brand engagement with six items adapted from (Vivek et al., 2014). Value co-creation is measured using a four-item scale adapted from Zhang and Chen (2008). Two item scale of brand advocacy adapted from (Brown et al., 2005). The brand love measured with ten items adapted from Carroll and Ahuvia (2006). Five Items for brand trust were adapted from (Chaudhuri and Holbrook, 2001; Delgado-Ballester et al., 2003). The four-item scale were used to measure brand loyalty adapted from Carroll and Ahuvia (2006).

We tested our hypotheses using two distinct samples, one from generation Y or millennials (born 1987-1996) and the other from generation Z (born 1997-2012). All the scales show good psychometric properties including high reliability, average variance extracted and composite reliability as well as discriminant validity with other constructs. Next, path analysis shows most of the relationships in our model significant, except that cognitive brand engagement does not influence the value co-creation ( $\beta=0.076$ ,  $t=1.349$ ,  $p=0.178$ ), all other hypotheses were found to be supportive and significant. A high  $R^2$  value (72%) shows that our model explains most of the variance in brand love (Shmueli et al., 2016; Hair et al., 2019; Hair et al., 2011). Next, all the effect sizes ( $f^2$ ) were found to be small to medium according to Cohen’s (1988) criteria. Finally,  $Q^2$  values for the endogenous construct for both samples was greater than zero (brand loyalty  $Q^2 = 0.579$ , brand advocacy  $Q^2= 0.613$  for gen Y and  $Q^2=0.614$  and  $Q^2=0.578$  for gen Z). Finally, we tested the moderating effect of brand trust on the link between value co-creation and brand love, we used the product-indicator approach with standardized data and the two-stage approach for both the samples. We found significant interaction between value co-



## **Discussion and implications**

This study made use of multi-methods approach to study the role of gamification in online retailing by combining the findings of our SEM analysis to complement the user generated content analysis. Despite the growing popularity of gamification, marketing and branding literatures seem to lack integrated models that explain the use of gamification in the context of online retailing. It is important to note herein that the retailing sector nowadays is considered as an information-driven sector, wherein the use of smartphones strongly foster tools on gamification on both the retailing apps and websites. Gamification mechanics go on to create value for customers, because they enhance the level of customer involvement, and thus, they are considered as one of the most vital tools for creating Marketing strategies.

In the context of the emerging economies' internet commerce sector, which provides multifaceted brand contact in a range of contexts like (cognitive, social and emotional). Our study's sample showed a favorable correlation between the aspects of brand involvement and other significant outcomes like value co-creation and brand love (Cheung et al., 2020; Luo et al., 2015). For both of our samples, we did not discover a statistically significant relationship between cognitive brand engagement and value co-creation. The fact that "cognitive" essentially refers to the degree of customers' attentiveness toward a brand may be one explanation for this. It is important to note that brand love and value co-creation were positively correlated with all customer brand engagement aspects.

This study enhances the extant literature on online commerce by exploring how gamification can keep customers interested in a longer amount of time. Although gamification has been extensively studied in a variety of fields and contexts, it appears that little attention has been given to the gamification tactics used by retailers to influence their customers, particularly in developing countries. By examining the effects of gamification on brand engagement, value co-creation, and brand love, this study contributes to the extant literature on the influx of digital technologies in the retailing context. We also contribute to existing literature on SDT and Flow theory in retailing sector, especially under e-tailing settings, whereby we incorporate four crucial constructs of Marketing (i.e. customer engagement, value co-creation, brand love, brand advocacy and loyalty).

This study also has important practical implications for the e-tailing service providers in terms of the major strategies need to implement for effective customer engagement in e-tailing platform. This study will help retail managers by utilizing the user generated contents for the development solid social marketing strategy. To a great extent, our results are in congruence with existing studies on branding literature. However, the findings of this study provide a road map in the following ways, which are relevant for web designers and managers of online brand communities that typically struggle to maintain customer traffic through customer involvement on their website (Banik, 2021; Suh et al., 2017).

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