



UNIVERSITA' DEGLI STUDI DI PADOVA
DIPARTIMENTO DI SCIENZE ECONOMICHE ED AZIENDALI
"M.FANNO"

CORSO DI LAUREA MAGISTRALE IN
BUSINESS ADMINISTRATION

TESI DI LAUREA

"TIME IS MONEY: FOSTER ENGAGEMENT THROUGH ONLINE
COMPENSATION AND GAMIFICATION MECHANISMS"

RELATORE:

CH.MO PROF. ALBERTO ALVISI

LAUREANDA: EMMA MARESCALCO

MATRICOLA N. 1155150

ANNO ACCADEMICO 2018 – 2019

Il candidato dichiara che il presente lavoro è originale e non è già stato sottoposto, in tutto o in parte, per il conseguimento di un titolo accademico in altre Università italiane o straniere. Il candidato dichiara altresì che tutti i materiali utilizzati durante la preparazione dell'elaborato sono stati indicati nel testo e nella sezione "Riferimenti bibliografici" e che le eventuali citazioni testuali sono individuabili attraverso l'esplicito richiamo alla pubblicazione originale.

The candidate declares that the present work is original and has not already been submitted, totally or in part, for the purposes of attaining an academic degree in other Italian or foreign universities. The candidate also declares that all the materials used during the preparation of the thesis have been explicitly indicated in the text and in the section "Bibliographical references" and that any textual citations can be identified through an explicit reference to the original publication.

Firma dello studente

Elena Marsala

CONTENTS

INTRODUCTION	4
CHAPTER 1 “A FRAMEWORK FOR INTERACTIVE ADVERTISING”	
1.1 WHAT WE MEAN BY “INTERACTIVITY”	9
1.1.1 Research on interactive advertising: focus on the medium	9
1.1.2 Research on interactive advertising: focus on the user.....	10
1.1.3 Narrowing the definition of interactivity	11
1.2 INTERACTIVITY: MAIN ELEMENTS	12
1.2.1 Feedback.....	12
1.2.2 Information	16
1.2.3 Control	17
1.3 INTERACTIVITY: MAIN CONSEQUENCES	19
1.3.1 Big Data consumer analytics	19
1.3.2 How digital business strategy impacts on marketing activities	21
1.3.3 Customer profiles: walking in consumers’ shoes.....	23
1.3.4 Segmentation: a misleading paradigm.....	25
1.4 INTERACTIVITY: WHAT LIES AHEAD	28
CHAPTER 2 “TRIUNE ENGAGEMENT: INTEREST, COMPENSATION, ENTERTAINMENT”	
2.1 INTEREST AS THE MEAN FOR GRABBING CUSTOMERS’ ATTENTION	29
2.1.1 Moving towards a deeper customer understanding	29
2.1.2 Mind the connection gap: developing a proactive customer orientation.....	31
2.1.3 Giving customers what they’re interested in	33
2.2 COMPENSATION AS THE MEAN FOR MAINTAINING CUSTOMERS’ ATTENTION.....	37
2.2.1 The decreasing marginal utility of money	37
2.2.2 Online remunerative mechanisms	44
2.3 ENTERTAINMENT AS THE MEAN FOR CONFIRMING CUSTOMERS’ ATTENTION.....	47
2.3.1 Overview on entertainment	47

2.3.2 Mapping gamification’s key features	49
2.3.3 Caveats on gamification’s effectiveness.....	53
2.4 THE “THREE-BODY PROBLEM”	57
CHAPTER 3 “FILLPIG”	
3.1 OVERVIEW OF FILLPIG	61
3.1.1 Introducing Fillpig	61
3.1.2 Fillpig’s Business Model	63
3.2 COMPARISON BETWEEN FILLPIG AND THE ‘HOLY TRINITY’	69
3.2.1 Interest in Fillpig	70
3.2.1.1 <i>The necessity for a correct delineation of a customer profile</i>	70
3.2.2.2 <i>The attention quality control through ‘killer question’</i>	70
3.2.2 Compensation in Fillpig	72
3.2.2.1 <i>The ‘surprise effect’ of the remunerative mechanism</i>	72
3.2.2.2 <i>Remuneration in the form of coupons</i>	74
3.2.2.3 <i>The agency problem arising from remuneration</i>	75
3.2.3 Entertainment in Fillpig.....	76
3.2.3.1 <i>Just a ‘layer of gamification’</i>	76
3.2.3.2 <i>Intrinsic, extrinsic, social motivation</i>	77
3.3 WHAT IS FILLPIG AND WHAT COULD IT BECOME?	78
CONCLUSIONS	80
LIMITATIONS AND FUTURE RESEARCH	84
REFERENCES	85

INTRODUCTION

“There is only one boss — the customer. And she can fire everybody in the company from the chairman on down, simply by spending her money somewhere else.”

—Sam Walton, founder of Walmart and Sam's Club

Walton's quote offers the possibility to reflect on the key role played by customers in any business scenario. The impact of their choices, whether positive or negative, may alter in an indisputable way the destiny of every company. Indeed, the customer can be deemed as the most important stakeholder for a firm. However, even if “the purpose of a business is to create and keep a customer” (Levitt, 1983), grabbing her attention and keeping it in the long run it's becoming more and more challenging for companies. The contemporary ‘networked information economy’ exposes customers to an overwhelming quantity of information, which leads to the erosion of their attention threshold (Benkler, 2003, as cited in Heinonen & Rozenveld, 2013).

As Herbert Simon (Speech, September 1, 1969, as cited in Heinonen & Rozenveld, 2013) stresses: “What information consumes is rather obvious. It consumes the attention of its recipients. Hence, a wealth of information creates a poverty of attention”. The “wealth of information” can be found in the new and incisive promotional means like banners, cookies, short videos, etc., which don't substitute but rather add up to the more traditional devices employed in marketing. As a consequence, the advertising messages to which the user is forced nowadays has recorded an unprecedented increase both on websites and on social media, and on whatever other type of mass media. This fact, combined with rising levels of ‘competition for attention’ in the advertising world, has made it more difficult to attract and hold consumers' heed (Pieters, et.al, 2002, as cited in Heinonen & Rozenveld, 2013).

As a result, the reduction in the responsiveness that users nowadays pay to the advertising contents is a problem concerning an increasing number of companies. On top of that, once a promotional campaign is launched, a company may collect some information about the number of users reached by that campaign. However, it is not able to assess the results of the marketing expenditures, given the difficulty met by firms in distinguishing, among the large size of audience indifferent towards the contents proposed, only the number of users sincerely interested.

Consequently, companies are often constrained by the trade-off between interacting with a wide audience or an interested audience. On one side, it would be preferable for a company to reach an audience as large as possible, in order to deliver its contents to a broad size of individuals.

On the other side, the more targeted and restricted it is an audience, the higher are the possibilities to get in touch with those more likely to be deemed as ‘prospects’ or potential customers. Only these latter will actively receive and understand the message included in the advertisement, instead of acting like a passive and scarcely interested audience.

Given that the customers’ attention can be considered as a “scarce resource” (Heinonen & Rozenveld, 2013), it is particularly important for firms to define a tangible feedback or control on their advertising investments. In this way, they are more likely to attract a target of users with real purchasing intentions. In order to deal with the aforementioned trade-off, it is therefore necessary to come up with new formulas of advertisement that can be measured in terms of results, such as, for example, the number of users reached and those potentially interested in the proposed contents.

In today’s cluttered advertising context, a successful strategy calls for capturing viewers’ attention by using creative executional cues (Yoon, Bolls, & Muehling, 1999). This call for more effective advertising led to a heightened interest for advertisers to find means to successfully reach an audience that grows progressively cynical toward advertising in general (Mittal, 1994, as cited in Yoon, Bolls, & Muehling, 1999). In order to do so, an essential and powerful mean to be exploited by advertisers is represented by interactivity.

Companies should indeed be responsive in recognizing the potential of interactivity as a channel to reach touchpoints with customers and to get a reassurance in terms of advertising returns. Interactivity creates “a direct pipeline between consumers and marketers” (Damiani, 2019). As a result, this dissertation will focus on the exploration of new frontiers of interactive marketing and how they can be exploited in order to get more precise data about the level of involvement established between a company and its target customer base.

An attempt of paving the new ways brought by interactivity can be found by analysing Netflix and its launch, on 28th December 2018, of *Black Mirror: Bandersnatch*, an interactive “choose your own adventure” film. The very beginning of the film is reported below.

“This is an interactive film where you make choices which alter the story. Throughout your viewing, there will be moments where choices will be presented at the bottom of the screen. To select one, just click using your mouse or trackpad. Keep your mouse or trackpad close at hand. Do you understand? Answer Yes or No”

- *Black Mirror: Bandersnatch*

The viewer is questioned for all the duration of the film about many different issues, and, based on its answers, the movie takes one direction or another. For example, the user is questioned to

choose which cereal the protagonist should eat, which cassette the protagonist will listen to, and so forth. By putting the plot of the movie in a consumer's hand, Netflix is not just inviting viewers to participate in creating the tone of a scene; it's asking viewers to pick one product over another (Damiani, 2019). *Bandersnatch* and its nature as a 'puzzle' therefore encourages more active fan engagement, but the greatest opportunity lies in the data Netflix can gather from user participation. As a result, *Bandersnatch* represents a new form of data mining that gives Netflix richer, more specific audience information than ever before. Thus, deepening interactivity establishes a powerful new circuit between users, content, platforms, and brands / marketers (Damiani, 2019). In this way, it is possible, from the marketers' side, to get a more precise control over the responses collected from the audience's side.

As a matter of fact, Chapter 1 of this dissertation is devoted to the recognition of interactivity as an *a priori* element necessary to achieve touchpoints with customers. Moreover, other elements will have to be considered in order to get a reassurance in terms of advertising returns. In particular, Chapter 2 is developed around three main concepts, constituting the so-called 'triune engagement', whose coexistence may lead to the final goal of customer engagement.

The first component deals with the solicitation of the users' interest. In order to get into the world of the customers and among the prerequisites necessary to stimulate their interest, there's the urgency to "don't sell them services, but sell them solutions" (Safani, 2019, as cited in Forbes Coaches Council, 2019). Potential customers are indeed less interested in what a company does and more interested in how a company can fix their problems. As a result, they may be not interested in a product, but they will always be interested in themselves (Hoffman, 2019). The company should therefore develop a sensitive customer-orientation which leads the firm to the improvement of: clear ideas about customers and their needs; feedback systems enabling it to reach its customers and vice versa; concern for market pluralism by considering customers not as a monolithic but as highly heterogeneous group (Nwankwo, 1995). All of these characteristics are essential for a company in order to improve a proactive sensitivity towards its customers: for example, by integrating their interests into its decisions mechanisms, the firm can reach a high level of customers' consciousness (Nwankwo, 1995).

The second component deals with the compensation of the users. The remuneration acts as a mean for maintaining the user's attention, previously triggered with the solicitation of the users' interest. Compensation, rewards and remunerative mechanisms of whatsoever kind, are just declinations of a broader and overarching concept, i.e. money. Consumers handle the law of diminishing marginal utility by consuming quantities of numerous goods (Kenton, 2018) and money is not exempt from this law. Hence, when dealing with money, it is not possible to neglect one of its key characteristics, i.e. its diminishing marginal utility, which suggests that

as income increases, individuals gain a correspondingly smaller increase in satisfaction and happiness. In the context of interactive systems, the diffusion of a plethora of mechanisms rewarding users expanded recently and quickly. For example, in order keep its customers returning to its business, a company can provide them incentives to visit its shop or website such as the offering of a coupon for a free item; the set-up of a rewards card system in its store; the possibility of free downloads of e-books or reports; the launch of time-limited offers, giveaways and printable coupons on social media channels (Harbour, 2019). Moreover, many web surfers nowadays look for easy ways to earn money simply for being online, using the Internet. As a result, an ever-increasing number of “Paid to Surf” programs offer their members the possibility to earn money for doing various activities online (Farrington, 2018). In general, “Get Paid To”, or GPT, website or app include every type of online platform embedding a remunerative mechanism.

The third component is eventually represented by the entertainment of the users. The entertainment factor is exploited in order to confirm the user’s threshold attention, in this way establishing a long-term customer engagement. Typically, a content can be engaging because of the tendency for leisure and entertainment to prompt high levels of interest and involvement by providing users with “intrinsically enjoyable experiences” (Calder, Malthouse, & Schaedel, 2009, p.322; Holbrook & Hirschman, 1982b). It is therefore necessary to acknowledge that there’s more than one possibility to confirm the level of customer attention towards a content in the long-run and that, for this purpose, different options may be realized by offering distinct kinds of gains to the user (Calder et al., 2009). Hence, alongside the direct forms of compensation (i.e. material gains derived from money) that a prospect can derive from the remunerative mechanisms, also some indirect forms have to be mentioned, i.e. those deriving from entertainment. In the attempt of confirming customer’s attention, entertainment has therefore necessarily to be considered, given the indirect forms of reward (i.e. immaterial gains derived from leisure) it may provide. Online entertainment is part of the hedonic characteristics of a system and it is referred to the extent to which users look for fun, amusement, arousal, enjoyment or excitement on it (Lin 1999b, as cited in Ko, 2002). It therefore blends interactive functionalities with amusing contents. Generally speaking, people are entertained when an experience interests them and gives them some amount of pleasure, therefore entertainment can be defined as including every activity dealing with “escaping, or being diverted, from problems; relaxing; getting intrinsic enjoyment; filling time; getting emotional release” (1983, p.82-3, as cited in Calder, Malthouse, & Schaedel, 2009).

Finally, Chapter 3 translates the theoretical concepts analysed in Chapter 1 and 2 in a practical scenario. The urgency of an improvement in the effectiveness of the communication and

advertising costs showed by companies has indeed recently been collected by start-ups like 'Fillpig', whose value proposition consists of the confluence of three previously mentioned and interconnected factors, namely user's interest, compensation and entertainment. Moreover, the start-up tries to cope with the problems faced by firms by following an innovative path, i.e. reverting the way in which advertising messages reach the customer. The usual *modus operandi* envisages companies addressing their promotional contents to the customers. On the contrary, Fillpig reverses this paradigm by letting the users free to choose which promotional contents supplied by companies they're going to watch. This reversal of roles empowers users with the freedom of opting for the spots deemed as most enjoyable for them. The user therefore assumes an end-to-end active role: she's requested to download the Fillpig app, to create a profile and finally to choose the promotional contents most fitting with her interests. This mechanism ensures that companies' promotional videos will be submitted only to an audience which ideally should find the product/service highly attractive and that should therefore pay particular attention to the advertising content. Indeed, the start-up doesn't provide companies a list of wide and undifferentiated audience, which would probably act as passive prospects. On the contrary, the restricted and targeted section of potential customers furnished by the start-up is more likely to be interested and involved in the specific offer/product/service, given that promotional contents have been chosen by the users themselves.

The involvement in the development and the launch of the homonymous app, scheduled for April 2019, paved the way for the study of the start-up business model, highlighting both its pain points and the leading practices undertaken, thanks to a focused comparison with the existing literature on the aforementioned themes.

CHAPTER 1 “A FRAMEWORK FOR INTERACTIVE ADVERTISING”

1.1 WHAT WE MEAN BY “INTERACTIVITY”

1.1.1 Research on interactive advertising: focus on the medium

Technology has always played a fundamental role in the advertising sector, as stressed by Rust and Oliver in 1994: “technology is the skeleton around which advertising has formed, linking contemporary technological developments to transformations of advertising and marketing practices” (Rust & Oliver, 1994, as cited in Heinonen & Rozenveld, 2013, p.12). Two main elements can be considered at the basis of these developments: the digital codifying of information (which was possible thanks to the conversion led by the Internet of the 1990s from print to digital contents) and the interconnected configuration of these digital contents, namely the network (Mulhern, 2009, as cited in Heinonen and Rozenveld, 2013). The overlap of these two elements represented a very important stimulus for the changing media scenario and for the increase in the media efficiency and richness as well. The Internet confirmed itself as the key in this kind of change in that it combines modalities of television, print and radio into a single arrangement of text, graphics, images, audio and video and that’s why it is considered among the most powerful, responsive and customizable types of media.

There are also other communication technologies (like digital and high definition television, e-mail, virtual reality, etc.) which can embed a higher degree of technological progress: as a matter of fact, what really matters for a medium in order to be considered innovative is not the medium itself but the degree to which it can be classified according to variables (Lombard & Snyder-Duch, 2001) such as the following:

- number of inputs from the user that the medium accepts or to which it responds
- number and type of the characteristics of the medium that can be modified by the user
- speed with which the medium responds to user inputs
- degree of correspondence between the type of user input and the type of medium response.

As can be observed above, none of the variables is related to a characteristic of the medium as such, but each of them is always expressed as a function of the user response. The source of this type of innovation related to interaction arises therefore from the key role played by the user, which is perfectly described in the definition of interactivity given by Steuer (1992, p.84):

“the extent to which users can participate in modifying the form and content of a mediated environment in real time”. It can therefore be concluded that media are not inherently interactive: media only offer the potential for interaction, but in the end is the consumer who establishes whether interaction actually occurs (Pavlou & Stewart, 2000). As a consequence, it can be stated that interactivity is a feature more dependent on the consumer than on the medium; hence, research on interactive advertising should focus also, and more deeply, on the person to which the advertising is addressed, than on the medium through which the advertising is realized.

1.1.2 Research on interactive advertising: focus on the user

Embedded in the context of media professionals and advertising agencies, the revolution in IT established new ways of working, as professionals are nowadays able to elaborate contents on different platforms through the use of different channels simultaneously (Heinonen & Rozenveld, 2013). As a result of these changes, consumers are living surrounded by an abundance of promotional messages: the aforementioned media richness tends to charge greater cognitive efforts on customers who, as a result, choose to use only the media most suitable for them in the reception of such messages. Thus, perceptions and predispositions of the consumer have to be regarded as the starting point in any type of advertising activity.

In order to deepen the understanding of the customers, the role of presence can't be neglected: presence is defined as “a psychological state or subjective perception in which, even though an individual's current experience is generated by human-made technology, individual perception fails to acknowledge the role of technology in experience” (Lombard & Snyder-Duch, 2001). Starting from this definition, presence is therefore the convergence of two elements:

1. experience: the result of a person's interactions occurring in his/her environment
2. perception: the meaningful interpretation of experience.

Thus, the less the technology is regarded as intrusive and disturbing, and the more the experience it generates will be characterized by a positive and significant perception by the individual. The final goal of this right combination between experience and perception is therefore the achievement of the psychological state of presence, which represents the key factor in establishing a winning interactivity between the user and the medium: indeed, when presence is properly encouraged, its possible effects such as enjoyment, empathy, connectedness (including involvement, mutuality, engagement) are likely to occur as a result of the positive attitude provoked in the individual. This paradigm can be translated in the marketing context by considering the example of whatever advertising experience and the

customer to which the message included in the experience is addressed: as far as the combination between the message and the medium through which it has been delivered are suitable for the customer, she will perceive the advertising experience as enjoyable and pleasant.

Hence, the pursuit of the causal relationship between interactivity and presence should be contemplated as the focus for those who elaborate advertising experiences: the outcomes of this combination, enjoyment and persuasion especially, are primary goals in any advertising campaign.

1.1.3 Narrowing the definition of interactivity

The concept of interactivity has so far been contextualized with regard to both the medium and the user, but its range is so wide that many studies have tried to collocate it in a variety of other perspectives. It's therefore not surprising, as pointed out by Heeter (2000), that interactivity is an "overused and underdefined concept", given that everything involving an action made by an individual to or with objects in an environment can be called an "interaction" and the medium allowing for such interaction can be regarded as "interactive". As a result of this, given the complexity and the multidimensionality around this notion, scarce agreement is found on a precise set of theoretical and operational definitions of it. Moreover, much of the discussion around this concept is relatively recent, incited by the improvement in advanced interactive technologies, and in IT in general, as discussed above.

Because of these complexities, it is convenient to analyse interactivity first from a closer point of view (which entails its main dimensions), and to later move towards a larger framework (which entails its operationalization).

With regard to the former, interactivity can be decomposed in two main dimensions, namely transactional and structural dimension (Ko, 2002):

- transactional dimension allows for the classification of interactivity according to the type of transaction occurring in a communication process. Transaction may be person-to-person (e.g. in online discussions or forums with other individuals) or person-to-technology (e.g. clicking a series of hyperlinks as a voluntary decision to gather further information from a website): in both cases, there's an exchange aimed at inducing a variation in the knowledge or in the behaviour of at least one person.
- structural dimension allows for the classification of interactivity according to its major elements, which as Steuer (1992) suggests are: "speed" (the ideal interactive transaction takes place in real time), "range" (the number of possibilities for action within an

interactive transaction) and “mapping” (the way in which a transaction in a virtual situation is analogous to a transaction in a real one).

