


Gamification in E- Commerce: A Comprehensive Review of Literature

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ABSTRACT

With the advent of technology and with growing occupancy of the people towards it, online shopping has become the need of the hour. With heavy discounts floating over the e-commerce websites, customers find that online shopping allows them to save both time and money. The e-commerce websites on the other hand seek to avail the early advantage of the frequently visited customers through the recommendation engines by using gamification techniques. This tends to make their products highly attractive with the least cost paid by them along with facilities of extra discounts given to debit/ credit card holders. This article provides a coherent picture in the research that has taken place in the area of gamification by comprehensively reviewing 1073 research studies extracted from the SCOPUS database and mostly validates the findings on the effectiveness of gamification in the various fields. This article also peer reviews the various motivating factors that makes customers prefer gamified online shopping over market retailers. The review points out the effects of gamification in e commerce websites in gaining customer retention. The article would also suggest the future of research directions in the field of research of gamification and further research that can be explored in the field.

KEYWORDS

E-commerce, Gamification, Literature Review, Scopus, Systematic

INTRODUCTION

In recent times, the technological world has witnessed the fusion of utilitarian systems and hedonic systems. We are witnessing an increasing application of fun and entertainment-oriented technologies in productive use. This phenomenon is termed as gamification, and this has become one of the most prominent development in the field of information systems in the technological world (Koivisto & Humari, 2019).

Gamification is the art of applying game thinking and game mechanics in the non-game contexts to influence behaviour. According to Zichermann and Cunningham (2011), Gamification helps in motivating the users to perform the tasks of engaging customers. Using of gaming elements in the e commerce set ups had helped savvy business owners and online marketers to build loyalty and

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consumer participation into the system. It has also helped them to grab attention of game players by using the gamified methods of interaction. The most common example of gamification in e commerce set ups are ‘spin the wheel’ contests, wherein the e commerce businesses uses a spinner app to make their customers spin the wheel to avail certain discounts. The spinner just engages their customers to be a part of the game so that they are incentivized to make a purchase of their products. Understanding the success of various games like Candy Crush, Angry Bird, etc., online businesses have applied the gamified elements into their business to encourage the users to keep visiting their sites to promote sales. It is important to understand the consumer behaviour in online business to maintain relationship marketing amongst its users. Since e-commerce is just a click away, many applications are designed to produce desired behaviour change by facilitating the users in getting involved into it in such a way that makes them form habits out of it. It does so by inclining them to quick rewards and recognition.

Customer retention is one of the biggest challenge of e commerce businesses and hence they come up with multiple well linked motivating programs including customer loyalty programs — rewarding points on every purchase which can be redeemed in future and rewards in return for frequent visits and purchases; social loyalty program — rewarding points to customers for posting reviews and comments on the product as well as engaging in suggestive conversations concerning the brand on social media; expanding customer base program — rewarding customers for referrals and recommendations; participatory competitions — organize alluring campaigns with exciting and appealing prizes for winners; conferring badges — encouraging users to complete certain tasks and give them badges indicative of their customer group (e.g. VIP users); digital wallet — loading money into the digital wallet of the customer for high amount purchases, which can be redeemed during the course of future purchases; etc (Harwood & Gary, 2015).

According to Fogg (2002), gamification is a social activity which promotes interaction with people around to trigger a certain behaviour, creating loyalty, brand awareness and effective marketing engagement (Foursquare, Stack Overflow) (Daniels, 2010).

Although every gamified application wishes to serve different purpose, the common purpose of all the e commerce businesses is to create sustainable and prospective customers that can address customers’ key needs. Another popular example of Gamification is Health applications like ‘healthify or loselt’ which keeps a daily calorie track, setting goals for us, creating badges and a healthy competition. If the users stay within the calorie limits, they are rewarded with badges, which incentivize them to work more. Starbucks is another popular example of Gamification where the users get stars with each check ins, along with bonus stars on the menu challenges. Google Pay is yet another big example of gamification which is helping millions of people go cashless along with rewarding e-scratch cards or coupons of cashback is transferred from one account to another. Thus, gamification has created a huge change in the way users interact and encourage desirable website usage.

The e-commerce businesses are well aware of their target customers and they design the gamified elements which strikes the human psychology making them compete against one another. It entices the end users to achieve the desired action, triggering them to demand for more. It encourages social sharing, leading to customer retention, customer loyalty and repeat purchasing and customer satisfaction of winning the game. Gamification only aims at making their customers engaged onto their gamified system, who share a common interest, making them stay connected to the brand (Bunchball Inc., 2010). Once the potential customers start getting obsessed with the gamified system, they achieve their ultimate goal. This obsession is accompanied with repetition of desired outcomes which evokes a behavioural loop, which later require less cognitive efforts as the obsession gets repeatedly reinforced (Duhigg, 2012).

The objective of the study is firstly, to critically examine the extant literature on the topic of gamification and synthesize the existing knowledge on the topic and present the same in a structured manner. Secondly, suggest future research agenda in the area of gamification. Thirdly, to understand the motivational factors that helps in understanding the behaviour of the users against the game mechanics used in different online business. It also studies the effect of the game mechanics on

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