

**DROPOUTS IN GAMIFIED PROMOTIONS:
HOW RETAILERS CAN MANAGE THEM**

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ABSTRACT

Retailers are increasingly losing the attention of consumers (Stipp, 2018) and are therefore looking for new, attention-grabbing advertising methods such as gamification (Högberg et al., 2019). Gamification uses game elements to motivate consumers to behave in a certain way in non-game contexts (Deterding et al., 2011; Seaborn and Fels, 2015). Retailers can use gamified promotions that combine a traditional promotion with game elements such as digital prize wheels. Although such gamified promotions can potentially increase sales (Bauer et al., 2020), they can also lead to negative public and consumer perceptions. Previous literature has observed negative effects of gamification on consumer purchase intention (Högberg et al., 2019). These findings suggest that positive effects of gamification cannot be taken for granted. For example, some consumers may ignore gamified advertising or abandon the game. This behavior could have a negative impact on attitudes towards the app and the retailer. We conducted three studies using scenario experiments with a mock-up app to investigate the dropouts of a gamified promotion. The results of studies 1 to 3 show that gamified promotion dropouts have a more negative attitude towards the app and the retailer than players. The results of studies 2 and 3 show that the difference between dropouts and players can be explained by consumer reactance. In addition, study 3 shows that consumer reactance can be reduced if the prize is announced before (vs. after) playing and that retailers should implement a feedback option, e.g. in the form of a push message, so that consumers can decide whether they want to receive the option to play a game next time. The contribution of our work is threefold. First, we examine the effect of dropouts (vs. players) of a gamified promotion on consumers' attitude toward the app and the retailer. Second, we consider reactance theory by Brehm (1966) to explain the abovementioned effect. Third, we contribute to existing literature by providing implications on how retailers should manage dropouts. In addition, our work highlights the importance of considering dropouts and provides insights into how retailers can deal with them.

Keywords: Gamified Promotion, Consumer Reactance, Promotion Dropouts, Attitude Toward Retailers, Mobile Advertising

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