With regard to a larger framework for the analysis of the concept of interactivity, its operationalization should be considered. As previously mentioned, numerous studies have attempted to explain this concept from a variety of perspectives: in this research, the operationalization of interactivity will be the channel through which the notion will be narrowed down. In particular, the operationalization, and the possibility it offers to move from a theoretical to an empirical scenario, will allow for the exposition of the notion within a more practical and tangible context. As a consequence, the viewpoint chosen for this research will focus on the application of the concept of interactivity within the context of marketing, since that it's broadly supposed that interactivity can make advertising more effective (Johnson, 2000, as cited in Lombard & Snyder-Duch, 2001). Overall, goals of interactive advertising do not diverge substantially from the objectives pursued in traditional advertising: as a matter of fact, in this industry, interactive advertising often means merely advertising on the Internet (or “online” advertising) (Kaye and Medoff, 2000, as cited in Lombard & Snyder-Duch, 2001). What's really new in interactive marketing are the new possibilities brought by interactivity which allowed (and are still allowing) for a huge improvement in the advertising field: hence, in order to efficiently exploit and take advantage of them, the following paragraph will be committed to the exposition of these opportunities in details.

1.2 INTERACTIVITY: MAIN ELEMENTS

1.2.1 Feedback

At the basis of the potential opportunities brought by interactivity there's an interplay established between information and communication technologies (ICT) and the context in which they are introduced. Such interplay is properly explained in the description which summarizes the causal relationships existing among media, communication and practices given by Lievrouw & Livingston (2006, p.23): “the artefacts or devices that extend our abilities to communicate; the communication activities or practices we engage in to develop and use these devices; and the social arrangement or organizations that form around the devices and practices”. As a matter of fact, new media introduced by the revolution in IT technology demonstrated not to be just fads: even if they're only at the beginning of their growth, they're indeed already introducing huge changes in the marketplace organization (Hoffman & Novak, 1996) and, most of all, in the way communication occurs within it. These changes affect the

conversations customers have with their peers through channels like social media, websites, blogs, etc. and which foster unprecedented opportunities for people to discuss, seek out information, ask for advice from acquaintances and to influence others (Weber & Henderson, 2014).

However, also the interactions between customers and marketers have been affected: communication practices related to the marketing sector have therefore to cope with these changes. Consequently, research on interactive advertising should emphasize the dynamic process through which customers and advertisers integrate advanced technologies into their mutual communications. Customer service and technical support via emails, websites, live operators, chat bots, video-conferencing, webinars, social networks, etc. are only some examples of the communication realities occurring nowadays in the marketplace. Within the communication exchange paradigm, interactivity can indeed be defined as “the extent to which the communicator and the audience respond to, or are willing to facilitate, each other’s communication needs” (Ha & James, 1998, as cited in Ko, 2002): as a result, the consumer expressing her needs and the receiver of those needs enter into dialogue in a way that previously wouldn’t have been feasible. Hence, when dealing with interactivity, communication becomes two-way: the exchange arising from the interaction between senders and receivers establishes a dual flow of communication. This type of reciprocal exchange perfectly matches with another definition of interactive marketing as “the immediately iterative process by which customer needs and desires are uncovered, met, modified, and satisfied by the providing firm” (Bezjian-Avery, Calder, & Iacobucci, 1998). Interactive advertising therefore leaves traditional marketing behind, since that with previous types of mass media advertisers sent standardized messages at a target audience using mass means for their delivery, consequently establishing only a one-way communication.

Alongside the diffusion of two-way communication, two-way marketing perspective quickly became widespread as well: central to this perspective is the feedback loop (Heinonen & Rozenveld, 2013), arising from the mix of dialogue and interactions between senders and receivers and which results in advantages and opportunities for both parties. Marketers can indeed exploit different types of responses received from customers to improve their advertising messages and, as a consequence, strategically adjust the service or the product supplied. On the other hand, customers, through the use of an efficient and fast feedback, have the possibility to shape the production, reproduction and transformation of the present and future contents submitted (Pavlou & Stewart, 2000).

With regard to this feedback mechanism, research on consumers’ personality traits is becoming increasingly important, since interactive contents customizable for almost every single

customer due to the aforementioned advancements in the Internet technology. As a result, there are many different formats and media for presenting information to online consumers (Jahng, Jain, & Ramamurthy, 2002). Thus, feedback deals with the following issues:

- it may happen in a variety of different modalities (according to which actions are allowed by the design of the interactive system in use);
- it may be influenced by different propensities (according to the type of match emerging between the user and the advertisement).

With regard to the former issue, the ideal type of interactive content design is assumed to be the one embedded in a website, where the user, correspondingly to what attracts her the most, can opt for a series of decisions that she transmits in the form of actions. These actions are received in the form of feedbacks and later converted into precious information by the marketers; in such a way information are eventually used to develop a deeper understanding of the interests and needs the consumer is looking for to be fulfilled. The user's decisions on a website can take the form of: the ordered sequences of information; the time she wants to spend on that particular webpage; the degree of in-depth analysis she's looking for according to the number of related opened hyperlinks; the click on a particular banner; the decision to skip or not an advertisement; the choice to leave or not a comment; the response on a customer support service; and so on. A tangible example of this feedback cycle is offered by Apple and its menu item on iTunes labelled 'Provide iTunes Feedback' (Myhill, 2004). By actively looking for direct response from users while they're employing the software, Apple can observe closely and directly their needs; an interview or focus group would instead abstract such needs out of this context leading to feedbacks less sincere due to a lower degree of involvement. Another classical example is the usual final section of a website titled 'We value your feedback' where the user is asked to positively or negatively answer the question "Were you able to find the information you were looking for?".

With regard to the latter issue, dealing with the match emerging between the user and the advertising content, and which influences feedback loop, two features have to be taken into consideration. On the one hand, the first feature belongs to the user and is related to her psychographic personality orientation, to wit how she "mentally represents the world – whether the consumer thinks in pictures or in words" (Bezjian-Avery, Calder, & Iacobucci, 1998). "Verbal" persons tend to prefer their information to be presented in a verbal manner (i.e. via texts), while "visual" persons in a visual way (i.e. via images); each person's orientation can be measured and classified as relatively more visual or more verbal, for example by using the Childers, Heckler, and Houston scale. On the other hand, the second feature is related to the type of the advertising message, which can be more visual or more verbal.

Emerging from the combination of customer's psychographic personality orientation with the advertising content's "visualness" or "verbalness" (Bezjian-Avery, et al., 1998), there is the customer's attitude towards the message processing. Consumers differ significantly in their preference for various types and format of contents and in their ability to process them; as a result, they make decisions according to their information processing needs and capabilities (Jahng et al., 2002). For example, the research led by Bezjian-Avery, et al., (1998) confirmed that people scored higher on visual-processing styles tend to rate lower on verbal-processing and vice versa. This suggests that people with visual orientation are supposed to be more responsive towards visual advertisements, leading to higher immediacy in the reception of this type of promotional messages; the contrary happens to people with a more verbal orientation. The investigation on the attitude towards the message processing emerges from the need to better understand customers' individual characteristics in order to improve the design of the interactive environments, given that various information presentation styles have different impacts according to the type of online consumers (Jahng et al., 2002). The effectiveness of product information presentation richness is therefore contingent on the personality traits (in particular the psychographic ones) of online consumers. In order to investigate if a customer is supposed to be more visual or more verbal, and to address her the presentation of contents in line with her inclinations, the marketer should start from the feedbacks she gives.

Google Analytics is an extremely helpful tool in grasping many different types of feedbacks from users. Among the most important metrics it provides there is the 'Acquisition Overview' which contains details about the number of sessions, percentage of new sessions, bounce rate, average session duration, and more (Litwin, 2016). In particular, bounce rate is a very useful metric since that it computes the number of users entering a website and then leaving after viewing just a single page: a high bounce rate means therefore that the match between the user and the contents proposed is very low. Another relevant tool is the 'Behavior Flow', from where it is possible to follow the journey that visitors go through when they arrive at a website, step by step. By means of a simple flowchart, it can be monitored which pages are attracting the most hits, how many users exit at each stage, and the routes they take (Litwin, 2016): savvy marketing practitioners put this information into action and work to build stronger bridges to move users from one page to the next.

In this sense, feedback is important since that it helps the advertiser in the hard task to assess the match between consumer and promotional content and to accordingly adjust the latter. To the extent that marketing doesn't succeed in capturing feedback, of any type, it is not interactive by definition, regardless of the advertiser's medium employed (Pavlou & Stewart, 2000).

1.2.2 Information

One of the biggest differences between traditional and interactive advertising is the expansion in the range of information characterizing the latter: the numerous possibilities offered by technological developments, and in particular by the Internet, such as the diffusion of social media, cloud computing and mobile phones, allowed to obtain, rank and supply enormous quantities of information (Fortin, 1999, as cited in Ko, 2002). In the past advertisers were used to work under conditions of information scarcity, where decisions were taken with incomplete, poor quality or obsolete data. Nowadays the quality and the quantity of data continuously created, as well as the digitization of information, facilitate instead the conditions for information abundance (Bharadwaj, Sawy, Pavlou & Venkatraman, 2013): the massive amount of exhaustive, and often ready-to-be-analyzed, data brought a consequent increased value derived from information.

Information richness can be considered as a direct consequence of the media richness discussed earlier and put into effect by interactivity: within this scenario, a key role is played by the aforementioned feedback mechanism, a fundamental element in paving the way to elicit information from both consumers and advertisers through their interactions occurring over time. Users can indeed provide, as well as collect, significant information by searching and navigating through websites, leaving comments on webpages, making online purchases, subscribing on electronic newspapers or magazines, signing up for social media, using products and services embedding digital technologies (the so-called Internet Of Things), and so on. Marketers can in turn use these various types of information obtained from users to build specific databases in order to tailor their promotional messages to the customers and to improve future products and services (Pavlou & Stewart, 2000). Moreover, they can also exploit the intensity of search for information (e.g. estimated by click through rate) in order to assess the interest in a particular content or product and to facilitate consumer search for that interest.

Just to make an example of the quantity of data companies can gather, consider Netflix. In the third quarter of 2018 it had over 137 million streaming subscribers worldwide and the company gets data every time a user connects at a given time of day, makes a search, gives a rating, clicks play, pause, rewind or fast forward (Carr, 2013): all of this contributes to the storage of large and very detailed amount of information about its users. Netflix is however only one of the many pure-play digital companies that are nowadays exploiting information in order to improve and redefine their marketing activities: for example Google, through the combination of real-time data like a user's location information with her search history, can determine whether an ad showed on a user's smartphone during a Google search actually ended up in a store visit

(Baker, 2013, as cited in Erevelles et al., 2016). Furthermore, Amazon filed a patent for anticipatory shipping, thereby the company can leverage Big Data (such as order history, product search history, shopping cart activities) to forecast when a customer shall make a purchase and can start shipping the product to the nearest hub even before she actually concludes the order online (Banker, 2014; Ritson, 2014, as cited in Erevelles et al., 2016). These are only some of the examples of how advertising scenario has changed as a result of firms and industries becoming more and more digital, as well as strongly dependent on the mix of information, communication and connectivity.

1.2.3 Control

The relevance of information exchanges as a result of the interactions occurring between the customer and the marketer highlights the new role played nowadays by the former in the marketing field: the consumer is able to establish a tangible interaction with information, not merely a response to it (Pavlou & Stewart, 2000). Interactivity can basically be considered as the ability to control information (Bezjian-Avery et al., 1998): in an interactive environment, a customer can not only control the content of the interaction (requesting or giving information through the feedback mechanism previously explained) but can also control the presentation order of the information. Whereas in traditional advertising the arrangement is linear and the customer is passively exposed to information (such as TV and print), in interactive advertising she instead “actively traverses the information... [where] traversal means making choices at every branch point” (Bezjian-Avery et al., 1998, p.24). Indeed, when referring to an interactive search, the presentation of information resembles a branching tree, where the tree figuratively represents all the information available for a specific good or service and its branches denote the degree of details through which the knowledge about that content can be deepened. It’s the customer who decides the degree of breadth and depth of information search she is looking for, accordingly to her product interest and eventual product purchase. Consider for example the case of a manufacturer giving the description of a good: within an interactive environment, and consequently through an interactive search, consumers can obtain the degree of information they want. They can just stop at an overview of the product (ending the search at the first tree’s branch), otherwise they can go deeper and deeper in the exploration of the details about that product (expanding the search through numerous branches, such as product characteristics, price, availability in store, variants, etc.).

Thus, even if according to the design of the interactive system many ways of traversal are available, the major possibility for the users to traverse information is the hierarchical tree

organization, which seals the active role played by the user in interactive advertising. In traditional marketing the audience is passive, whereas interactive marketing tools engage the customer by allowing her to exert an influence on the creation of contents, thus turning her into an active part in this process (Wade, 2009, as cited in Huotari et al., 2015). An example of the active role played by the user could be found in the free format text consumers type into the search boxes of a company's website: smart firms take in large consideration such information since it shows what costumers are searching on their websites. Companies subsequently exploit this information to adapt other features of their web user interface and information arrangement such as their subject index, accordingly to what users typed into the search box. Overall, website statistics of various types, and particularly those related to search, illustrate a real impression of what consumers want from a company's website (Myhill, 2004). In this scenario, it is therefore not surprising to observe how the control of the information flow shifts from the marketer to the consumer (Pavlou & Stewart, 2000): the nonlinear search (i.e. hierarchical tree search) and retrieval process of information allow an almost unlimited freedom of choice and a strong sense of control for the users (Hoffman & Novak, 1996).

The recognition of the active role played by the consumer, alongside its ability to exert control over promotional contents, suggests that there's a need for a new paradigm for the description of the relationship between her and advertising. The typical research paradigm encompasses an exposure to some advertising messages followed by a customer's response, therefore focusing on the influence of the advertising on the consumer. Research that entails this perspective, according to which "advertising does something to consumers" (Pavlou & Stewart, 2000, p.64), consider marketing activities as an independent variable and the consumer responses as its dependent variables. However, this paradigm is incomplete in a more and more interactive context, given that it offers a limited insight into what the user does to and with advertising (Pavlou & Stewart, 2000): the recognition of its active role promotes the user from passive to active actor in the marketing process and therefore there's urgency for a new paradigm. However, the updated paradigm is not a brand-new one but just its reverse: the costumer will embody the independent variable of the model while advertising contents will be the dependent variables. By setting the user as the focus of this reversed paradigm, her goals assume a strategic positioning as well. Since goals provide an organizing framework for consumer behaviour, the peculiar purpose triggering a customer's pursuit of information will set the search process and determine how she interacts with an advertiser (Pavlou & Stewart, 2000). Starting from the independent variable (i.e. the user and her goals), the dependent variables (i.e. advertising contents) are therefore set accordingly: contents are provided as a result of the types of

information perceived to be appropriate by users for achieving a particular goal and about which they will be most interested.

The methods by which consumers are able to shape media contents in ways that serve their motivations are an expression of the control exerted (Swanson 1987, as cited in Ko, 2002). User's goals and motivations are therefore key components of this process and they have to be carefully taken into consideration: based on previous exploratory factor analyses and studies, a variety of motivational factors for justifying audience's interactivity was found. However, the motivations encompassing all these factors are fundamentally two, to wit:

- information motivation, i.e. the extent to which users seek for resourceful and helpful information (Luo 2002, as cited in Ko, 2002);
- entertainment motivation, i.e. the extent to which users seek fun, amusement or excitement (Lin 1999b, Ko, 2002).

These motivations are in turn resulting from two types of media usage orientations, i.e. instrumental and ritualized: instrumental orientation refers to a purposive use of media contents to seek information, whereas ritualized orientation indicates using a medium to consume time or to escape from current problems (Rubin, 1994, as cited in Ko, 2002).

Such a theoretical development provides a better way to figure out audience activity, since that the pursuit of a deep understanding of the consumer and her goals is every marketer's focus while creating and delivering any advertising content: customer analytics discussed in the following paragraphs will be the means through which this understanding could be eventually achieved.

1.3 INTERACTIVITY: MAIN CONSEQUENCES

1.3.1 Big Data consumer analytics

Nowadays it is possible to gather data from almost everywhere: emails, texts, searches, product reviews, recommendations, customer service records, and more. As previously discussed, the progresses in both the media employed and the active role played by the customer indeed paved the way for the collection of large quantities of data: as a result, information can be collected through unstructured digital channels like social media, smartphone applications and an ever-increasing stream of objects embedding digital technologies (the so-called IOT or Internet Of Things, which includes not only an interconnection of things but also an exploding digital network of people and data). It's no wonder that, according to a survey of more than 3.000 business executives, managers and analysts conducted by MIT Sloan Management Review, in

collaboration with the IBM Institute for Business Value, about the 60% of the respondents said their companies had more data than those they know how to use effectively (LaValle, et al., 2011). The explosion of these new types of information coming from individual consumers is known to everyone as “Big Data”, where “Big” stands for the major feature characterizing these data, i.e. their volume. However, the novelty doesn’t lie only in the size, but also in the speed of these data available today. In order to understand this second key dimension of Big Data, i.e. velocity, a comparison between traditional US census data and current consumer data gathered by a clothing retailer may be helpful. The latter knows at any given time the number of transactions occurring, the characteristic of every product purchased (both in store and online), what its customers are saying about it thanks to comments posted on blogs or on social media. Both types of information, census data and Big Data, are therefore very large, detailed and providing insights but only the latter allow marketing executives to take real-time and evidence-based conclusions. Companies without the same source of up-to-date data would unlikely be able to make the same considerations (Erevelles, et al., 2016). As a consequence, the introduction of Big Data in the marketing field can be considered as a sort of revolution (the so-called Big Data revolution) potentially able to bring completely new ways of comprehending customer behavior and developing marketing strategies. Nevertheless, “without reliable analytics, Big Data is a big nada” (Weber & Henderson, 2014, p.327): what really makes data useful is the ability to analyze them in such a way to detect the right signals amid a lot of noise and to apply the found insights to business decisions.

The challenge for companies is therefore represented by the pursuit of the best way to get value from those data and to gain a sustainable competitive advantage in the marketplace: however, looking for business value in clicks, shares, swipes, and pins is easier said than done (Weber & Henderson, 2014). In order to better understand this “new path to value” (LaValle, et al., 2011) and to successfully travel it, organizations should take into account also another significant dimension characterizing Big Data, i.e. their variety (or their high degree of complexity). Among the differences between traditional data and contemporary Big Data there’s indeed the shift from structured transactional data to unstructured behavioral data (Integreon Insight, 2012, as cited in Erevelles et al., 2016). Transaction records, like those generated when using a credit or a loyalty card, are considered as “structured” since that data can be collected into traditional numerical databases. Conversely, data considered as “unstructured” are more complicated in the form since that they include both textual data (e.g. texts, searches, reviews, blog postings, etc.) and non-textual data (e.g. videos, images, audio recordings): storage and management in traditional ways it is therefore not possible. Hence, to take advantage of Big Data, companies are asked to bring order in the unstructured data by turning them in a more structured, numerical

and ready-to-be-analyzed form through the use of some specialized physical resources, like software or platforms (Weber & Henderson, 2014).

As a matter of fact, a resource-based framework is necessary to help companies in recognizing the specific requirements that such a unique resource as Big Data necessitates and in subsequently streamlining their organizations around it. Indeed, Big Data is a one-of-a-kind resource which in turn needs other resources (physical, human and organizational) to be organized accordingly. In the context of Big Data, physical resources are made up of software or platforms that a company needs in order to collect, classify and store data, given the large amounts of information continuously streaming in real time from many different sources (Davenport, Barth, and Bean, 2012, as cited in Erevelles et al., 2016). Human resources include data scientists and strategists holder of the know-how to capture insights from consumer activities, as well as to manage and extract information from Big Data. Finally, organizational resources deal with the structural arrangement within the company that allows it to transform the resulted insights into action.

1.3.2 How digital business strategy impacts on marketing activities

The organizational resources necessary to successfully exploit Big Data require firms to change their arrangement to efficiently act on the aforementioned insights and to compete in the highly dynamic marketplace (Viaene, 2013, as cited in Erevelles et al., 2016). Companies are asked to rethink how to combine IT infrastructures with the business processes around them, as well as to gain a digital agility to react rapidly to changing ecosystem conditions (Bharadwaj et al., 2013). Managers can no longer rely only on the resources they have assembled to provide their existing competitive position. In contrast, they must own and leverage the so-called ‘dynamic capabilities’, i.e. the skills belonging to a company able to combine resources in new ways by gaining additional ones and disposing of the superfluous ones, and to do this repeatedly and rapidly over time (Daniel & Wilson, 2003).

Dynamic capabilities have been largely used by companies due to Big Data revolution, and its widespread effects on IT infrastructures, business strategies and, in general, organizational arrangements. During the last three decades, the prevailing view of IT strategy has been that of a functional-level strategy that must be aligned but fundamentally subordinate to the firm’s chosen business direction: yet, the post-dotcom decade boosted a sense of urgency to rethink the role of IT strategy. Given the key position taken by digital resources and its pervasiveness in almost every functional area of a firm, IT strategy necessarily moved from an isolated functional level to a more involved and widespread arrangement. In such a way, IT strategy

merged with the whole company's business perspective by introducing an all-embracing phenomenon known as "digital business strategy". Bharadwaj et al. (2013, p.472) define it as the "organizational strategy formulated and executed by leveraging digital resources to create differential value". When digital infrastructure and business strategy are joined together, the company develops a rapid scaling ability which allows it to dynamically adjust its digital resources as changing conditions may demand. The only way to keep the three gears together – data, insights and timely action – is indeed to let the overarching business purpose always be in view (LaValle, et al., 2011). Pioneer in doing so is Amazon: through the launch of its Amazon's Web Service (AWS), the company decided to enlarge its typical e-commerce strategy by embracing cloud computing services as a key digital resource. In a context of traditional strategy, Amazon's core business (i.e. e-retailing) and web services may be overall regarded as an unrelated portfolio. On the contrary, thanks to a more nuanced understanding of the effects of digital technologies, it is possible to recognize and map the underlying existing linkages among online retailing, the role of hardware (Kindle) and web services (AWS). Thus, Amazon is just one of the many companies continuously adjusting and fine-tuning their corporate strategies to take advantage of the on-going developments in hardware, software and Internet connectivity. Just to mention few other examples of how digital transformations influence businesses, it could be examined also Sony's digitized product architecture in game consoles and televisions; GE's healthcare devices connected to the Internet to provide remote real-time patient assistance; Nike's digitized product development supported by Apple's iOS (Bharadwaj et al., 2013).

