

HOW GAMIFICATION IN VIRTUAL REALITY AFFECTS BRAND COOLNESS AND MARKETING OUTCOMES

Felicitas Stein, ISCTE - Instituto Universitário de Lisboa (ISCTE-IUL)

João Guerreiro - Instituto Universitário de Lisboa (ISCTE-IUL), Business Research Unit (BRU-IUL), Lisboa, Portugal

Sandra Loureiro - Instituto Universitário de Lisboa (ISCTE-IUL), Business Research Unit (BRU-IUL), Lisboa, Portugal

Contact Information: For further information, please contact João Guerreiro, - Instituto Universitário de Lisboa (ISCTE-IUL), Business Research Unit (BRU-IUL), Lisboa, Portugal (joao.guerreiro@iscte-iul.pt).

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Description: The current study shows that hedonic and social values enhance perception of brand coolness and that utilitarian value was found not to affect brand coolness in a VR environment with a gamification experience, however, brand coolness affects brand preference and customer loyalty in such environment.

EXTENDED ABSTRACT

Research Question

So far, the experiments have shown that the combination of gamification and VR can create enjoyable and energetic customer experiences that maintain participants' engagement and interest, and provide them with more interactive, fast and reliable information (Jang and Hsieh, 2021). Further research is needed to investigate how exactly

gamification enhances VR experiences in terms of value creation, as the creation of value is the primary goal of gamification in marketing (Huotari and Hamari, 2012; Noorbehbahani et al., 2019).

Cool brands are ahead of their competition – they benefit, among other factors, from favorable customer attitudes and increased word-of-mouth (Warren et al., 2019). Brand coolness has become an indicator of brand success (Loureiro et al., 2020; Warren et al., 2019), making it a very relevant topic to explore further. Therefore, the current paper explores the above gap by using the theory of reasoned action (TRA) (Ajzen and Fishbein, 1980) and explores the following research questions: Can a VR environment with a gamification experience lead brands to be cooler? How can such coolness affect marketing outcomes such as brand preference and loyalty?

Method and Data

A VR experience was developed for the study created with Unity. When participants entered the VR environment, they stood in front of four buttons, each with a different color. To start the game, the participants pointed at the quiz item that they saw straight in front of them with the controller. A large picture of one of the shared destinations of the airline brands is shown and four locations are suggested, one being the correct destination. The task of the players was to guess the correct destination and log in their answer by choosing the button that has the same color as the symbol that was next to the suggested location which they believed was the correct one.

A total sample size of 120 participants was collected. From those, 70% of the sample identified as female, 29.2% as male and 0.8% as other. A total of 85.8% of the participants had 18 to 24 years old, which was followed by 10.8% who fall into the age category 25 to 34 years old. The sample consists primarily of students (75.8%) or working students

(17.5%). Most participants (50.8%) completed their high school degree, followed by 38.3% who finished their bachelor studies.

Summary of Findings

To validate the first-order measurement model the metrics item reliability, convergent validity, reliability, and discriminant validity were assessed and fulfilled the minimum thresholds (Hair et al., 2010; Urbach and Ahlemann, 2010). Common method bias was tested using Harman's one factor test and revealed values of total variance extracted by one factor of 46.5% thus confirming the absence of CMB in the study.

Results show that hedonic and social value positively influence brand coolness and that brand coolness enhances brand preference and customer loyalty in a VR environment with a gamification experience. The result shows that hedonic and social values have a significant impact on brand coolness which complements the previous findings of the pioneer studies on the concept of brand coolness (Warren and Campbell, 2014; Warren et al., 2019). However, utilitarian value does not significantly influence brand coolness. Affective benefits are more personal and generally more emphasized by customers (Hsu et al., 2021), and since the nature of brand coolness is rather complex and goes beyond functional utility, it seems sensible that more emotional values like hedonic and social value shows a greater impact on brand coolness than functional benefits.

Statement of Key Contributions

While a wide range of benefits of virtual reality and gamification have already been explored in literature, to the best of the author's knowledge, no studies have explored how VR environments coupled with a gamification experience can affect the perception that customers have about the companies. More particularly, the current study grounds on the theory of reasoned action (TRA) to investigate how the experiential values provided in a

VR environment with a gamification experience affect the brand coolness perception of customers after such an engaging experience and consequently, marketing outcomes such as brand preference and loyalty.

The current study is relevant for managers in for-profit and non-profit companies that wish to increase the level of brand coolness via a VR environment with a gamification experience. Managers should design their gamification elements to highlight the emotional attributes of the experience and make sure consumers perceive that they are involved in a social game – one where they are competing against other players. As hedonic and social values increase companies are seen as cooler by consumers. According to our study, such coolness effect is fundamental to allow companies to increase their long-term relationship with consumers (loyalty) and increase the preference for their brands.

References are available upon request