The parallelism between business strategy and digital resources which leads the company to a data-driven mindset can clearly be applied also to marketing operations. The choice of a firm of locating the Chief Information Officer (CIO) next to the Chief Marketing Officer (CMO) in its organizational chart reflects the importance it gives to data in driving marketing results, as well as its employment of dynamic capabilities in responding to the insights obtained from the data collected. As previously discussed, the collection of data is indeed meaningless without an appropriate use of them: making a proactive use of insights deriving from Big Data means being able to capture in real-time the relevant customer data gathered across different channels (activity whose CIO is in charge of) and translating such data in timely and focused advertising actions (activity whose CMO is in charge of) (Weber & Henderson, 2014).

An example of this process is given by the concept of "consumer analytics", which denotes the confluence of Big Data and consumer behavior. Data supply behavioral insights about consumers, while analytics indicates instruments helpful in discovering hidden patterns in those data. Consequently, Big Data consumer analytics can be defined as "the extraction of hidden

insight about customer behavior from Big Data and the exploitation of that insight through advantageous interpretation” (Erevelles et al., 2016, p.897). The final goal of consumer analytics is therefore the creation of value for the company. The achievement of an advantage over competitors can be potentially gained in each of the traditional marketing mix variables, i.e. place (e.g. Amazon’s anticipatory shipping), promotion (e.g. use of geospatial data to deliver specific promotional messages), price (e.g. a pricing strategy varying in accordance with consumer demand like the rate and timing of ticket sales) and product (e.g. Ford’s product innovation and design realized using data deriving from sensors and remote app-management software installed in its vehicles) (Erevelles et al., 2016).

1.3.3 Customer profiles: walking in consumers’ shoes

Signal-to-Noise Ratio (or SNR) is a ratio used in science and engineering to compare a level of signal power to a level of noise power, often expressed in decibels: the higher the signal, the higher the ratio. Yet, it can be used in wider terms to describe the level of valuable information with regard to off-topic data in a discussion or whatever communication exchange among people. It can therefore metaphorically be concluded that when a company fails in seizing and proactively using data it owns a low SNR towards its customers, in the sense that it is losing the opportunity to fully comprehend what they are saying (Ting, 2013). Example of low SNR in the exchanges between company and customer can be found in every sector: CNN not providing to a user frequently visiting the website targeted contents based on previous readings or browsing history; Facebook showing a sponsored post for “The Hobbit: Kingdoms” mobile game to a user who’s not a fan of The Hobbit nor a mobile gamer; Target sending SMS mobile coupons even when the user didn’t click on one in months; American Airlines not tweeting back to a user’s tweet about a delay or, worse, not realizing the tweet was maybe from a long-standing AAdvantage Gold member, and so on; these are all tangible examples of what often happens in reality.

Companies which, despite the potential benefits, fail in the efficient management of large quantities of information about what their customers are saying, doing, or buying on websites, in retail, and across social media aren’t employing analytics-driven insights. They’re still embracing the traditional “spray and pray” marketing techniques, by diffusing marketing messages out to anyone and everyone and hoping that the right someone will be reached. Among the secret weapons available for companies to finally give up on spray and pray techniques and strategically define data-driven marketing activities, there’s the combination of data about consumers which leads to the creation of detailed profiles. Customer profiles have

been implemented as a remedy and online businesses progressively recognize their vital role in understanding the audience (Lai, Liang and Ku, 2003; Adomavicius & Tuzhilin, 2005).

A customer profile is a collection of information that gives a description of the customer (Adomavicius & Tuzhilin, 1999). In particular, customer profiling concerns creating a profile using relevant and available information to depict the characteristics of an individual customer and to pinpoint discriminators from other customers. Customer profiles can be gathered starting from two sets of information, namely factual (or static) and behavioral (or dynamic) (Adomavicius & Tuzhilin, 1999). Factual information deal with specific data about the consumer, including name, surname, age, gender and other demographics details: these are usually captured through explicit feedback, a method for collecting information in which customers are openly asked to register their details on a website by means of an online questionnaire. As a matter of fact, research shows that questionnaires are the most commonly used method to start creating a customer profile (Ntawanga et al., 2008).

Nevertheless, just gathering usual demographics data like age, gender, occupation, income, residence, nationality, etc. through fixed or subscription formats it is not enough anymore: potential benefits supplied by Big Data have to be employed to their fullest. Thus, behavioral (or dynamic) customer profile information which model the online behavior of the customer have to be collected too (Ntawanga et al., 2009). Indeed, in order to make a step forward in the profiles creation, businesses often establish partnerships with data companies like Epsilon, Insight, and Datalogix: the venture combines the large records of the latter with the more detailed and restricted information of the former (Ting, 2013). In such a way, traditional demographics are merged with wider data about customers, like:

- social CRM, which gathers what they are saying: what are your customers telling about your products and services in social media? What are their brand sentiments?
- brand interaction history, which gathers what they're buying: what is the last product a consumer purchased? How often does she buy? What are her favorite products?
- social interest graph, which gathers what they're liking: what interests do they share on social media channels? Who is in their network and is sharing similar interests?

The process of customer profiling is on-going since that once customer profiles are created the information they include are stored and continuously updated to capture possible changes.

By profiling customers, marketing practitioners may first of all more wisely push contents and experiences to their audience (Ting, 2013). Contextualized and personalized contents that reflect the individual customer's behavior, preferences, current situation have long been a dream for marketers, and Big Data, together with advanced analytics, are now making this dream come true (Weber & Henderson, 2014). Moreover, consumer profiles allow advertisers to improve

the concept of Customer Lifetime Value (CLV) which, building on previous definitions, is the discounted profit stream obtained from the customer: such definition was therefore based only on a customer's purchases (Rust, Ambler, Carpenter, Kumar, & Srivastava, 2004). However, the creation of detailed customer profiles, and the shift from transaction- to relationship-oriented marketing, showed the way for more attention on the concept of CLV by better involving customers and engaging them in the long run and with purpose (Hogan, Lemon and Rust, 2002, as cited in Rust et al., 2004). With the propagation of social media, CLV should indeed take into consideration also the influence each customer exerts over social networks and how much that influence drives other users into a transaction with a specific brand. Moreover, customer profiling shows the way for mechanisms enabling the overlap between profile and content, as Chapter 2 will show, consequently causing also an increase in customer retention, loyalty and company's sales (Lai et al., 2003). To judiciously cut through the noise marketers should therefore have a 360-degree view of the audience by listing customer profiles as rich as possible (Ting, 2013).

1.3.4 Segmentation: a misleading paradigm

The elaboration of detailed customer profiles is an essential step towards the dismissal of the homogenizing representation of consumers as masses, but it is only one among the many modern marketing practices and contemporary strategies aiming at a proactive use of the ever-increasing flows of customer information. The constant growth in the volume of data coupled with the rising analytical power of experts and technological devices endowed customer databases with a strategic importance in the process undertaken by every company, i.e. value creation. For each individual, the firm can potentially exploit thousands of transactional data in addition to detailed demographics, psychographics and geographic information. However, the consequential massive "informatization of consumers" (Zwick & Knott, 2009) is not just a matter of achieving a deeper understanding of them and their preferences, but also of rearranging the gaze of marketers. Since early 2004, even A.G. Lafley, Procter & Gamble CEO from 2000 to 2009, recognized the urgency for this rearrangement by stating the "need to reinvent the way we market to consumers. We need a new model"(Neff, 2004). Lafley was very broadminded, since that it is evident how nowadays some of the fundamental paradigms of marketing have been broken and reconfigured, above all segmentation.

At the basis of the fallacies of this 'as is' and largely employed method to segment markets there are some flawed assumptions which riddle it with; shoehorning customers into restricted and predetermined subsets like age, gender, income, etc. in the attempt to bring order to large

and unstructured quantities of data is among them. Marketers try to understand the needs of representative customers in those segments and then hope that the others will conform their needs to match those of the average consumer in their same demographic segment (Christensen, Cook, & Hall, 2005). The segmentation paradigm therefore lies in an overrated optimism of marketing professionals and in their emphasis on the pursuit of an ordered fragmentation of information.

A tangible case of misleading segmentation dealt with the effort of a fast-food restaurant's marketers to improve the sales of its milkshakes (company and product were disguised in the *Harvard Business Review* article which reports the case) (Christensen, Cook, & Hall, 2005). The market segmentation was developed by profiling the demographic of the most frequent milkshake purchasers; within this segment, researchers subsequently investigated in order to elicit the basic milkshake features (thickness, tastes, price, etc.) that, according to the panelists, had to be improved. However, once the feedbacks were gathered, and the consequent improvements were implemented, no change in the milkshake sales was recorded. Then, a new approach was chosen by one of the researchers: more than focusing on the customer segments, he opted for studying of jobs those customers were trying to accomplish while consuming a milkshake. In order to do so, he reported all the actions and the behavioral variables around which the purchase of the milkshake was executed, such as when each milkshake was bought; what other products were purchased together with it; if customers were alone or not; if they consumed the product within the restaurant or in their cars; and so on. It resulted that the majority of the milkshakes (almost the 40%) was purchased in the early morning, mainly by customers alone, who didn't buy anything else and consumed the good by driving off with it in their cars. Yet, at other times of the day, a completely different type of customers purchased the same good, to wit parents who often bought milkshakes for their children in addition to complete meals. The researcher therefore tried to approach more closely these two segments by interviewing them separately in order to understand what caused them to buy a milkshake. From the interviews gathered from the morning customers as they left the restaurant, the researcher observed that the job most of them was fulfilling with that purchase was to make the drive more interesting while facing a long and boring commute; the milkshake was the most appropriate good to be consumed in order to prevent hunger till midday and with only one free hand while wearing work clothes. On the other hand, parents declared to buy the good since they wanted to placate their children's desires for a sweet dessert at the end of the meal and they were exhausted from repeatedly having to say "no".

As a consequence, strictly linked with these two very uncorrelated jobs to be fulfilled, there were two pretty distinct customer segments as well: the improvements initially made to the

milkshake didn't trigger any sales increase since that they were executed on a supposed one-size-fits-all type of milkshake. Instead, when marketers indiscriminately asked individual consumers (who hired milkshakes for either a job or the other) feedbacks, they made the mistake to average the responses gathered from the whole targeted demographic segment; thus, they ended up delivering a one-size-fits-none type of milkshake. By focusing on the largest segment, i.e. the morning customers, a new milkshake more in line with its the necessities was developed through improvements made to its thickness (in order to make it last longer and consequently make the commute job less boring) and to its tastes (like the addition of small pieces of fruit to boost a dimension of unpredictability to the monotonous morning milkshake). Through these two small but very significant perfections, company's milkshakes gained market share against those of the competitors.

The milkshake instance is only one among many other similar cases of misleading segmentation occurred. Harvard marketing professor Theodore Levitt used to conceptualize this issue with a metaphor: "People don't want to buy a quarter-inch drill. They want to buy a quarter-inch hole!" (Weber & Henderson, 2014). By looking at the market from the customers' point of view, it's clear how they just need to get a job done; and, in order to do so, they hire products which can do that job for them. The marketing professionals' task is therefore to be not too much focused on their perspective (the drill) but to set as primary goal the detection of the job underlying every customer's purchase (the hole).

However, as can be deduced also from the example in the article, it is not possible to escape categorization entirely (Prey, 2018). The studies conducted by the researcher in the restaurant are similar to any other type of segmentation, with a difference dealing with the starting point: marketers wrongly chose demographics as key variable to categorize the purchasers, instead of emphasizing more peculiar variables like the time slot of purchases, the correlated purchases, the place of consuming, and so on. Therefore, even if the segmentation paradigm is correct, particular attention has to be paid on the boundaries to be applied to the audience; otherwise its solutions may be misleading and not appealing to the customers. In order to do so, it is clear how it is necessary to seize the job underlying every customer's purchase also on a large scale in each marketing activity. Big Data consumer analytics are again essential tools for advertising professionals: the production of meaning, or more accurately the creation of detailed customer knowledge, can be performed with data assemblages from each firm's digital material stored in the information machine (Zwick & Knott, 2009). Moreover, this transformation of massive amounts of market information into actionable consumer intelligence requires the deployment of highly sophisticated analytical tools and statistical techniques, both very often data companies' area of expertise. In such a way, consumer behaviors can be made available as

coded, standardized, and manipulable data which can be more easily studied and become known to the marketers (Zwick & Dholakia, 2018). These latter consider nowadays marketing practices as increasingly enabled by interactive technologies: through their employment it is indeed possible to closely track consumers' behaviors thanks to the improvements made in both consumer discipline and control, typically expressed as upgraded market segmentation and targeting capabilities (Zwick & Knott, 2009). As a matter of fact, with an appropriate use of such technologies, advertisers no longer have to take decisions based on "aggregated facsimiles of artificially homogenous consumer segments, nor do consumers have to suffer the inefficiencies inherent in that model" (Zwick & Dholakia, 2018). Indeed, the audience-as-abstraction is a relic of the past (Prey, 2018): the development of more precise marketing analytics and techniques, which will be described in the next chapter, provide the advertising industry with real insights into who they are actually trying to engage (Blakley, 2012, 2016, as cited in Prey 2018).

1.4 INTERACTIVITY: WHAT LIES AHEAD

Chapter 1 provided an overview of the issues linked with interactive advertising. Its aim was that of supplying a background for the development of the three dimensions fostering engagement according to this research and which will be analyzed in Chapter 2. As a consequence, in order to deliver a more complete framework for the dissertation about the effectiveness of the promotional message, some of these topics will be largely employed and deepened also in the following section.

As a matter of fact, subsequent paragraphs will lean on themes already investigated in this chapter, in particular:

- the feedback loop, an essential element for the assessment of the correct match between consumer and promotional content;
- the motivational factors justifying audience's interactivity, to wit information and entertainment motivation (emphasis will be put on the latter);
- Big Data consumer analytics, the starting point in paving the way for a deeper understanding of the customer;
- the customer profiles, and their key role in eliciting the information necessary to provide a winning overlap between user and contents.

CHAPTER 2

“TRIUNE ENGAGEMENT: INTEREST, COMPENSATION, ENTERTAINMENT”

2.1 INTEREST AS THE MEAN FOR GRABBING CUSTOMERS’ ATTENTION

2.1.1 Moving towards a deeper customer understanding

Theodore Levitt’s metaphor cited in Chapter 1, according to which consumers are not interested in a quarter-inch drill but in a quarter-inch hole, paves the way for the urgency to give a deeper look at the large and mostly misunderstood world of consumers’ needs. Marketers tend to visualize them as “itches customers want to scratch” (Weber & Henderson, 2014) and they can be physical or psychological, as well as active, emerging, or latent.

In order to get into the world of the customers and among the prerequisites necessary to stimulate their interest, there’s the urgency to “don’t sell them services, but sell them solutions” (Safani, 2019, as cited in Forbes Coaches Council, 2019). Potential customers, or prospects, are indeed less interested in what a company does and more interested in how a company can fix their problems. As a matter of fact, they may be not interested in a product, but they will always be interested in themselves (Hoffman, 2019). Among the efficient ways to encourage the prospects’ interest there’s the attempt of helping them in visualizing what problems they will solve if they use a specific product or service and creating a vision of what will happen to them once they buy it. Consider, for example, Nike’s catch phrase “Just do it”, or Burger King’s “Have it your way”: both phrases don’t tell exactly what the relative companies sell, they just tell what a customer can do with the goods they sell (Hoffman, 2019).

With this regard, advertising can play a fundamental role, as managers at Unilever’s Asian operations found out during a market research executed for the launch of a microwavable soup initially called ‘Soupy Snax’ (Christensen, Cook, & Hall, 2005). The product’s job was to boost the productivity of many office workers who, at around 4:00 in the afternoon, ran out of physical and emotional energy. However, despite highly specific features, the product sales were mediocre (Christensen, Cook, & Hall, 2005). Brand managers therefore opted for the re-launch of the good with more emphasis put on both the advertisements (which showed tired workers reinvigorated after consuming the soup) and the product itself (which was renamed ‘Soupy Snax - 4:00’). These two changes led the workers to understand how the soup perfectly matched with their office lives. By watching the employees in the spots, workers were actually mirroring

in a situation that happened to them every day. The example of Soupy Snax confirms the assumption according to which “people buy benefits” (Tracy, 2019): they may initially not be willing to buy a company’s product, but once they understand the beneficial results that good will give them (i.e. once they understand that product is relevant to them), they eventually elaborate the necessity of that product’s purchase.

Linked with the necessity to clarify what problems a product is trying to solve, there’s also the prerequisite of being highly clear and specific in the product’s presentation. Highlighting one or two main benefits a good is trying to deliver assists the prospect in the process of exactly comprehending why she should need and be interested in that good (Tracy, 2019). Presentation plays a key role since that often customers don’t even realize they need something until they are presented with it (Tom, 2019, as cited in Forbes Coaches Council, 2019). Among the obstacles causing this issue there’s habit formation. A research from Duke University estimated that habits, rather than conscious decision-making, mold 45% of the choices made every day (Duhigg, 2012). Thus, as the ability to evaluate data keeps growing, the push to understand how daily habits influence customers’ decisions is becoming a priority for marketing researchers. With this regard, it can be considered the case of ‘Febreze’, among P&G best-seller products. In the mid 90’s, P&G researchers tried to create a product with the function of eliminating bad smells, a sort of liquid that could be sprayed on a smoky blouse and make it odourless by magic. However, sales started small and ended up even smaller. Further studies focused in the re-launch of the product were conducted and only after many in-depth interviews, a breakthrough came when researchers examined the case of a woman who declared to use Febreze not to cover specific smells but only “for normal cleaning – a couple of sprays when I’m done in a room. Spraying feels like a little mini celebration when I’m done with cleaning” (Duhigg, 2012, p.8). The key for the re-launch of Febreze was therefore to give a new presentation of it, by attaching the product to a habit loop already in place. Within two months, sales doubled: consumers therefore could get an advantage from that spray, but they didn’t know how to get it yet. Only through a new presentation of the product’s benefits, the attention of the customers was eventually stimulated.

Moreover, in order to grasp prospects’ attention, it is highly recommended for a company to work for their best interests (Biro, 2019, as cited in Forbes Coaches Council, 2019). As a result, caring about a potential customer as another human being and establishing with her a collaborative approach, may be helpful in showing her how much she matters and in making her feel involved. A customer-centered company is able to develop a strong and sustainable customer orientation, considered as a critical element to business profitability (Donaldson, 1993; Narver & Slater, 1990, as cited in Nwankwo, 1995), a necessary antecedent of

competitive advantage (Ganesan, 1994; Williamson, 1991, as cited in Nwankwo, 1995) and a hallmark of successful business (Hall, 1992, as cited in Nwankwo, 1995) by numerous studies. In order to evaluate where an organization is positioned on a customer-orientation continuum, the firm should include the following features:

- clear ideas about customers and their needs;
- feedback systems enabling it to reach its customers and vice versa;
- concern for market pluralism by considering customers not as a monolithic but as highly heterogeneous group (Nwankwo, 1995).

All of these characteristics lead a company to the development of a proactive sensitivity towards its customers: for example, by integrating their interests into its decisions mechanisms, the firm can reach a high level of customers' consciousness (Nwankwo, 1995). This applies to British Airways (BA) which, in view of its "customer first" campaign, tried to learn what factors customers considered most important in travelling by air through a survey data. The company discovered that it had never deliberately thought about two of the top four factors resulting from the surveys. Indeed, alongside the not surprising results of care and problem solving, also spontaneity (the ability to accommodate a customer's individual need by breaking out of the routine systems) and recovery (the ability to get back after a mistake has been made) were stressed. Thus, by taking a proactive stance in customer service, BA achieved a reputation as the world's favourite airline (Fulmer and Goodwin, 1988, as cited in Nwankwo, 1995). For a company, building trust by being reliable, credible, available and knowledgeable is indeed a critical and essential step in encouraging both customers and prospects to come around (Katsivo, 2019, as cited in Forbes Coaches Council, 2019).

2.1.2 Mind the connection gap: developing a proactive customer orientation

Sales are located " at the corner of 'I have a need' and 'I'm ready to act' " (Feiner, 2019, as cited in Forbes Coaches Council, 2019). Both factors, i.e. the necessities and the readiness of the customers, have to be matched not only in order to seize audience attention, but also to *keep* such attention in the long run. On the contrary, in case of mismatch, only a 'shooting star' effect will be prompted, therefore leading customers' interest to be turned off very fast. Companies therefore have to take into consideration both customers' necessities and readiness, and to engage honestly with customers by investigating if, together with a need to be satisfied, there's also a readiness to satisfy it. Neglecting the pursuit of both factors may lead companies to make the mistake of investing in the wrong market opportunities. In order to do so, marketing practitioners therefore have to be really careful with regard to *what* customers state as important

to them, since that audience may often misreport the underlying significance of their actual necessities (Zorfas & Leemon, 2016). In this respect, it may be considered the case of Google Glass's first version (sadly remembered among the biggest technology flops in history according to *The Telegraph*, 2017). Indeed, among the many issues that riddled its launch with, there was a badly misreading demand for the glasses: despite the really fashionable concept that kept pace with consumers' increasing demand for constant "information at their fingertips or, in this case, eyeballs" (Roth, 2018), once the product was introduced it was considered creepy and excessively expensive. Just to make an example, in the UK Google halted the production of the 1,000£ glasses early in 2015, few months after having launched it. The mistake made by Google, and similarly by many other firms throughout the years, was putting too much emphasis on the likely profits that product would have generated, rather than investigating if the market was actually ready for that product. Such fallacy translates in the inability to "distinguish between velocity and direction: velocity deals with likely sales, direction with customers' general attitudes about the product. Many companies get the cart – the velocity – before the horse – the direction" (Zaltman, 2003). The fallacy was clearly a direct consequence of the 'shooting star' effect previously mentioned, resulting from an insufficient check of the match between both customers' necessities and readiness.

Thus, in order to "mind the connection gap" between customers and marketers, the latter should go beyond *what* customers say by focusing more on *why* they say so (Magids et al., 2015). As a result, by integrating data on what consumers are doing with knowledge about why they're doing it, advertisers may yield new insights into consumers' needs and how to best match them (de Swaan Arons, van den Driest, & Weed, 2014). An ad-hoc intersection between data and human behavior was accomplished by Nike with the launch of NikePlus (or Nike+). The set of personal fitness services embedded in the program incorporates sensor technologies included in running shoes and wearable devices that connect with the web, apps for smartphones and tablets, in this way merging training programs with social networks (de Swaan Arons et al., 2014). By recognizing the larger aspirations and motivations behind their customers' purchases of running shoes and sportswear, Nike is not only helping them to achieve their fitness goals and enjoy an active life, but it is also delivering a 360 degrees interactive experience (Weber & Henderson, 2014). Indeed, in addition to track running routes and times, Nike+ allows the users to: receive real-time motivational feedbacks, connect with Facebook in order to link users to their communities of friends, choose a high-energy song from their playlists, obtain personalized coaching programs that monitor their progress, post their accomplishments on social media and compare them with others in the Nike+ community. Nike therefore fully understands that, by incorporating their customers' stories into its commercial proposals, it is

harnessing the most compelling advocates for a business: satisfied customers (Weber & Henderson, 2014).

Thus, it can be concluded that the success of Nike+ experience arises from the ability of the company to stimulate and maintain customers' interest in the long run by: investigating if the customers' necessities and readiness are matched; developing a caring approach towards customers' aspirations and motivations; delivering an interactive and highly connected experience. In particular, this latter element is remarkably meaningful in providing the positive results obtained by Nike+, given the highly competitive scenario in which businesses nowadays operate. For example, when Julie Fredrickson and Chelsa Crowley recognized that a lot of makeup usually goes unused, they launched in 2016 'Stowaway Cosmetics' with the purpose of revolutionizing the cosmetics industry by offering smaller and right-sized products. However, they had to face a crowded industry. "I'm not Kevin Costner, this is not 'Field of Dreams'" said Stowaway Cosmetics CEO Fredrickson, referring to the 1989 movie in which Costner's character lives by the motto "If you build it, they will come." In the real world, Fredrickson says, "we need to go where people are" (Holmes, 2016). It is indeed not surprising that, in order to stimulate prospects and customers' interest, companies have to be highly engaged in delivering an efficient and complete online presence. As a result, marketing practitioners suggest companies to enhance their presence in blogs or social media channels by supplying continuously updated contents (Harbour, 2019). Indeed, by being exposed to an audience as large as possible through online channels like Facebook, Instagram or Twitter, a company is not only able to reach existing prospects but also to acquire new ones. Online interaction can be improved by routinely publishing helpful and interesting posts; incorporating attention-grabbing titles and relevant keywords that individuals commonly type into a search bar; including a comments section to encourage topic discussions and questions; offering visitors the opportunity to receive instant updates by a newsfeed in case they provide their email addresses (Harbour, 2019).

2.1.3 Giving customers what they're interested in

Stimulating a customer's interest is impossible without knowing who is the customer that a company wants to reach. Therefore, a company has to fix its value proposition by answering questions like "does my product solve a problem that a person is willing to spend money on?" and simultaneously ask itself who is the person who would most likely buy that product (Jacobson, 2019, as cited in Forbes Coaches Council 2019; Tracy, 2019). Thus, clearly defining the customer is an essential step in knowing her to give her what she's interested in.

As showed in Chapter 1, the essential prerequisite for the definition of the customer is represented by a complete delineation of her profile, gathering two sets of information, namely factual (or static) and behavioral (or dynamic). Nowadays, database marketing represents a powerful mean in the delineation of customer profiles, given its ability to gather, merge, update and translate data coming from customers' actions in accordance with the necessities of the companies. These latter indeed have to face the "increasingly mobile and seemingly capricious" nature of the customers (Zwick & Knott, 2009). As highlighted previously, customers can be regarded as mobile entities since that nowadays, for each individual, thousands of transactional data in addition to detailed demographic, psychographic and geographic information are made available to marketers (Zwick & Knott, 2009). Nor consumers' fickleness is surprising; advertisers often have to cope with the fragmented and heterogeneous needs of customers, which cause strong difficulties in grabbing their attention. Being aware of these two peculiarities requires companies to develop more interactive, exclusive and deeper relationships with customers. This urgency therefore paved the way for the rise of database marketing and its positioning as a powerful competitive weapon for firms (Zwick & Dholakia, 2018). Enhanced by the decreasing costs of IT, data storage systems and analytical power, database marketing emerged as a strong response to the increasingly important relationship between customer databases, modern marketing practices and contemporary strategies of information accumulation (Zwick & Knott, 2009). As a result, database marketing is defined as "the use of customer databases to enhance marketing productivity through more effective acquisition, retention, and development of customers" (Blattberg, Kim & Neslin, 2008, p.4, as cited in Zwick & Dholakia, 2018). The huge and finely targeted quantity of data stored in databases are usually managed by customer intelligence companies featuring among their employees both technical staff and business staff (Zwick & Dholakia, 2018). Such companies make continuous investments of time and money to keep the amount of customer data stored in their databases growing as well as maintaining their accuracy and relevance (Zwick & Dholakia, 2018). By doing so, they're able to speed up the process of decoding, recoding, and communicating information to their clients, which are mainly companies owning specific marketing goals but little technical expertise to achieve them. The work of data technicians, analysts and data miners lies therefore at the core of the marketing activities empowered by databases, recognized as technologies of knowledge production (Blattberg, Glazer & Little, 1994, as cited in Zwick & Dholakia, 2018).

Databases are able to store every new interaction between a system and the users, thus causing the necessity to capture consumer activities ubiquitously and in minute detail. For this reason, database marketing can be acknowledged as a central site of flexible accumulation process in

information capitalism. It is precisely the fast-changing information that holds the most value (Virilio, 1995, as cited in Zwick & Dholakia, 2018) and that pushes the logic of flexible value creation which database marketing can provide to companies. This is mainly due to the continuous obsolescence of previous data, causing the fact that the ‘signified’ (the consumer subject) and the process of ‘signification’ (targeted marketing interventions) always influence each other, thereby resulting in an on-going variation of data flows. In this scenario, data mining techniques constantly change as well because the mathematical algorithms used to analyse or recode customer behaviours is always under construction (Zwick & Knott, 2009). As Cheney-Lippold (2011, 2017, as cited in Prey, 2018) demonstrates, the ‘algorithmic identity’ of a user is never conclusive, but rather performed into being through the user’s actions (Prey, 2018). Nowadays, a complete delineation of the customer has therefore necessarily to take into account all these elements: the huge and finely targeted quantity of data, the on-going interactions between a system and the users, the value of fast-changing information that a company can’t neglect, the necessity of organizing all these information through algorithmic identities. By taking into account these elements, companies can achieve success in the attempt to understand who are their prospects, what really stimulates their interest, and, in this way, convert them into customers.

Both online music streaming services Pandora and Spotify exemplify good examples of businesses pursuing these objectives. “Now Playing. You” was Pandora’s slogan for one ad campaign. As a matter of fact, the only way for grasping the attention of an individual lies in the relevance the company gives to the individual itself. Such relevance is translated in the company’s ability to focus on what really matters to the consumers, i.e. their interests, and to offer a service tailored according to such interests (Lai et al., 2003). In particular, for online platforms like Pandora or Spotify, individuals’ distinct tastes and preferences constitute the pillars of their businesses and therefore the algorithmic identity (or individuation (Prey 2018)) of their customer is feasible and necessary. Determining the musical identity of a user is an essential step for the correct functioning of these platforms. Pandora’s content-based recommender system is powered by a massive music database called the ‘Music Genome Project’, organized by musical traits, the so-called ‘genes’ (Prey, 2018). The ‘genes’ are highly detailed characteristics assigned to each song enabling the platform to identify songs containing similar traits. Once the algorithmically chosen song begins to play, the listener is able to give it a thumb up if she likes it, or a thumb down if she doesn’t. Through this continuous feedback, Pandora can gather lot of insights about each user’s tastes.

Differently from Pandora, Spotify opted for the improvement of its music data analytics capabilities through the purchase in 2004 of ‘The Echo Nest’, a Boston-based data analytics

start-up, which employs acoustic analysis software to process and classify music according to multiple aural factors (Prey, 2018). The start-up indeed developed a preference analytics and visualization tool called ‘Taste Profile’ which is a dynamic record of a user’s musical identity. Every interaction between the listener and a musical item – including the listener’s music tastes (selected artists and songs) and behaviours (favourites, ratings, skips, and bans) – is captured and recorded in real-time. As Spotify’s website claims: “That time you skipped Britney to hear The Beatles. That time you played “Young Dumb & Broke” 117 times in a row. That time you made a Road Trip playlist with your friends. Every swipe, search, skip, and shuffle tells us a story about our audience” (Spotify For Brands, 2018).

Moreover, since both Pandora and Spotify also generate revenues from advertising, they need to precisely target advertisements at listeners to increase the overall effectiveness of their platforms. This is particularly the case for Pandora Internet Radio, in which advertising typically accounts for around 80% of its yearly revenues, as only a small part of listeners subscribes to the ad-free version of the service (Pandora Internet Radio, 2017). Pandora’s former chief scientist Eric Bieschke indeed told *The New York Times* that ‘It’s becoming quite apparent to us that the world of playing the perfect music to people and the world of playing perfect advertising to them are strikingly similar’ (Singer, 2014, as cited in Prey, 2018). As a matter of fact, the internet radio service brought longstanding advertising industry practice of customers’ profiling to a higher level in which the target segments are multiplying and the categories are fluid (Prey, 2018). For example, in late 2013, for the creation of two audience segments, to wit Hispanic and Spanish-speaking listeners, Pandora cross-referenced third-party data with its information about users’ listening habits. Indeed, starting from US census data, the company was able to locate zip codes with a high percentage of Hispanic residents. This information was later cross-referenced with Pandora users’ registration data to figure out which listeners fit into this ethnic category. In this way, the online platform was able to detect among all its listeners only the Hispanic ones. Using data science, the listening habits belonging to this pool of users was later “projected intelligently across the user base of 250 million plus listeners on Pandora” (Joe, 2014). The radio service was therefore able to exploit the online listening behaviour of an ethnic segment (i.e. Hispanic) to discover a similar, for tastes and music preferences, category (i.e. Spanish-speaking).

Thus, as stated also in Chapter 1, in creating customer profiles the role of demographics (and static information in general) is downplayed. Updated tracking devices whereby the companies may categorize users on the basis of their preferences and interests are necessary. That is, Spotify website declares: “The more they stream, the more we learn. User engagement fuels our streaming intelligence — insights that reflect the real people behind the devices. These real-

time, personal insights go beyond demographics and device IDs alone to reveal our audience's moods, mindsets, tastes and behaviors" (Spotify For Brands, 2018). Thus, constantly learning about improvements or new options that might benefit customers means being responsive to their needs and proactive in bringing new ideas to the table. Indeed, gathering and engaging with customer's feedback is a key feature to customer retention for any business (Gadsby, as cited in Khoubian, 2018).

Marketing professionals in turn dictate how the users' preferences and tastes will be reflected back to users themselves in the form of advertisements. For example, in advertising-dependent services usually brands are allowed to sponsor playlists, and this is exactly what happened when Spotify announced its brand partners the introduction of 'Branded Moments' in October 2016. The online music streaming platform promised to leverage its data and insights (in particular those related to the context) in order to identify in real time what a listener was doing and give brands the opportunity to 'own that moment' (Spotify for Brands, 2016a, as cited in Prey, 2018). Such moments were arranged around six contexts ('chill time', 'workout', 'party', 'dinner', 'focus', and 'sleep') chosen by Spotify so that brands had 'the opportunity to reach listeners in all aspects of their day' (Spotify for Brands, 2016b, as cited in Prey, 2018). Bacardi, Gatorade and Bose were among the big brands selected due to their match with the contexts: Bacardi on 'Party', Gatorade on 'Workout', and Bose on 'Chill'. As reported by *Advertising Age* on the launch, the drink-maker Bacardi sponsored party moments to introduce its 'We Are the Night' campaign. By exploiting Spotify's robust data, the company was eventually able to identify nine different party people which were placed into categories (with names like 'brave shirts', 'glow gals', and 'last train sprinters'). Furthermore, different Spotify video advertisements were addressed to each type of partier (Sloane, 2016, as cited in Prey, 2018).

Spotify and Pandora developed efficient mechanisms able to precisely define customer profiles according to music tastes, given that songs are the core elements of their value propositions. However, the same reasoning can be applied to any another type of company aiming at the solicitation of its customers' interest by merging their interactions with the system and by taking also in consideration their personal tastes. The individual's interests' elicitation is therefore the first necessary step to be made by a company aiming at the engagement of a customer.

2.2 COMPENSATION AS THE MEAN FOR MAINTAINING CUSTOMERS' ATTENTION

2.2.1 The decreasing marginal utility of money

Seizing the individuals' interests is necessary for the company in order to relate with an audience made up of prospects, i.e. potential customers. This is made possible through the overlap between customer's profile and company's content previously discussed. However, once a user's interest has been elicited and exploited in order to grab its attention, further actions have to be triggered along the path towards customer engagement. Once the prospect's attention has been achieved with the solicitation of her interest, it is therefore necessary for the company to maintain such attention also in the long-run. For the purpose of keeping the user's attention high, a compensation mechanism can be considered as a valuable mean.

Compensation, rewards and remunerative mechanisms of whatsoever kind, are just declinations of a broader and overarching concept, i.e. money. Consumers handle the law of diminishing marginal utility by consuming quantities of numerous goods (Kenton, 2018) and money is not exempt from this law. Hence, when dealing with money, it is not possible to neglect one of its key characteristics, i.e. its diminishing marginal utility.

'Diminishing marginal utility of income' suggests that as income increases, individuals gain a correspondingly smaller increase in satisfaction and happiness. Marginal utility is derived as the change in utility as an additional unit of money is gained; utility is an economic term used to represent satisfaction or happiness. In few words, this proposition states that the effect on subjective well-being of an increase in real income becomes progressively smaller and smaller (Easterlin, 2005). Thus, the marginal utility of income declines as income increases (Layard, Mayraz & Nickell, 2008). Similarly, in the context of remunerative mechanisms aimed at maintaining customers' attention in an engagement perspective, the utility or the satisfaction consumers may get from monetary incentives will be subjected to this diminishing trend.

Few generalizations in literature enjoy such a wide-ranging support as that regarding the fact that "wealth is subject to a law of diminishing happiness returns" (throughout the chapter the terms money, income and wealth will be used interchangeably) (Veenhoven, 1991, p. 10; cf. also 1989, pp. 15–18; 1993, p. 127, as cited in Easterlin, 2005; Diener & Biswas-Diener, 2002). As a matter of fact, a flourishing area in the social and behavioural sciences is concerned with the effects of income on Subjective Well-Being, or SWB (Diener & Biswas-Diener, 2002). Scholars in several fields, such as psychology, sociology, economics, and political science, brought contributions to the resolution of the question whether money make people's happiness increase or not (the terms SWB, happiness, life satisfaction and utility are used as synonyms) (Diener & Biswas-Diener, 2002).

The diminishing returns generalization in literature is based on a simple bivariate comparison of happiness or life satisfaction with income without controls for other variables (Easterlin, 2005). As a matter of fact, in order to determine the causal pathways of income on SWB, several

studies examined how the relation survives controlling also for other variables that might underlie the relation. The resulting findings suggested a direct relation of income with SWB that is not due to many other variables (Diener & Biswas-Diener, 2002). Therefore, a bivariate cross sectional approach is typical of the literature generally (cf. Argyle, 1999, p. 536; Frank, 1997, p. 83; Inkeles, 1993, p. 15; Lane, 2000a, b, p. 61 as cited in Easterlin, 2005).

This analysis led to the discovery of a strong cross sectional evidence of a curvilinear happiness-to-income relationship. Based on this relationship, the path that happiness follows is represented by a curve initially growing together with income, that eventually, once a specific income threshold is reached, becomes flatter and flatter (see Figure 1).

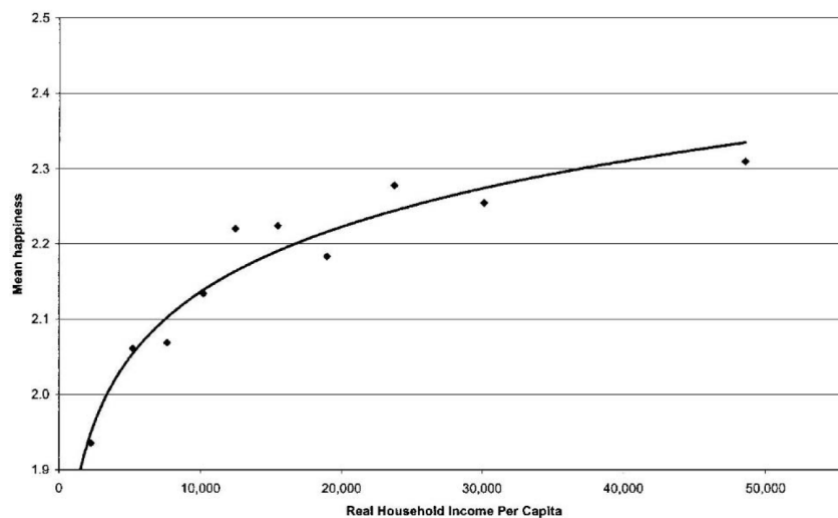


Figure 1. Happiness and per capita income, United States, 1994. Source: Davis and Smith, 2002, as cited in Easterlin, 2005.

Figure 1 reproduces the curvilinear bivariate relationship between happiness and income in the United States in 1994. The happiness data used throughout this section have been gathered with a direct question used since 1972 in the US General Social Survey, or GSS (Davis and Smith, 2002, as cited in Easterlin, 2005). The question asked was: “Taken all together, how would you say things are these days – would you say that you are very happy, pretty happy, or not too happy?” (National Opinion Research Center, 2003, p. 179, as cited in Easterlin, 2005). The responses were later scaled from “very happy” = 3 to “not too happy” = 1, and a mean happiness was computed for income groups (‘Mean happiness’ is on the y-axis, while ‘Household Income’, converted to a per capita basis to give a better idea of the change in material living level, is on the x-axis). The cross-sectional analysis was based on 1994 data because of the great total number of observations (n = 2636) and the wide income span. The regression equation (t-stat in parentheses) for the curve in the figure is:

$$H = 0.1255 \ln(Y) + 0.9804,$$

$$(10.0259) \quad (8.2516)$$

$$\text{Adj. } R^2 = 0.917$$

The coefficient on income is significant and, consistent with most cross-section generalizations in the literature, implies diminishing marginal utility of income (Easterlin, 2005). Thus, as per capita income increases within the range covered in the cross sectional analysis, happiness fails to reproduce over time such increase, following instead a flat path (Easterlin, 2001).

Questions of validity and comparability of the respondents' replies may arise. With regard to the former issue, findings resulting from studies conducted by psychologist Ed Diener (1984, as cited in Easterlin, 2001) and sociologist Ruut Veenhoven (1993, as cited in Easterlin, 2001) concluded that subjective indicators as those used by the GSS, although not perfect, do reflect respondents' fundamental feelings of well-being ("the measures seem to contain substantial amounts of valid variance" in the words of Diener, 1984, p.551, as cited in Easterlin, 2001). With regard to the comparability issue, the research led by psychologist Hadley Cantril resulted in the discovery that, although each individual is free to define happiness in his or her own terms, the kind of things mostly cited as shaping happiness are for most people much the same. Cantril analysed 14 countries and material circumstances, especially level of living, were mentioned most often (by about three-fourths of the population) (Cantril, 1965, p. 162, as cited in Easterlin, 2001). Consequently, probably because most people everywhere spend most of their lives doing the same types of things, the research resulted in a similarity in feelings about the sources of happiness giving credence to their responses' comparison (Easterlin, 2001).

The curvilinear bivariate relationship between happiness and income discussed above was referred to one year only, i.e. 1994, but such relation holds also by observing the pattern followed by happiness during a whole life cycle. On average, income, and economic circumstances in general, improve substantially up to the retirement ages. However, again, there is no corresponding advance in SWB, which in the long run confirms a flat and constant trend.

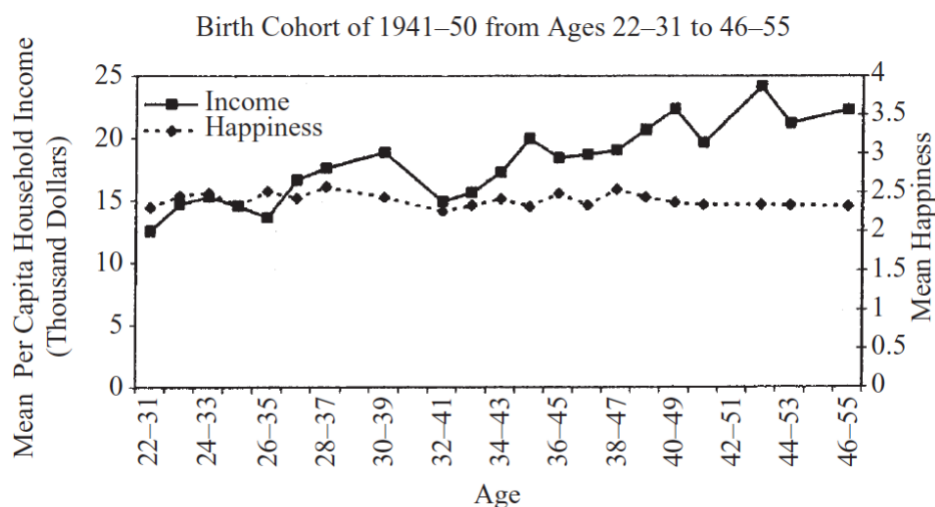


Figure 2. Happiness and Income over the Life Cycle. Source: Easterlin, 2001.

In Figure 2, the life cycle pattern is obtained by following a birth cohort (1941-50) over a twenty-four-year segment (age from 22-31 to 46-55) of its life span linking age data for successive years (Easterlin, 2001). In this ‘synthetic cohort’ approach, even if in the beginning income and happiness follow a similar path, on the long run they substantially diverge. As a result, there’s evidence of a lack of life cycle trend in happiness (dotted and almost flat line), while income (black line) shows a positive trend by getting close to retirement ages.

With regard to the trend in income, it is justified by the fact that, although it is expected to decline when people retire, in many cases they retain much the same standard of living because they have investments savings, as well as ownership of greater numbers of durable goods (e.g. a car and a house), fewer debts and no children to educate, that offset this decline (George, 1992, as cited in Diener & Biswas-Diener, 2002).

The lack of life cycle trend in the happiness stems from the fact that aspirations change to the same extent as an individual’s actual circumstances (Easterlin, 2003). Consequently, given that, as stated above, material concerns are reported by individuals as primary sources of happiness, they will play a key role in analysing SWB. Moreover, given that materialistic goals are assumed to increase together with income, new material aspirations will keep arising as previous ones are satisfied (Easterlin, 2003).

Similar but slightly different conclusions are those resulting from the study conducted by Institute for the Study of Labor (IZA) of Bonn in 2007. The research suggests that income *does* raise SWB, but only for a small period of time. Happiness will indeed be back at its usual level within an average time span of five years. This result is shown in Figure 3, wherein the top and thicker line denotes the trend in happiness and the down and thinner line represents the trend in income. Income trend is constant for the first two years, jumps at the beginning of year two, and remains constant thereafter (Clark, Frijters & Shields, 2007). At the time of the income shock, happiness also jumps. However, again, due to the gradual adaptation to the reference income and the increasing materialistic goals, happiness returns to its initial level by the beginning of year five. In this set-up, it may be possible to achieve greater happiness with a rising income (Clark, Frijters & Shields, 2007). However, the higher SWB will be only temporary given that even a continually rising wealth will be in the long-run offset by material aspirations. Therefore sooner or later, a flattish long-run relationship between income and happiness will be confirmed (Clark, Frijters & Shields, 2007).

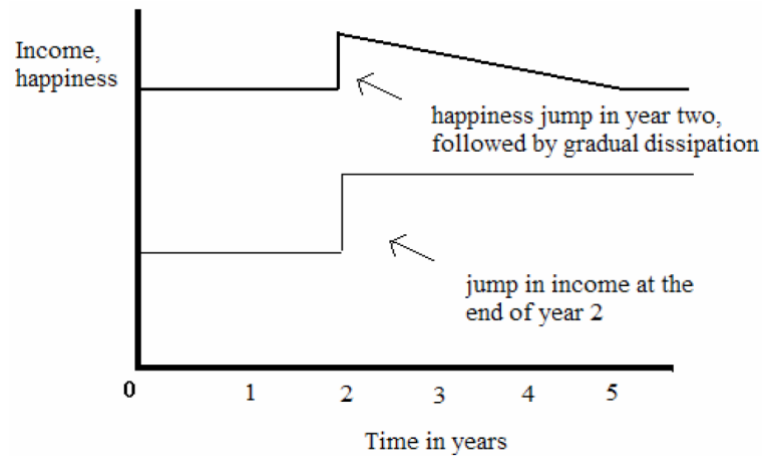


Figure 3. Change in happiness following an income shock. Source: Clark, Frijters & Shields, 2007.

The explanation for the horizontal trend in happiness involves taking into account both income and aspirations and how they vary at a point in time, as well as over time (Easterlin, 2001). In this perspective, Figure 4 helps understanding SWB (or utility, u) as a function of both income (y) and aspirations (or aspirational level, A).

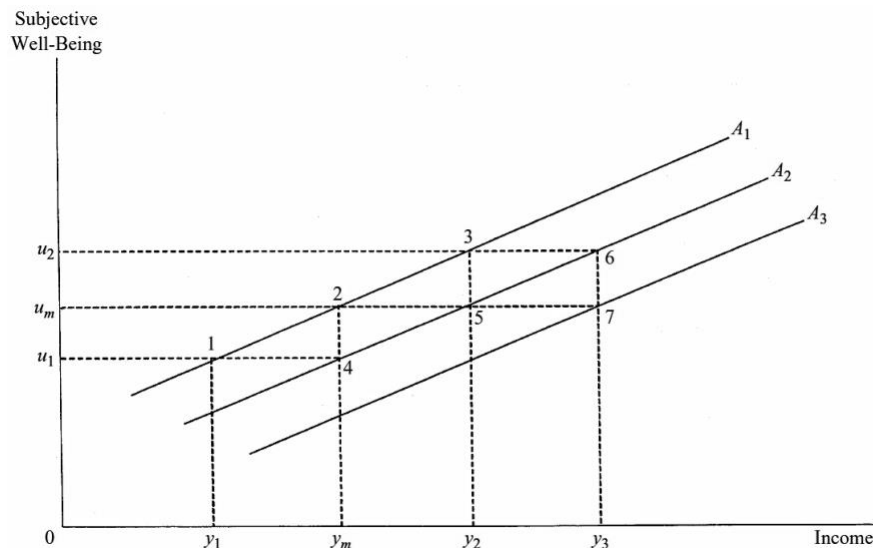


Figure 4. Subjective Well-Being (u) as a function of Income (y) and Aspirational level (A). Source: Easterlin, 2001.

At the start of the life cycle, studies confirm that individuals are assumed to have the same material set of aspirations. This initially common set of material aspirations is represented by the straight line A_1 . However, individuals with higher income will be able to better fulfil their aspirations and, other things being equal, will on average feel better off. Indeed, even if two individuals own the same set of aspirations (A_1), individual in point 3 (owning income y_2) gets a higher utility (equal to u_2) with regard to an individual in point 1 (owning income y_1) who gets a utility equal to u_1 (as can be observed also in the Figure, $u_2 > u_1$). This is not surprising, since that earlier cross-sectional analysis showed a curvilinear happiness-to-income relationship in which SWB, in the beginning, grows together with income.

However, over the life cycle, higher income categories are related to smaller increments of SWB. Indeed, material aspirations change and rise in proportion to income with roughly offsetting effects on well-being (Easterlin, 2001). Hence, an individual typically will move from point 2 to point 5, where both its income (from y_m to y_2) and its aspirations (from line A_1 to line A_2) increase (a movement of the line toward the right indicates an increase in the aspirational level). Why then, if both income and aspirations rise, aren't people able to enjoy an aligned rise also in their utility? As can be observed in Figure 4, the utility of the individual moving from point 2 to point 5 remained constant at the initial utility level u_m . The problem lies in the distinction drawn by economists and psychologists between 'decision utility' and 'experienced utility' (Kahneman et al., 1997; Tversky & Griffin, 1991, as cited in Easterlin, 2001).

When asking an individual now positioned in point 5 how well he was in the past (to wit when he was in point 2), he makes the mistake of basing his judgement on his current level of aspirations (A_2), and not on the lower level of aspirations (A_1) he actually had in the past. The individual therefore doesn't make his evaluation understanding that in the past he was in point 2. He instead thinks that his past situation is represented by point 4 (this mistake can be observed in the figure as a downward movement along the aspirations function A_2 from point 5 to point 4). Thus, he evaluates his past income (y_m) by comparing it with his new set of aspirations (A_2). In this way, he considers y_m as yielding the satisfaction level u_1 (point 4). Yet, when he owned the lower income level y_m , his material aspirations were also lower (his aspirations were on line A_1 and not on line A_2). As a result, he thinks he enjoyed in the past the lower utility level u_1 , but actually he enjoyed the utility level u_m . Briefly said, the individual, when asked about the past, thinks he was on point 4 (income y_m and utility u_1), but actually he was in point 2 (income y_m and utility u_m). In this way, he thinks he's happier now than in the past (since that $u_m > u_1$) but in reality no increase in his utility occurred (by moving from point 2 to point 5 the utility level is always u_m). The same reasoning holds for a future scenario.

Conclusively, decision utility is a kind of perceived *ex-ante* satisfaction associated with a choice among several alternatives. Instead, experienced utility is the satisfaction obtained *ex-post* from the outcome actually chosen (Easterlin, 2001). When asked about well-being in the past or in the future, the individual in point 5 (income y_2 and aspirational level A_2) is telling how he would feel *today* if he had different levels of income. In case he had the lower income level y_m he would feel worse off, while in case he had the higher level of income y_3 he would feel better off. This is his decision utility, which explains, for example, why he says he would not want to go back to an old lower-paying job (point 4) and why he may take a new higher-paying job (point 6). However, if he accepts the higher-paying job and his income goes up, his material

aspirations will rise too. Hence, when asked how happy he is once he actually gets income y_3 (that is, what his experienced utility is) he turns out to be at point 7, not point 6, and therefore no wished change in well-being occurred in reality.

2.2.2 Online remunerative mechanisms

In order to get an overall vision of the concept of money, alongside with a theoretical framework is necessary to consider also a practical point of view. As early as 1748, in his ‘Advice to a Young Tradesman’ Benjamin Franklin wrote “Remember that time is money”. Indeed, when products and services are acquired, consumers must necessarily also expend time for their consumption/utilization, since that any consumption decision inevitably involves some allocation of time (Jacoby, Szybillo, & Berning, 1976). However, time is a resource that is fixed at 168 hours per week, and it is accordingly often referred to as “the ultimate scarcity” (Howard and Sheth 1969; Jacoby, Szybillo, and Berning 1976; Linder 1970 as cited in Holbrook & Lehmann, 1981). For this reason, when dealing with consumption activities, specific costs suffered by consumers over and above the money paid to the seller of goods, such as the contribution of complementary resources including time, have to be taken into account too (Jacoby et al., 1976). For instance, some studies proposed that “the properly defined price with which the consumer is faced is not p , the market selling price, but $P = p + c$, where c is the opportunity cost of time” and may include both information search time and consumption time (Mincer, 1963, p. 68, as cited in Jacoby et al., 1976). Therefore, as an individual’s time budget is fixed, the decision to spend her time to participate in an activity necessarily affects her ability to be engaged in another one (Holbrook & Lehmann, 1981).

Moreover, given that time is a scarce resource and that money, as any other good, is subjected to decreasing utility, the user would prefer to be compensated for the time she spends in a particular activity rather than another one. Compensation is therefore a powerful lever leading to an incentive mechanism through which every user’s eagerness to spend more of her time in a certain activity may be enhanced.

In this way, compensation does not only improve a user’s eagerness to spend more time, but also the number of people willing to be involved in an activity. Indeed, as previously showed, material circumstances are mentioned most often by individuals as primary sources of well-being. As a result, remunerative mechanisms will very likely enlarge the number of users interacting with any system providing such incentives. Compensation may indeed act as an extremely valuable mean for pursuing both the goal of engaging a customer by remunerating her time and the number of customers to be engaged.

In particular, enlarging the number of users thanks to compensation is extremely helpful for the purpose of delineating precise customer profiles. As previously explained, the larger the number of individuals interacting with a platform, the larger the data gathered and the more defined will be the prospects' profiles, which are necessary for delineating accurate and detailed potential customer segments.

In the context of interactive systems, the diffusion of a plethora of mechanisms rewarding users expanded recently and quickly. For example, in order keep its customers returning to its business, a company can provide them incentives to visit its shop or website such as the offering of a coupon for a free item; the set-up of a rewards card system in its store; the possibility of free downloads of e-books or reports; the launch of time-limited offers, giveaways and printable coupons on social media channels (Harbour, 2019).

Moreover, many web surfers nowadays look for easy ways to earn money simply for being online, using the Internet. As a result, an ever-increasing number of "Paid to Surf" programs offer their members the possibility to earn money for doing various activities online (Farrington, 2018). In general, "Get Paid To", or GPT, website or app include every type of online platform embedding a remunerative mechanism. These types of websites or apps are currently very popular as they enable the user to earn money online by completing a wide variety of tasks and offers, like filling out forms, answering surveys, testing new website features, watching video advertisements, playing games, and so on (Coomes, 2018). However, among the most profitable opportunities offered by GPT websites or apps to its users there's the possibility to earn cashback on their online purchases.

Cashback mechanisms are significantly evolving, transforming the traditional mail-in rebates in a new internet service, and are also allowing for the development of a new business, the cashback webs (Ballestar, Grau-Carles, & Sainz, 2016). Specifically, cashback websites advertise cashback offers, which usually refund amounts equalling a percentage of the money spent, on behalf of cooperating retailers. Registered users looking for a particular offer navigate through the cashback website and later access the retailer's online store. For each referred purchase that takes place, the cashback company later receives a commission from the retailer and deposits the promised saving, or cashback payment, into the bank account indicated by the user (Vana, Lambrecht, & Bertini, 2015). A cashback website is therefore a portal rewarding users by the visit that they realize to the web of their retailers. Thus, the relevant agents are (1) the cashback portal (which presents the offers to the costumers), (2) that portal's network of affiliate merchants, and (3) the consumers (Ballestar et al., 2016).

Several online platforms like ebates.com, mypoints.com, and jellyfish.com, function this way, collecting from retailers on every sale and allocating a portion of their revenue back to the

consumer in the form of coupons, cash back incentives, or rewards in general (Chen, Ghosh, McAfee, & Pennock, 2008). Typical deals are anywhere from 1% to 5% cash back, with some retailers offering more than that (Taylor, 2018). KidStart is a cashback platform paying 2% on Amazon purchases. It also gives up to 4% on Next, 3% on John Lewis and 2% on Asos for existing customers. However, it pays 2% on Debenhams, compared with up to 6% at alternative platforms like Topcashback and Quidco. Hence, it's up to the customer to do a comparison (especially if making a big purchase) among the cashback websites available and then opt for the one most fitting with its interests and its willingness to spend money (Luthra, 2018). Also cashback websites should therefore be able to know their buyers in details, through the creation of precise customer profiles matching with their preferences and tastes. The more coupons, cash back incentives or rewards overlap with customer's real necessities, the more the so-called "repurchase effect" pursued by cashback websites is likely to occur.

The repurchase effect influence customers' behaviours in the sense that cashback payments increase the likelihood of repeated purchases and their amount thanks to the additional reward it delivers to the purchaser (Vana et al., 2015). Cashback payments indeed increase not only the likelihood that a customer shops again through the cashback company's website, but also the amount spent by that individual (Vana et al., 2015).

Rewarding customers may be motivating because it contributes to make a person feel more involved due to the possibility to get a compensation. Instead of saying "Here's why you need to buy XYZ today", which seems like an imposition, a slogan should say "When you buy XYZ today, we'll also give you \$1,500 in additional bonuses to be spent", in this way encouraging the customer's interest and curiosity in discovering XYZ's promised benefits (Stewman, 2019, as cited in Forbes Coaches Council, 2019).

Customer rebates (coupons) are therefore relevant in the sense that they can serve as a strategic tool to keep consumer loyalty and engagement, since that consumers derive utility from their shopping experience (Lee & Tan, 2003, as cited in Ballestar et al., 2016). This advantage can serve to improve profitability in the market allowing for enduring relations between companies and costumers (Ansari & Mela, 2003, as cited in Ballestar et al., 2016). Compensation, and the incentives it is riddled with, helps therefore to establish the right motivation for customers to buy again (Ballestar et al., 2016). In this sense, it is strongly intuitive the MSI (Marketing Science Institute) working paper titled 'Cashback Is Cash Forward: Delaying a Discount to Increase Future Spending' (2015). Indeed, the paper shows broad evidence about the possibility that, alongside the predictable positive impact of a cashback offer on initial demand, the cashback payment following a purchase with delay also induces further expenditure and engagement with a company (Vana et al., 2015).

2.3 ENTERTAINMENT AS THE MEAN FOR CONFIRMING CUSTOMERS' ATTENTION

2.3.1 Overview on entertainment

Typically, a content can be engaging because users have utilitarian experiences with it, in the sense they believe it provides information to help them make important decisions. However, a content can be engaging also because of the tendency for leisure and entertainment to prompt high levels of interest and involvement by providing users with “intrinsically enjoyable experiences” (Calder, Malthouse, & Schaedel, 2009, p.322; Holbrook & Hirschman, 1982b). It is therefore necessary to acknowledge that there's more than one possibility to confirm the level of customer attention towards a content in the long-run and that, for this purpose, different options may be realized by offering distinct kinds of gains to the user (Calder et al., 2009). Hence, alongside the direct forms of compensation (i.e. material gains derived from money) that a prospect can derive from the remunerative mechanisms previously discussed, also some indirect forms have to be mentioned, i.e. those deriving from entertainment. In the attempt of confirming customer's attention, entertainment has therefore necessarily to be considered, given the indirect forms of reward (i.e. immaterial gains derived from leisure) it may provide. In the same way observed for compensation, but through different forms of incentives, the path towards customer engagement indeed inevitably cross also the entertainment road.

In Chapter 1, not surprisingly, the motivational factors for justifying audience's interactivity were basically information and entertainment motivation. These two types of motivation stem from the fact that every interactive system contains varying levels of information content, but also varying levels of hedonic characteristics (Richard & Chebat, 2016). As a matter of fact, researchers questioned the hegemony of the information perspective on the ground that it may neglect important consumption phenomena including various playful leisure activities, sensory pleasures, aesthetic enjoyment and emotional responses (e.g., Olshavsky and Granbois 1979; Sheth 1979; as cited in Holbrook & Hirschman, 1982b).

Online entertainment is part of the hedonic characteristics of a system and it is referred to the extent to which users look for fun, amusement, arousal, enjoyment or excitement on it (Lin 1999b, as cited in Ko, 2002). It blends interactive functionalities with amusing contents including live video streaming, video chat communications, multi-player gaming, music and videos streaming. It can also be merged with social networking services in order to deliver a more immersive, interactive and engaging content consumption experience through social channels (Card, 2011). As a result, two different forms of online entertainment can be identified

(Trepte & Reinecke, 2010, as cited in Reinecke, Vorderer, & Knop, 2014). The first form, the so-called “entertainment 1.0” (Trepte & Reinecke, 2010, p. 216, as cited in Reinecke, Vorderer, & Knop, 2014), refers to the role of the Internet as a channel of distribution for traditional entertainment contents (such as entertaining news, video clips posted on sharing platforms such as YouTube, streaming services such as Netflix, and so forth). These forms of non-interactive online entertainment merely use the Internet as a content carrier. Moreover, other more interactive forms of the “Web 2.0” (O’Reilly, 2005, as cited in Reinecke et al., 2014) provide new forms of media enjoyment through self-presentation and content-creation accordingly referred to as “entertainment 2.0” (Trepte & Reinecke, 2010, p. 217 as cited in Reinecke, Vorderer, & Knop, 2014). With this regard, three modalities of social media use broadening entertainment experience on the web can be identified: a) the consumption of content (e.g. reading postings from other Facebook users), b) participation (e.g. responding to content posted by other users), and c) production (e.g. posting self-created content or status updates) (Taddicken, 2012, p. 200, as cited in Reinecke et al., 2014). In this way, users visiting websites for entertainment have also the possibility to enlarge their experience by interacting with others by commenting, reading comments made by others, sharing contents, receiving notifications about activities on the network, accessing the site through an app, etc. (Weide et al., 2011).

Generally speaking, people are entertained when an experience interests them and gives them some amount of pleasure, therefore entertainment can be defined as including every activity dealing with “escaping, or being diverted, from problems; relaxing; getting intrinsic enjoyment; filling time; getting emotional release” (1983, p.82-3, as cited in Calder, Malthouse, & Schaedel, 2009). In a broader perspective, consumption behaviour can be therefore seen as involving not only utilitarian but also hedonic benefits (Bridges & Florsheim, 2008). The hedonic perspective therefore is not a replacement of traditional theories of consumption but rather an extension of their applicability (Holbrook & Hirschman, 1982a).

Hedonic value is defined as being “more subjective and personal than its utilitarian counterpart and resulting from fun and playfulness” (Babin et al., p.646, as cited in Bridges & Florsheim, 2008). Hedonic behaviours belonging to the leisure domain provide enjoyment through a steady ‘flow’ of fantasies, feelings, and fun. The concept of flow, occurring during internet navigation, is extremely important in that it is characterized by a seamless sequence of responses which are: facilitated by machine interactivity; intrinsically enjoyable; accompanied by a loss of self-consciousness; leading to a sense of playfulness (Hoffman & Novak, 1996). Consistent with Hoffman and Novak’s (1996) proposal, a user’s perception of interactivity has therefore to be enhanced to provide greater perceived interest and control. These, in turn, have to be improved since that encouraging users’ interest leads to their enjoyment, which eventually is translated

in positive affect, arousal, perceptions of space and time distortion, playfulness and, most important, heightened involvement (Bridges & Florsheim, 2008). The general conclusion is that when consumers are more emotional-responsive to a content, they are also highly engaged with it (Calder et al., 2009).

Some studies have indeed suggested that true leisure means high involvement or total absorption in an activity. As a matter of fact, when individuals approach leisure, they may get so involved to enter a microcosm distinct from daily life (Foote 1966; Gordon, Gaitz, & Scott 1976; Piaget 1962; Riesman 1963, as cited in Unger & Kernan, 1983). Some authors have described this experience as an escape from reality, while others deemed it as an interlude from the ordinary, resulting in broad support for the existence of an escape dimension in leisure (Dumazedier 1974; Berlyne 1969; Stephenson 1967; Hawes, Talarzyk, & Blackwell 1975; Hollender 1977 as cited in Unger & Kernan, 1983).

Contents included within the leisure framework are strongly correlated with the affective expectations customers elaborate on the basis of the emotional experience they foresee to receive (Wilson et al., 1989; Muller et al., 1991; as cited in Ladhari, 2007). Starting from the definition of emotion as “an intense and stimulus-specific affect state” (Gardner, 1985 as cited in Ladhari, 2007), consumption emotions may be referred to “the set of emotional responses elicited during consumption experiences, as described either by the distinctive categories of emotional expression (e.g. joy, anger, and fear) or by the structural dimensions underlying emotional categories (e.g. pleasantness/ unpleasantness, relaxation/ action, or calmness/ excitement) (Westbrook & Oliver 1991, p.85, as cited in Ladhari, 2007).

In order to approach affective aspects of consumption, the emotional responses most relevant to the leisure domain are pleasure and arousal. Pleasure stands for the degree to which a person feels good, contented, or joyful in a situation, whereas arousal is regarded as the degree to which a person feels excited, stimulated, or active in a situation (Mehrabian & Russel, 1974, as cited in Ladhari, 2007). In marketing, pleasure and arousal have been demonstrated to affect attitudes in a variety of customers’ responses, such as their hedonic and utilitarian value, overall satisfaction, spending level, willingness to buy and responses to advertising (Olney et al., 1991; Donovan & Rossiter, 1982; Sherman et al., 1997; Machleit & Mantel, 2001; Chebat & Michon, 2003; Yüksel, 2007, as cited in Ladhari, 2007).

2.3.2 Mapping gamification’s key features

As seen above, flow is a “state experienced by people who are deeply involved in a pleasant activity” (Richard & Chebat, 2016, p.3). Flow is therefore a necessary condition for online

experiences to be positively evaluated as entertaining (Karat et al., 2002). Moreover, among the most pleasant activities existing, a relevant element is for sure represented by play which, “even in its simplest forms, is more than a mere physiological phenomenon or a psychological reflex. It is a significant function – that is to say, there is some sense to it. In play there is something "at play" which transcends the immediate needs of life and imparts meaning to the action” (Huizinga, 1951, p.1). As a result, adding a gamified layer to an action not inherently playful, is seen as a means of supporting user engagement and enhancing positive patterns in service use (Hamari, Koivisto, & Sarsa, 2014).

Taking the essence of games – fun, play, design and challenge – and applying it to non-game contexts is widely recognized as ‘gamification’, i.e. “a process of enhancing a service with affordances for gameful experiences in order to support user’s overall value creation” (Huotari & Hamari, 2012, p.19). Every gamification platform has therefore necessarily to include the *a priori* condition of fun, given that it is precisely the “fun-element” (Huizinga, 1951) that characterizes the essence of play.

The enactment of gamification implementations in business appears to be gaining acceptance also because investments in the software programs show high returns as well as greater user engagement and monetary results (Conaway & Garay, 2014). In particular, it is worth noticing that gamification techniques may be used by organizations both internally (to motivate employees in their performances) and externally with customers (to entertain and enlarge the customer base) (Conaway & Garay, 2014). The latter type of implementation has been strongly harnessed for purposes of marketing since that it has increasingly become a vehicle for a customer to engage with a company (Conaway & Garay, 2014). For instance, Bunchball (which defines itself as “the market leader and innovator in gamification, whose solutions have motivated more than 125 million users to complete more than 20 billion actions on behalf of over 300 customers” (Bunchball Solutions, 2018)), attempts to “harness the power of science and data-driven feedback to engage customers to do more within the systems that matter to a business” (Bunchball Solutions, 2018). Among the main providers of gamification platforms, there’s also Badgeville, a Redwood California-based company established in 2010, which figures among its clients enterprises as Philips Electronics, Samsung and American Express. The company defined gamification as a “proven business discipline taking the techniques that make games engaging, fun, and compelling, and applying them to technology investments” (Badgeville Vimeo Video 2014, as cited in Conaway & Garay, 2014). Interestingly, the company demonstrated that its gamification implementations increased a daily return rate by 33 percent, improved retention by 50 percent, and increased customer advocates by four times (Badgeville Social Loyalty 2014, as cited in Conaway & Garay, 2014).

Among the most successful examples of gamification there's a campaign launched by Nike (as part of the broader Nike+ experience) and named 'NikeFuel', in which users competed against each other in the daily amount of physical activity completed (Wells, 2015). An app on their smartphone recorded all the activities performed by users and transcribed them into points, allowing for the unlocking of special trophies and rewards after reaching a certain level of points. In this way, Nike made sure that its customers were engaged and motivated enough to repeat tasks with growing excitement and, at the same time, it generated commitment and motivation for Nike's community – not only to keep doing sports, but also to share their results in social media by increasing the brand's visibility (Wells, 2015).

Boosting brand's visibility is only one among the marketing outcomes gamification is expected to yield. In general, the mechanism aims at an overall increase in customer engagement, positive attitude, loyalty, purchase intention, and retention (Hofacker, de Ruyter, Lurie, Manchanda, & Donaldson, 2016). In order to analyse how gamification may enhance such outcomes, it is firstly necessary to consider its main elements.

A framework for analysing games is the 'Elemental Game Tetrad Model' (Hofacker et al., 2016). The model provides a mean for examining how designers can rely on some or all of its four elements in order to create player immersion and engagement in a gamification platform (Hofacker et al., 2016). Not all games are subjected to this model, given the existence of extremely simple but still highly involving games lacking in one or more of these four elements. There are no blueprints or recipes for examining a game design, since that none model is perfect or complete, but only tools useful in one context or another (Schell, 2008). Nevertheless, even though it is not possible to have a universal picture, the model may be used as a framework for understanding the basic and minimum features characterizing each game system. The four elements are the following.

1. Story, or the narrative format, which provides relevance and meaning to the player experience, as well as context for the application of tasks and actions. When properly implemented, narrative transportation creates the 'suspension of disbelief' that transports into the story of the game. Approaching gamification from the perspective of storytelling holds the promise of "enhanced persuasion" (Hofacker et al., 2016, p.28), which makes processing of a promotional message more fluent.
2. Mechanics, which refers to game's procedures and rules and it is therefore concerned with how success is recognized by rewards, incentive structures, and game levels. A core element of effective design is indeed to provide an experience meaningful through a clear connection between the player's actions and the game's outcomes (Hofacker et al., 2016).

3. Aesthetics, or the look of a game. Gamification aims at delivering a complete experience and aesthetic considerations are part of making an experience more enjoyable (Schell, 2018). Aesthetic features fill the game context with visual and verbal imagery in order to strengthen the development of the storyline. These features therefore contribute to create an immersive experience and to signal meaning through visual or verbal representations (Rose, 1978, as cited in Hofacker et al., 2016).
4. Technology, which pertains to how the medium shape the game experience since that it defines the way in which the story can be told, the mechanics can operate and the aesthetics can be presented (Hofacker et al., 2016).

The coherence of the interrelation between all or only some of these four characteristics, rather than the contemporary presence of all the four elements, is what really matters in a game design. Some games are indeed focused on the development of an element while neglecting another. Independently from the number of elements implemented, these latter have to be consistently arranged among themselves. For instance, aesthetics not adequately aligned with the story, technology not optimally supporting feedback, or incentive structures failing to properly reward players may contribute to create an experience falling short of the player's expectations, as well as of the achievement of the underlying marketing outcomes (Hofacker et al., 2016).

With this regard, it can be considered the case study of Fortnite, a videogame for console, smartphone and computer, developed around a "battle royale" modality: a hundred players fighting on a ground ever-decreasing in size until only one player survives (*Il Post*, 2019). Even if this videogame exploded in popularity in the spring of 2018, thereafter dominating its industry for roughly 10 of the last 12 months, its success is still not declining (Tassi, 2019). Why then is Fortnite's popularity so enduring? The most important reasons, according to *Forbes*, are the following.

- The game changes constantly. In order to keep the game engaging, Fortnite adds at least one new item a week and a map constantly changing throughout a seasonal model.
- The community. Fortnite's echo is so big it expanded beyond simply being a game. It has become essentially a social network for a generation of kids who meet up in game and therefore it has broadened also in pop culture through memes and shared icons.
- An efficient feedback system. Fortnite has always been extremely reactive to fan feedback over new implementations or items, often changed or removed the same day or within a week in case a problem is raised by the community.
- An excellent business model. Fortnite's F2P (Free-To-Play) microtransaction model has generated \$3 billion in revenue for Epic Games (the video game and software development company behind the videogame) in 2018 alone (Tassi, 2019). By spending

real money, every user can get virtual coins through which she can make the so-called microtransactions, i.e. the purchases made within the game. Such purchases allow the user to buy aesthetic expansions and customizations for her character (*Il Post*, 2019). This business model is not only effective – given the revenues yielded at Epic Games - but it is also well accepted by players and industry experts, given that microtransactions are optional and the game subscription is free (Tassi, 2019).

In summary, Fortnite example can be deemed as a successful case of online entertainment given that it is based on the outcome that every entertaining content (and therefore also gamification) is expected to deliver, i.e. to create engagement through fun. Fortnite is indeed based on the fun-element, strongly improved by the game mechanics element which envisages the “battle royale” modality in which players have fun while fighting and trying to defeat the rival.

Hence, every correctly implemented gamification platform has to allow for the use of game design elements to enhance non-games goods or services by increasing customer enjoyment through the improvement of perceptions’ feelings like arousal, self-efficacy, competence and autonomy (Poels et al., 2012; Przybylski, Rigby, & Ryan 2010, as cited in Hofacker et al., 2016). These augmented perceptions in turn encourage value-creating customer behaviours such as increased consumption, greater loyalty, and retention (Blohm & Leimester, 2013; Zichermann & Cunningham, as cited in Hofacker et al., 2016).

Moreover, aiming at its correct implementation, gamification should also be imbued with mechanisms that afford social interactions in order to enhance social influence and the perception of reciprocal benefits (as in the case of Fortnite, wherein community plays a key role) (Hamari & Koivisto, 2013).

Conclusively, starting from the a-priori fun element and alongside one or more of the basic elements previously mentioned, also the aspect of social connection has to be considered in gamification. This aspect leverages a customer’s social networks to create both competition and support among users and, for this reason, many gamification platforms provide instant access to friends and social connections (Conaway & Garay, 2014). These latter will indeed serve also as a key element of attraction towards gamification (Conaway & Garay, 2014).

2.3.3 Caveats on gamification’s effectiveness

In the attempt to analyse the effectiveness of gamification techniques, literature suggests that, indeed, gamification does work, but some caveats are necessary (Hamari et al., 2014).

First of all, there’s urgency for a distinction between persuasive technologies and gamification platforms. Persuasive technologies refer to interactive computer systems designed to change

the attitude and/or behaviour of the user (Fogg, 2003, as cited in Oinas-Kukkonen & Harjumaa, 2009). For example, Nike+ (the running system which comprises a pair of running shoes with a built-in pocket for a running sensor, a music player, and a web service) is a persuasive technology since it supports users by: reducing the complexity of planning the exercises via suggesting training programs; leveraging social support among users; personalizing online experience by enabling the adding of name and picture; providing a means to track the running information; and so forth (Oinas-Kukkonen & Harjumaa, 2009). The program therefore aims at the voluntary reinforcement, change or shaping of attitudes and/or behaviours of the user, which figure among the successful outcomes of a persuasive system (Oinas-Kukkonen & Harjumaa, 2009). NikeFuel campaign instead, strongly emphasizing the desire for the competition among users and for the collection of specific points and rewards, can be seen as an example of gamification service. Some overlaps between gamification and persuasive technology clearly may exist. For instance, some persuasion mechanisms can be regarded as similar to those applied in gamification (such as feedbacks or rewards). The main difference lies in the fact that gamification aims at affecting users' motivations, rather than attitudes and/or behaviours (Oinas-Kukkonen & Harjumaa, 2009; Hamari & Koivisto, 2013). Individuals' enhancement of motivations and desires for fun, play, and challenge indeed are the core of a gamification system.

In determining a person's motivations, literature concerns two dominant clusters, i.e. extrinsic and intrinsic motivation, and gamification combines them (Ryan & Deci, 2000, as cited in Richter, Raban, & Rafaeli, 2015). Intrinsic motivation refers to the "prototypic manifestation of the human tendency toward learning and creativity" (Ryan & Deci, 2000, p.69). Extrinsic motivation, instead, is defined as "the performance of an activity in order to attain some separable outcomes and, thus, contrasts with intrinsic motivation, which refers to doing an activity for the inherent satisfaction of the activity itself" (Ryan & Deci, 2000, p.71).

On one hand, gamification makes use of rewards such as levels, points, badges fostering extrinsic motivations to improve engagement while, on the other hand, it also strives to raise intrinsic feelings of achieving mastery, autonomy, sense of belonging (Muntean, 2011, as cited in Richter et al., 2015). Notably the social aspect is also important in games and consequently the model of motivation in games proposed by Richter, Raban and Rafaeli (2015) is made up of a spectrum from intrinsic, through social, to extrinsic motivation.

At the left extreme of the spectrum wherein intrinsic motivations are placed, Maslow's Hierarchy of Needs is the most relevant theory in explaining them. According to Maslow, physiological and safety needs have to be satisfied before progressing to more complex needs such as desire for belongingness, self-esteem and finally self-actualization (Figure 5a). As

Maslow's hierarchy is progressed up, needs that are developed from deficiencies disappear in favour of needs developed from positive goals and incentives (Lillienfeld et al., 2009; Maslow, 1943, as cited in Richter et al., 2015).

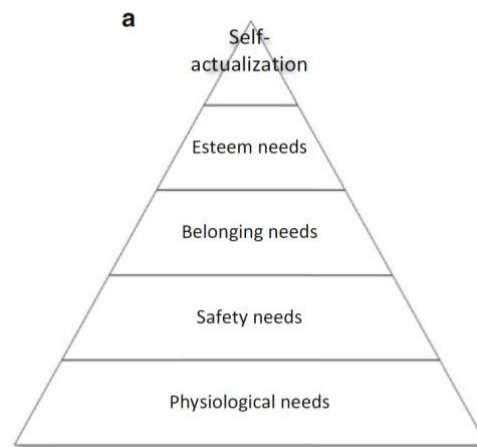


Figure 5a. Maslow's hierarchy of needs. Source: Richter et al., 2015

Based on Maslow's theory, Siang and Rao (2003) illustrated how Maslow's hierarchy of needs can be adapted to explain the needs of a player and to understand how players are motivated in the game environment (Siang et al., 2003). A similar hierarchy needs was therefore developed to understand individuals' motivations and behaviours in the context of a computer game (Figure 5b).

At the bottom level, players look for information to understand the basic rules of game. Once the rules are comprehended, players need safety (such as further information necessary for persisting). The third level is referred to belongingness need, in which players need to feel comfortable with the game and eventually able to achieve the game purpose. After knowing that winning is possible, they develop a need to feel good while playing the game, i.e. a feeling of esteem. At the next level, players start to expect a greater challenge and therefore they need to know and understand more about the game (such as strategies different from those of their competitors). The sixth level is an aesthetic need which deals with the desire for good graphics, visual effects, appropriate music, sound effects, etc. Finally, players aim at being able to do anything within the game rules and constraints (achieving a form of perfection in the virtual world) (Greitzer, Kuchar, & Huston, 2007; Siang & Rao, 2003).

The hierarchy of players' needs is particularly fitting in the case of a videogame like Fortnite, where all the levels can be identified. However, the hierarchy cannot be applied to any type of game, given that not all games are structured according to the same rules, schemes or settings. For example, the aesthetic need can be found only in videogames or whatever game with a strong graphic and visual component. Similarly, the belongingness need can be found only in games striving for the purpose of victory, even if the goal of many games is just having fun

while keeping playing without a winner. However, the hierarchy of players' needs can be employed as a useful tool in a broader analysis aiming at investigating the plethora of intrinsic motivations stimulating a player (Siang et al., 2003).

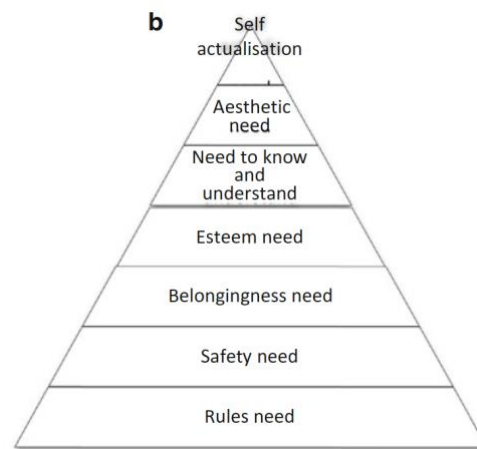


Figure 5b. Hierarchy of players' needs. Source: Richter et al., 2015.

Moving to the middle of the spectrum, Social Comparison Theory by Festinger is useful to explain the social motivations of a game. The theory states that an important source of knowledge about oneself is comparisons with other people (Festinger, 1954; Wood, 1989, as cited in Richter et al., 2015). As a matter of fact, people evaluate their attitudes and abilities by comparing them with those of others, and this comparison occurs also in the game context, wherein assessing players along quantitative measurements provokes competition among them (Richter et al., 2015). However, competition can arise not only among players but also between a player and an artificial intelligence. In both types of mechanisms fostering a competitive rivalry and feedback, the final result is self-improvement. The self-improvement motivation directs comparisons and performances during the game by enhancing a desire for greater effort, spending of time and participation. Thus, in the gamification scenario, it is essential to take into account the importance of having a community of people who are committed to the same goals, since that it is crucial “in creating a service with active and participating usage culture” (Hamari & Koivisto, 2013, p.8). Findings demonstrate that enabling users to get exposed to attitudes of other users and to receive feedbacks directly from them or from other artificial entities may positively influence the predisposition towards using a gamification platform (Hamari & Koivisto, 2013).

Finally, at the right extreme of the spectrum constituting the model of motivation in games there are extrinsic motivations, which are originated from external factors, rewards, or incentives (Pavlas, 2010, as cited in Richter et al., 2015). Extrinsic motivations are also the focus of Expectancy Value Theory, which links the strength of a motivation with the struggle for a

certain goal, the expectations to reach the desired goal and to the incentive value of that specific goal (Vansteenkiste, Lens, De Witte, & Feather, 2005, as cited in Richter et al., 2015). In this perspective, accumulation of points, or rewards of whatsoever kind, increases motivation by providing a clear connection between effort in the game, performance and outcomes (Von Ahn & Dabbish, 2008, as cited Richter et al., 2015). Gamification involves points, badges, levels, and rewards but, of course, it must also involve fun and a consumer experience end-to-end (Conaway & Garay, 2014). If a gamification service boils down to leaderboard or achievement levels and badges, some of the elements that make games compelling are inevitably missed out, converting the service in something more similar to a job than a game. When there's no fun factor, then gamification is not correctly implemented (Conaway & Garay, 2014). Thus, as pointed also by the *Wall Street Journal*, it is extremely important to notice that an effective gamification service should never be just about scoring points (Palmer & Hugo, 2013, as cited in Conaway & Garay, 2014). For instance, gamification processes differ from sales promotion programs designed to create brand loyalty with customers. Although such frequency or continuity programs are consumer oriented as well, they differ from gamification. A loyalty program, because of its narrow focus on behavioural rewards, just prize a customer for her frequent purchases with privileges including discounts or coupons. Conversely, gamification encompasses the total customer experience, including inward experiences, as well as social and motivational benefits that are integrated throughout the service marketing process (Conaway & Garay, 2014; Hofacker et al., 2016).

In conclusion, motivation cannot be treated as a singular construct, since that people are moved to act and are motivated because they value an activity or because there is strong external coercion (Ryan & Deci, 2000). The issue of whether people choose for a behaviour in line with their interests and values, or for reasons external to the self represents a basic dimension through which people make sense of their own and others' actions (Ryan & Deci, 2000). This contrast between having internal motivation versus being externally pressured is familiar to every individual and therefore has to be taken into account in implementing a gamification system aiming at embracing both types of motivation (deCharms, 1968; Heider, 1958; Ryan & Connell, 1989, as cited in Ryan & Deci, 2000).

2.4 THE “THREE-BODY PROBLEM”

In the management of their own time, individuals should take into account not only the pecuniary but also the nonpecuniary domain. Both of them guarantee the individual a certain type of utility or subjective well-being.

Pecuniary domain provides benefits deriving from money. Previous discussion about compensation paved the way for highlighting the diminishing utility of money caused by the ever-increasing formulation of an individual's material aspirations. The psychological mechanism underlying such formulation can be compared to the ring-toss game in which individuals – given free choice of how much close to stand with regard to the peg – set their aspirations in proportion to their abilities (Easterlin, 2001). Then, as they get better at the ring toss, they tend to move farther and farther. An increasing skill is thus matched with increasing aspirations, in much the same way that increasing possibility to get goods is matched with increasing desire for material goals. Thus, metaphorically speaking, no matter how much an individual drinks from the spring that feeds the material gains, i.e. money; her thirst will never be slaked.

Nonpecuniary domain supplies benefits deriving from other sources of utility or happiness (like leisure activities, affective relationships, satisfaction in familiar and work contexts, and so forth). Therefore, the overall well-being of an individual depends not only on the shortfall between aspirations and attainments in each domain, but also on the relative importance of each domain in the individual's utility function. However, individuals are frequently unable to achieve the optimal allocation of time among domains since that they allocate a disproportionate amount of time and importance to the pursuit of pecuniary rather than nonpecuniary objectives (Easterlin, 2003). They therefore end up spending a disproportionate amount of their lives working to make money, and sacrificing nonpecuniary domains in which aspirations instead may remain fairly constant as actual circumstances change, and where the attainment of goals may have a more lasting impact on happiness. Nonpecuniary domains are indeed related to non-materialistic goals, which are likely to cause more long standing effects with regard to materialistic ones, and which can be pursued while engaging in activities linked with getting intrinsic enjoyment, escaping or being diverted from problems, getting emotional release, and so forth.

As a matter of fact, the typical person is taken to have also discretionary time dedicated to the pursuit of goals or aspirations belonging to nonpecuniary domains and activities. With this regard, previous discussion on entertainment showed the way for the desire of people to strive for emotions like pleasure and arousal. These emotions are not subjected to a law of decreasing utility, and consequently an entertained and emotionally-driven individual is likely to strive for goals delivering less tangible but more durable effects. The fun of playing, for example, resists all analysis, all logical interpretation and as a concept, it cannot be reduced to any other mental category (Huizinga, 1951). Leisure domain involves not only a steady flow of fun, but also of fantasies and feelings encompassing non-material, aesthetic, intangible and subjective aspects

of an action performed by an individual (Hirschman 1980a, Holbrook 1980, Levy 1980, as cited in Holbrook & Hirschman, 1982b). As a result, entertainment positively affects attention and engagement, increases linkage and attachment to a product or a service, and negatively affects the urgency of an individual to be remunerated for her time, given that the higher the utility deriving from an activity deemed as entertaining and the lower the necessity to get a compensation (Djambaska, Petrovska, & Bundaleska, 2015).

However, fun, and satisfaction in general, has a “short shelf life” (Djambaska et al., 2015, p.6) and therefore it has to be replaced very often with new contents proposed on an on-going basis to face with the challenge of capturing and holding the audience's interest. Indeed, not surprisingly, among the key success factors characterizing the above discussed case study of Fortnite there's a constant change ensured to users by adding at least one new item a week and by varying the map game according to a seasonal model.

Hence, if properly updated, entertainment is characterized by a constant utility. However, the attempt of ensuring fun through entertaining contents is subjected to incremental utility. Confirming the customer's attention in the long run is indeed a hard task and that's the reason why television series or other entertainment outlets often reach the “jump the shark” moment. The expression derives from a scene in a Season 5 episode of the 70s sitcom ‘Happy Days’ in which the character Fonzie jumps over a shark while water-skiing, a situation definitely far away from the original storyline of the sitcom. The “jump the shark” moment indeed occurs when something that once was popular no longer ensures the attention it previously received. It is considered as an indication that creators have exhausted their focus and that, consequently, contents as a whole have drifted irreversibly from an older and better formula by decreasing in quality. Therefore entertainment, if not updated in a continuous and consistent with the customer's expectations way, does not guarantee success and too much overuse of it could make lower effect in the long-run (Djambaska et al., 2015).

Conclusively, taken separately, money and entertainment are constrained by deteriorating effects in the long run. The solution can be found only in a combination of these two elements, as in the case of complementary goods (to wit items which are consumed together), together with the third variable of the scheme presented earlier in this chapter, i.e. interest.

The coexistence of all these three elements, interest-consumption-entertainment, complementing each other, is therefore the only feasible solution. Taken all together, it is not possible to separate one element from the others. This situation is similar to the “Three-Body problem” (Allain, 2016): Newton determined a formula for calculating how long it took an object to complete an orbit around a central mass. However, when dealing with three or more objects, it's generally not possible to find a tidy formulation to estimate what the three bodies

will do. In the same way, in the context of this research, a unique formula assessing the overall effect of this triune engagement can't be articulated. However, by considering each element separately it can be concluded that (everything else equal):

1. The higher the compensation, the larger the time each individual is willing to spend on the performance of an activity and/or the larger is the audience of individuals willing to engage in that particular activity.
2. The higher the entertainment in doing something, the lower the necessity for an individual to be compensated for the performance of an activity.
3. The higher the interest towards the performance of an activity, the lower the necessity for an individual to be compensated for the performance of that activity, as well as the lower the necessity for an individual to be entertained for the performance of that activity.

CHAPTER 3 “FILLPIG”

3.1 OVERVIEW OF FILLPIG

3.1.1 Introducing Fillpig

Moving from a theoretical to a practical framework, and trying to translate the topics discussed so far on a real context, the case study of the start-up “Fillpig” will be analysed. Developed from an idea of engineer Alessandro Monti and accountant Sebastiano Toni, the start-up will operate through an app (*Fillpig*) to be downloaded free from Apple Store and Google Play, whose links are available also on the website *fillpig.com*. The launch of the service is scheduled for April 2019.

The start-up aims at looking for a new way of making advertisement in order to deliver companies a more effective mean to get in touch with its potential customers along its marketing channels. As previous chapters showed, companies often incur in the risk of interacting with a passive and scarcely interested audience while promoting their own products and services. Hence, Fillpig’s mission is to help companies to improve the efficiency of their communication strategies and to restore the threshold attention of their customers at a significant level.

The start-up tries to cope with this problem by following an innovative path, i.e. reverting the way in which advertising messages reach the customer. The usual *modus operandi* envisages companies delivering their promotional contents to the customers. On the contrary, Fillpig reverses this paradigm by letting the users choose freely which promotional contents they’re going to watch. This reversal of roles empowers users with the freedom of opting for the spots deemed as most enjoyable for them.

The user therefore assumes an end-to-end active role: she’s requested to download the Fillpig app, to create a profile and finally to choose the promotional contents most fitting with her interests. The promotional videos created by the companies are indeed gathered in specific categories (like sports, fashion, cars, music, technology, etc.) facilitating the prospect in the act of choosing.

Furthermore, the start-up collects the data coming from users downloading the app, in this way creating its own database made up of prospects and their respective profiles. The database thus gathers an audience of potential customers, given the uncertainty around their actual intentions of purchase. Each of these prospects is targeted according to demographic and geolocalization subsets. The pillars of the Fillpig’s structure are therefore constituted by the prospects downloading and using the app: as long as there’s an equilibrium between the contents proposed by companies and the number of users watching these contents, the structure can stand. Indeed,

the number of contents have to match with the number of users in order to guarantee the functioning of the platform. The number of companies and individuals interacting with Fillpig will be inevitably expanded by network externalities, which arise when “the benefit a consumer expects to receive from a good or service depends on the number of consumers using the good” (Osterberg & Thomson, 1998).

The fax machine is the classic example employed when dealing with network externalities. A business purchased a fax machine only if that business’ private benefits exceeded the cost of the device (Katz & Shapiro, 1994). However, if only one business had owned a fax, the machine would have had no practical value (Osterberg & Thomson, 1998). The presence of a second machine increased the benefits of the first machine’s owner by triggering the potential for sending and receiving faxes. Each additional fax installation increased overall benefits to existing businesses, since that the social benefits of one more business joining the network included benefits that accrued to others on the network (Katz & Shapiro, 1994). In this way, social marginal benefits exceeded private marginal benefits since there were adoption externalities due to the “positive-feedback nature of networks” (Katz & Shapiro, 1994, p.96). Moreover, the benefits of the new purchaser depended on the number of machines already installed. This “interdependency of demand” (Osterberg & Thomson, 1998) means that the market for a network good must get a minimum size in order to reach a sustainable equilibrium. This minimum size is called by economists the network’s “critical mass” (Economides & Himmelberg, 1995, as cited in Osterberg & Thomson, 1998). The importance of this concept lies in the fact that market dynamics can change considerably once critical mass is achieved. Markets for network goods may grow slowly until reaching a critical mass and then may suddenly begin to expand quite rapidly (Osterberg & Thomson, 1998).

The same mechanism is true for Fillpig: once the system will get at full speed, it will be able to run by its own. However, the problem lies in getting the system at full speed, in the sense of reaching a critical mass: this can be done only when a large number of users will make Fillpig reach the tipping point, i.e. “the moment of critical mass, the threshold, the boiling point” (Gladwell, 2000). However, a large number of users can be gathered only when the contents proposed by Fillpig will be differentiated enough to match with the numerous and fragmented interests of the prospects using the app. In turn, contents are created by companies, which will invest in Fillpig’s services only when the number of prospects to be reached is large enough to represent a remarkable size of audience, otherwise they’re not incentivized to invest.

This sort of ‘Catch 22 dilemma’ situation, in which there is no escape from a circumstance because of mutually conflicting or dependent conditions, can be faced by Fillpig through the attempt of entering the market with a cut-through-the-noise business model, whose core is

represented by its key activities.

3.1.2 Fillpig's Business Model

In order to analyze the startup in details, the nine blocks constituting the Business Model Canvas (Figure 6) will be applied to Fillpig.

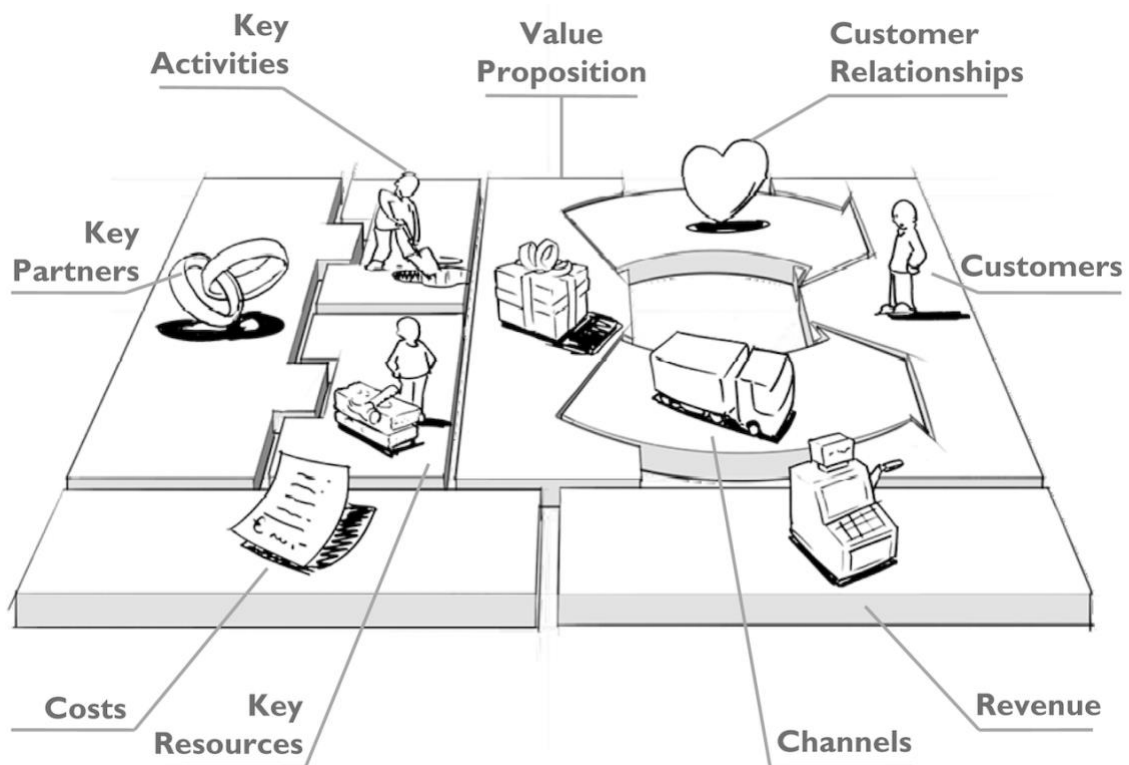


Figure 6. Business Model Canvas. Source: Osterwalder & Pigneur, 2009.

- **Value proposition:** What value do Fillpig deliver to the customer?

Fillpig's value proposition is the sale of 'attention': its database doesn't only ensure the possession of a large amount of prospects, but also that those prospects will very likely be converted into customers. The start-up, acting as a sort of prospects provider, is therefore trying to solve the problem of uncertainty around the returns from efforts and investments made by businesses in marketing activities. In order to do so, Fillpig gathers prospects' profiles, according to demographics and geolocalization data, thanks to the subscription made by the users when downloading and accessing the app for the first time. The subscription therefore enables the start-up to classify each prospect profile inside the database. Subsequently, it will be up to each prospect to opt for the vision of the promotional contents most in line with her preferences. This mechanism ensures that companies' promotional videos will be submitted only to an audience which ideally should find the product/service highly attractive and that

should therefore pay particular attention to the advertising content. Indeed, the start-up doesn't provide companies a list of wide and undifferentiated audience, which would probably act as passive prospects. On the contrary, the restricted and targeted section of potential customers furnished by the start-up is more likely to be interested and involved in the specific offer/product/service, given that promotional contents have been chosen by the users themselves.

With regard to the value proposition of the start-up, also the scalability of the business has to be considered among Fillpig's ambitions: implementations will be included in the future releases of the app, allowing for a more complete and satisfying user experience, as well as for an added value to the actual proposal delivered to the companies.

- **Key activities:** What are the important activities/processes?

Fillpig's business model is dominated by platform or network-related activities like website and app's development, platform's improvement and management, and service provisioning. The latter include the most important actions the start-up must take to guarantee the result promised to companies. The key service Fillpig aims at delivering, i.e. the visualization of ad-hoc contents, is guaranteed through two main activities, which are the prospect's compensation and the quality control over the prospect's degree of attention. Both are analysed below in details.

- 1) The prospect's compensation. Within the videos loaded by the companies on Fillpig, a layer of gamification is implemented through the collection of virtual coins executed by the user: the coins randomly appear on the screen during the spot vision and their format is standardized and applied in all the contents proposed by the platform.

The user has to collect these virtual rewards which will be eventually converted into real money ready to be cashed-in in the user's credit card. Indeed, during the app subscription, the user reported not only her personal data, but also her credit card details and a copy of her ID card in order to operate efficiently both from a legal and a fiscal point of view. No virtual money is assigned to the prospect: right after the end of the 'collection phase', the rewards are cumulated in the form of euros. The compensation is therefore made only through real currency in order to grant maximum transparency over the transaction.

In the hypothesis the user fails in the collection of all the coins appearing, missing just one of those required to be collected, she's forced to re-start watching the video and collect all the coins appearing in order to get the compensation.

The remunerative mechanism is what inspired the start-up's name: "Fillpig" refers to

the activity of collecting small quantities of money, usually in the form of coins, in a piggy bank (i.e. a moneybox). The involvement of the prospect is therefore led to an even higher level by offering the user, in exchange of the time spent on the video, a compensation at the end of the spot. Fillpig truly believes in the quote “Time is money”, reported also on the website in a revised version suggesting that “Time is money, and a user earning money is an interested user”. As previous chapter highlighted, the compensation indeed boosts both the desire in the user to watch more and more videos (increasing its willingness to spend more time on the app) and the number of users downloading the app.

- 2) The quality control over the prospect’s degree of attention. Alongside the quantity in the contents visualized by the user, also the quality plays a relevant role: the check over the reception of the promotional message contained in the spot viewed by the prospect is made through a “final killer question” elaborated by the companies. If, and only if, the prospect answers correctly to this final question, the virtual coins she collected during the advertising will be cashed-in in her credit card in the form of real money (euros). In case the user is going to watch the video for a second time, the final question will change, leaving no space for an opportunistic behaviour. In case of wrongly answered final question by the user, she’s not entitled to any type of credit.

The relationship between the company and its prospect lies therefore on a tacit agreement based on fairness: the former is willing to compensate the latter only if she gives the company the concrete possibility to test and verify the degree of attention she paid to the promotional video. On one hand, the effort required to the user is double, since that she has to collect all the coins appearing during the spot and also to correctly answer the final question. On the other hand, the money collection should act as a catalyst for the user’s encouragement in visualizing as many promotional videos as possible. Moreover, the compensation mechanism may act as an echo for new users who are maybe not directly interested in the advertisement industry but are just looking for alternative remunerative methods. Conclusively, the retention activity that the compensation plan is able to start warrants the enlargement of the prospects base and the maintenance of those prospects in the long run, both processes which foster the reinforcement of Fillpig’s product placement on the market.

Beyond these technical processes conducted by the start-up, there are also more basic activities, such as a continuous on-going customer acquisition to be pursued through an initial advertising phase carried out on the most popular platforms, i.e. Facebook, Instagram, Google. Subsequently, the marketing efforts will be addressed to the final users, in order to let them know the benefits of the app not only dealing with the earnings they can get by using it, but

also with the new functionalities which will be implemented in the future and sponsored within promotional videos.

- **Key resources:** What assets are required to run the business?

Fillpig owns three kinds of key resources: physical, human and intellectual. Physical assets include IT infrastructure like servers and computers. Human resources like developers are also relevant for the start-up's everyday operations, but the most significant for this type of business are definitely the intellectual ones: as a matter of fact, the database of prospects is the core of Fillpig's structure.

- **Partners network:** Who are the key partners and suppliers?

Prospects constituting the database are Fillpig's main suppliers. Each of their profiles is categorized according to some specific subsets following demographics and geolocalization data, in order to be ready for the identification of the potential customer *persona* that the business interacting with the start-up is looking for. The segmentation of the audience and the subsequent identification of the type of prospect the firm would reach can be executed thanks to the data provided by the user while free downloading and accessing the app. Every prospect subscribing Fillpig needs to be validated with her own identification document and a Paypal account, otherwise her earnings won't be credited.

- **Customer segments:** For whom is Fillpig creating value?

Promotional videos are provided by companies, which are Fillpig's customers: the companies identify the customer profile they want to reach through a specific promotional campaign and they contact Fillpig in order to be sure that the promotion will be addressed to the customer segment they want to approach. Fillpig's customers are therefore any type of company interested in sponsoring an offer/product/service in the market. The firm may be looking for whether a type of advertisement highly specific and focused (in the case it wants to reach a targeted segment of the database) or for a mass one (in the case it is not interested only in one specific segment). The choice of the audience is clearly in the hand of the company, which, according to its promotional objectives, selects the type of audience mostly appropriate for the product/service it is going to introduce in the market.

Fillpig's customer is looking for a sort of 'reassurance': the company, when contacting the start-up, is concerned with the guarantee that the contents of its promotional campaigns will be viewed by the prospects, therefore engaging itself in a kind of pursuit of fulfilment of its communication goals. The visibility of the promotional videos provided by the companies

depends on the company itself: the more it is willing to invest on Fillpig's services, and the more its contents will be visible on the platform. Furthermore, in order to support the firms in the process of assessing how many prospects after the promotional campaign launched on Fillpig will continue to be only prospects and how many may instead be potentially converted into customers, the start-up provides some reports (which can be retrieved in the 'Dashboard' section of the website). On the portal companies are indeed given updated statistics and reports with data concerning the number of visualizations of each video, the target prospects profiles reached, the visualizations of videos according to the geographic area, and so forth. All these parameters will be later used by the companies in order to constantly keep under control their resources assigned to advertising targets and to update the settings for each of their promotional videos posted on Fillpig.

- **Channels:** How to reach the customer?

Companies interact with Fillpig through the website, on which they have complete autonomy and discretion in the management of their advertising spaces in terms of settings dealing with both the spots (compensation and duration) and the prospects they want to reach (according to subsets like geo-localization, age, gender).

With regard to compensation, it's indeed up to companies the decision upon:

- 1) the daily amount of money available for rewarding the user;
- 2) the daily number of times the same video rewards the user.

Each company fixes a daily amount for the remuneration of each prospect associated to a specific spot, as well as the number of times that spot vision is associated with a remuneration. It may indeed happen that the user would prefer to watch the same video more than once because of personal preferences for that particular spot; inability to collect all the coins appearing on the screen; attempt to engage in opportunistic behaviours aimed at predicting the next killer question on the basis of the first answered; and so forth.

However, every spot vision isn't necessarily linked with a compensation. For example, it may happen that even if the prospect watches the same spot three times, it will be rewarded only twice. This mechanism boosts a sort of 'surprise effect', enhanced by the fact that every repetition of the same video doesn't guarantee the same amount of money as that guaranteed by the first vision.

The remuneration of the user follows a standardized and fixed scheme elaborated by Fillpig on which companies apply their compensation strategies. As a matter of fact, the maximum number of times in which compensation is provided to users is ex-ante fixed by Fillpig at six. Moreover, the scheme follow a decreasing percentages structure applied on the overall daily

amount disposed by the company for rewarding the user. Indeed, the first time a video is watched, the user will get the 100 percent of the ex-ante fixed amount. The second time the same video is watched, the user will get the 80 percent of the ex-ante fixed amount. The third time, she will get the 50 percent, and so on, by following the scheme represented in the Table below.

Number of a spot vision	Percentage of money gained from each spot vision
1	100%
2	80%
3	50%
4	30%
5	10%
6	10%

This scheme on which firms apply their compensation strategies is due to the fact that the goal of every company is pushing the user towards the vision of as many of its spots as possible. The higher the number of spot visions, the higher is the likelihood a prospect's interest is enhanced towards a particular brand. Moreover, by introducing varying percentages of remuneration for each spot, and by opting for a variable number of times of spot vision linked with a reward, the user's curiosity should be triggered in order to don't make her settle on only one firm's promotional contents but also to discover the remuneration she can get from alternative advertising videos.

- **Customer Relationships:** How to relate with customers over time?

Fillpig's customer relationships can vary according to the type of contract signed with the company approaching the prospects constituting the database: relationships could therefore be one-spot (in the case the customer is interested only in one purchase) or repetitive over time (in the case of customer retention, when a company, according to the different needs of its marketers, is going to approach the database for different segments). In both cases, Fillpig ensures complete autonomy to its customers in the management of their advertising expenses, acting as a sort of 'certification authority' about the accuracy of the vision of the contents proposed.

- **Revenue streams:** How to earn revenues?

Fillpig's earnings are realized through payment revenues due to variable subscription fees generated by one-spot or repetitive sale of its services. The company signs with Fillpig a commercial contract which commits the supply of advertising videos and the budgets necessary

for their creation to the former. The start-up is later engaged in the distribution of these contents and, once verified the attention paid by the users to the videos, it remunerates them. The profit therefore derives from the differential between the revenue streams coming from the company interested in the purchase of Fillpig's services and the compensation that the start-up gives to the users.

- **Cost structure:** What are the important costs?

Fillpig's costs are both fixed (linked with data center operations costs like platform maintenance and upgrade, software development) and variable (linked with the data storage). The latter are increasing costs, based on the increasing number of connected users and loaded videos on the platform: the correct management of the data volume allows the app to work in a flowing way in every condition.

All the nine Business Model Canvas applied to Fillpig are summarized in the Table below.

BM CANVAS	BM FILLPIG
Customer segments	Businesses, companies, advertisers and marketers
Value proposition	Sale of 'attention' (a sort of prospects provider)
Channels	Website Fillpig.com
Customer Relationships	Personalized relationships like one-spot or repetitive access to database
Revenue streams	Variable subscription fees
Key resources	Intellectual (database of prospects), Physical (servers, computers), Human (developers)
Key activities	Platform development and management, service provisioning through prospects compensation and quality control over their degree of attention
Key partners	Prospects constituting the database
Cost structure	Fixed costs (platform maintenance and upgrade, software development) and variable costs (storage costs)

3.2 COMPARISON BETWEEN FILLPIG AND THE 'HOLY TRINITY'

Chapter 2 was devoted to the dissertation about three factors interconnected, the so-called 'Holy Trinity' of interest, compensation and entertainment, to be pursued for only one final goal: engagement. A user may indeed be involved only once the contents she enjoys are deemed as: interesting, remunerative, entertaining. A comparison between the theoretical framework

highlighted in previous chapter and the functioning of Fillpig is now developed in order to assess whether the start-up is successfully going to pursue a triune engagement.

3.2.1 Interest in Fillpig

3.2.1.1 The necessity for a correct delineation of a customer profile

Stimulating a customer's interest is impossible without knowing who is the customer that a company wants to reach, what are the benefits she's looking for, what are the needs she wants to satisfy. The delineation of a correct customer profile is therefore an essential element for a company which is aiming at the solicitation of the customer's interest. Indeed, only the detailed description of user profile ensures that the viewer is a prospect. In Fillpig, a user downloading the app for the first time is requested only its personal data referred to demographics and geolocalization details. Geolocalization data are gathered in order to submit to the prospect promotional contents in line with its geographical movements: companies, according to its dimensions, can indeed opt for delivering its advertisements to the prospects located in the area they want to reach. Firms operating at national level will clearly create contents to be provided on a national base, while companies at a smaller level (like regional or provincial level) will address its contents to a more restricted range of prospects.

Personal interests or tastes aren't required when profiling the user on Fillpig, since that she will later decide by its own the categories of promotional contents she's interested in watching. However, given the "increasingly mobile and seemingly capricious" (Zwick & Knott, 2009) nature of the customer, a complete delineation of the user has to take into account all the insights deriving from the on-going interactions between a system and the users given the value of fast-changing information and the continuous obsolescence of previous data. For this reason, it is necessary to gather two sets of information, namely factual (or static) and behavioural (or dynamic) in creating customer profiles since that demographics data only (and static information in general), even if necessary, are no more sufficient. Fillpig should therefore work for a richer delineation of the prospects, as that executed in online streaming platforms like Pandora and Spotify, in order to deliver a more finely targetization of them to the companies.

3.2.2.2 The attention quality control through 'killer question'

The extent to which the prospect paid attention to the advertisement video is checked on Fillpig with the "killer question" mechanism. The killer question mechanism can be viewed as the capacity of the content to match with the user's interest: the more the content is aligned with

the prospect's interest, the more her threshold attention should be high, and the higher is the likelihood she will correctly answer the question. On the contrary, it is quite likely that a prospect considering a content boring or not stimulating its curiosity, will not answer correctly to the killer question given the low level of attention paid to the ad video. The quality control executed by Fillpig over the prospect's threshold attention is therefore a powerful mean in assessing her degree of interest.

However, the killer question has to be tailored on the type of message the company wants to send through a specific promotional campaign. The elaboration of the questions is up to the firms, but the start-up should assist them in this process by giving them some suggestions in the proper formulation of this quality control. Indeed, elaborating only one type of killer question in order to verify the level of attention, regardless of the type of message the company wants to communicate, may be inefficient. A marketing message is defined as "any media or communication that is designed to influence customers. They are often used to generate demand, build brand awareness and sell" (Spacey, 2017). The message strategy should therefore follow an idea about how to creatively and persuasively communicate a brand message to a target audience, given that marketers should view communication as a mean to manage the customer relationship over time (Kotler & Armstrong, 2012).

After having defined the desired audience response (with effective customer profiles delineation), the communicator turns to develop an effective message. Ideally, the message should "get Attention, hold Interest, arouse Desire, and obtain Action" within a framework known as the AIDA model (Kotler & Armstrong, 2012, p.417). However, few messages take the consumer all the way from awareness to purchase, but the AIDA framework suggests the desirable qualities of a good message. When elaborating a message, the marketing communicator must decide what to say (message content) and how to say it (message structure and format) (Kotler & Armstrong, 2012).

Indeed, a message needs to have an appeal – an idea that motivates an audience to respond. There are three types of appeals: rational, emotional, and moral (Kotler & Armstrong, 2012). The type of message may be classified as belonging to one of the following category.

- Rational appeals relate to the audience's self-interest and show the desired benefits the product will generate. Examples are messages showing a product's quality, economy, value, or performance. Usually these messages try to achieve a cognitive impact aiming at confirming and fostering brand awareness and knowledge. For instance, sales messages cover communications with the potential to result in positive revenue-driven results. Sales messages may include limited-time promotional presenting offers ("20% off through Friday!"), coupons ("Buy \$75 in product, get \$100 in savings!"),

subscription offers (“Subscribe now for 25% off the annual price”), etc.

- Emotional appeals attempt to provoke either negative or positive emotions that can motivate purchase (Kotler & Armstrong, 2012). Communicators may exploit emotional appeals ranging from love, joy, and humor to fear and guilt. Usually these messages try to achieve an affective impact aiming at striking emotional chords and attitudes (ActiveCampaign, 2019). For instance, in its advertisements Michelin show families riding in cars and telling parents “Michelin: Because so much is riding on your tires.”
- Moral appeals are addressed to an audience’s sense of what is “right” and “proper.” (Kotler & Armstrong, 2012). They are often used to urge people to support social causes, such as EarthShare ad supporting environmental involvement by reminding people that “We live in the house we all build. Every decision we make has consequences. We choose the world we live in, so make the right choices.” These messages give a suggestion that understates a message to allow the audience to develop a conclusion for themselves.

These three categories include the main goals a company is going to achieve while sending a specific type of message. Three specific types of killer question should be formulated accordingly, in particular:

- for ‘rational’ category, the check on the attention should aim at verifying whether the reception of the message occurred. The questions should therefore be of a ‘factual’ type, i.e. soliciting reasonably simple and straight forward answers based on obvious facts or awareness (Wilson, 2019);
- for ‘emotional’ category, given the degree of affecting impact characterizing this type of message, the user should be questioned not only on the reception but also on the comprehension of such message. The questions should therefore be of a ‘convergent’ type – aiming at verifying an acceptable level of accuracy in the information received (Wilson, 2019);
- for ‘moral’ category, the questions should be of a ‘evaluative’ type, given the higher levels of both cognitive and/or emotional judgment required by instructive contents. The question should therefore carefully analyse and focus not only in terms of information received but also in terms of connection established between the prospect and the social causes supported by the company (Spacey, 2017).

3.2.2 Compensation in Fillpig

3.2.2.1 *The ‘surprise effect’ of the remunerative mechanism*

The second component of the triune engagement, i.e. compensation, is necessary to maintain the customer attention previously stimulated through interest solicitation. In Fillpig, the remunerative mechanism aims indeed at this goal: once the user completes the vision of the advertisement, and correctly answers the killer question, she will be rewarded for the amount fixed on that video by the company. As stated above, a user can watch more than one time the same video and answer the final killer question, which is never the same since it changes every time the video is concluded.

However, the compensation is not automatic, since it's up to companies to choose how many times the vision of a promotional content will be followed by a reward. Hence, it may happen that a user watching more than one time the same ad, sooner or later will end up to complete a further vision without collecting any relative compensation. This 'surprise effect' clearly represents an advantage for the company, which is making its contents viewed once more without having to remunerate the user. However, when considering also the user's perspective, this mechanism has to be handled with care and to be applied taking into consideration the 'schedule of reinforcement'. A schedule of reinforcement is a "rule stating which instances of a behaviour will be reinforced. In some cases, a behaviour might be reinforced every time it occurs. In other cases, a behaviour might not be reinforced at all" (Cherry, 2018). When and how often a behaviour is reinforced can have a large impact both on the strength and rate of the response (Cherry, 2018). The two basic forms of reinforcement schedules are:

- continuous, wherein the reinforcing stimulus is delivered for each response;
- partial, wherein the reinforcing stimulus is delivered for some of the responses, while the others go unreinforced (Azrin, Holz, & Hake, 1963).

In the context of Fillpig, the 'reinforcing stimulus' is represented by the collection of money at the end of the video and, since it doesn't occur always, it can be concluded that the form of reinforcement schedule implemented is the partial one. This schedule is indiscriminately applied to every user, probably causing discontent given that the user is expected that every portion of her time spent on the vision of the advertisement is compensated.

For this reason, it would be preferable for Fillpig to apply a continuous reinforcement schedule to new users accessing the app for the first time (and consequently with no money cashed-in yet). During their initial stages of use, prospects should be always rewarded in order to create a strong association between behaviour and response, and to let them collect a significant quantity of money. In the long-run, once the response is firmly established, a continuous reinforcement schedule may be switched to a partial reinforcement schedule (Cherry, 2018). As a matter of fact, the longer the prospect uses the app and the higher will be the amount of money collected. Therefore, in the long run, the quantity of money collected from the user

should be large enough to keep her using the app even in case some promotional contents don't bring any reward. Moreover, the switch from a continuous to a partial reinforcement schedule may be perceived as a novelty introduced to the system able to renovate the interest of the user for the app. The partial reinforcement schedule often prompts a high steady rate of responding and is quite addicting, given that the response is reinforced only after an unpredictable number of responses (Cherry, 2018; Siang et al., 2003). Gambling and lottery games are examples of a reward based on a variable ratio schedule (Cherry, 2018).

3.2.2.2 Remuneration in the form of coupons

Fillpig's compensation structure can be included among the plethora of online mechanisms rewarding users and matching with the desire of an ever-increasing number of web surfers looking for easy ways to earn money simply for being online. The start-up therefore supplies to its users a service today highly requested which very likely will contribute to boost a positive responsiveness from the audience. However, instead of rewarding the user with money which will be later spent on whatever type of need the prospect has to satisfy, the start-up may follow an alternative path. In particular, Fillpig may reward the users with coupons to be spent on the advertised products. This choice may foster:

- the bond between the user and the company. The user will indeed not only be remunerated for the time she dedicated to the contents provided by the company. She will also get the possibility to obtain a symbolic 'present' from the company in the form of a discount price on the advertised (and just watched) products.
- the realignment with the user's interests. Behind the choice of the prospect to watch that particular spot there's a curiosity or preference which leads her to opt for that content instead of another. Therefore, getting a coupon spendable on the advertised good rather than a generic one, may enhance the alignment between two components of the triune engagement, i.e. interest and compensation.

Moreover, a further option useful in differentiating companies may be found in the favourable rate, specific of every business, at which the coupon may be provided. The same logic discussed in Chapter 2 for cashback sites can indeed be applied to the companies advertised on Fillpig. Cashback platforms give to their users the possibility to earn cashback on their online purchases and each website provides different percentages on the transaction concluded by the customer. Advertised firms on Fillpig may follow the same strategy. For instance, consider the case of a user who collected an amount of money (e.g. 10€) by watching Barilla spots. That money may be later not only converted in a coupon spendable on Barilla products but also slightly increased

(e.g. 11€). However, De Cecco may convert the money collected from the user by watching its spots at a higher rate (e.g. by offering, for the same amount, a coupon of 12€). In this way, on one hand the user will be free to choose on which business is worth investing its time and money, according to the most favourable conversion rates. On the other hand, the company is ensured about the fact that the money collected from the user will be spent on its products and not on those of its competitors.

3.2.2.3 *The agency problem arising from remuneration*

When dealing with remunerative mechanism a caveat is necessary. The compensation mechanism indeed acts as a mean for increasing the threshold of time the user is willing to spend on Fillpig. However, it doesn't ensure a corresponding increase in the threshold of attention. It may indeed happen that the user opts for an opportunistic behaviour by watching a promotional content for the sole purpose of getting a reward, and not of being involved by that content. For example, a user may be willing to watch promotional videos dealing with sport activities and products even if she finds whatever type of sports highly boring and monotonous. She will clearly not be interested in those contents, but she will anyway get a reward. The company sponsoring those products is therefore compensating a prospect who will never be converted into a final customer.

In this circumstance, a discrepancy of goals between companies and users arises: on one hand, companies strive for reaching their prospects and actively engage them by turning them into customers but, on the other hand, users may be only willing to get a reward. Thus, a situation in which two parts strive for differing purposes is established and usually, when addressing the pursuit of 'goals congruence', management scholars and economists make large use of the agency theory (Ferne & Metcalf, 1999). The issue at the heart of agency theory (the so-called 'agency problem') normally arises because the objectives of the principals (i.e. companies sponsoring their products) are not perfectly aligned with those of the agents (i.e. users watching the spots).

In order to avoid this negative outcome to show up, Fillpig should act as a guarantor for firms. The start-up should certificate the supply of an audience made of potential customers, i.e. prospects, and not *just* users. It should therefore fight against the opportunity for the agent to engage in 'shirking', i.e. behaviours contrary to the principal or, more generally, a limited willingness to provide the needed effort and the promised commitment (Kren & Kerr, 1993). The lack of effort on the part of the agent is denoted as 'moral hazard' (Eisenhardt, 1989). For this reason, the necessity of delineating detailed customer profiles in Fillpig becomes even

more relevant. The delineation of a customer profile is indeed the only weapon Fillpig may grab in order to defeat the risk of opportunistic behaviour. This risk may occur when the choice of the contents to be enjoyed by a user it's up the user itself. On the contrary, the choice of the contents should be up to Fillpig thanks to a proper delineation of its users' tastes.

In this way, by accurately knowing its users and what really interests them, Fillpig has the possibility to deliver contents in line with their preferences. Moreover, it is sure that the user interacting with the company is a prospect. This is indeed what really matters to the companies approaching Fillpig's services: firms are not aiming at reaching a user as such. In contrast, firms are aiming at reaching a prospect.

3.2.3 Entertainment in Fillpig

3.2.3.1 *Just a 'layer of gamification'*

The third element of the trinity pursuing engagement is entertainment. Among the most pleasant activities existing, a relevant element is represented by play. As a result, Chapter 2 highlighted that gamification, that is adding a gamified component to an action not inherently playful, is seen as a means of supporting user engagement and enhancing positive patterns in service use (Hamari, Koivisto, & Sarsa, 2014). In Fillpig, the collection of coins randomly appearing on the screen can't be actually deemed as gamification, but rather just as a 'layer of gamification'. For instance, the *a priori* condition of fun, given that it is precisely the "fun-element" (Huizinga, 1944) that characterizes the essence of play, can hardly be found. The user has just to pay attention to the appearance of the coins and to be ready to grab it, but this action is quite far from some of the features characterizing a game, like absorption, arousal, creativity and challenge included in the overarching concept of fun.

With regard to the analysis of the basic and minimum features characterizing each game system it may be employed the 'Elemental Game Tetrad Model'. The model shows how the interrelation between all or only some of its four characteristics can be helpful to examine a game design. By making a comparison between Fillpig and the 'Elemental Game Tetrad Model', it can be observed that in the app:

1. there is no story. The collection of coins begins and finishes within the time span of each promotional video.
2. there is mechanics. Success is recognized by the correct answer given to the killer question and the user is correspondingly compensated.
3. there is no aesthetics. Visual and verbal imagery employed in order to strengthen the game experience can't be implemented, given that the advertising space has to be

dedicated to the promotion of the companies.

4. there is technology. The medium, which is the user's smartphone, shape the way in which the companies create its promotional videos and on which the mechanics can operate.

Independently from the number of elements implemented, these latter have to be consistently arranged among themselves. In the case of Fillpig, mechanics and technology are well integrated, even if the reduced size of the smartphone's screen may act as a deterrent in visualizing the coins. Therefore, the right fit between the size of the screen and the size of the coins has to be taken into account. However, the success recognized to the user through collection of money is overall efficiently implemented in the user's smartphone, providing an easily accessible and 'time killer' activity to be executed in any moment of the day.

3.2.3.2 *Intrinsic, extrinsic, social motivation*

Individuals' enhancement of motivations and desires for enjoyment through the improvement of perceptions' feelings like arousal, self-efficacy, competence and autonomy are at the core of a gamification system. In determining a person's motivations, literature concerns two dominant clusters, i.e. extrinsic and intrinsic motivation, and an effective gamification should combine both of them.

With regard to intrinsic motivation, referring to the "manifestation of the human tendency towards learning and creativity" (Ryan & Deci, 2000, p.69), it is scarcely stimulated in Fillpig. Once the basic rules above the main activities (i.e. killer question and collection of money) to be executed on the app are comprehended, no further learning or creativity is requested to the user. It is therefore not surprising that none of the levels constituting the hierarchy of players' needs, except for the bottom level (i.e. 'rules need'), may be identified.

On the contrary, extrinsic motivation is what really stimulates Fillpig's users. Defined as "the performance of an activity in order to attain some separable outcomes" (Ryan & Deci, 2000, p.71) and originated from external factors, rewards, or incentives (Pavlas, 2010, as cited in Richter et al., 2015), extrinsic motivation is triggered with the collection of coins randomly appearing during the spots. However, particular attention should be paid when dealing with the remunerative mechanism implemented on the app.

Firstly, by putting too much emphasis on the accumulation of coins, the service may fall into the risk of being closer to a loyalty or sales promotion program than a gamification platform. Secondly, the compensation structure embedded in the app is characterized by a 'surprise effect' which doesn't envisage rewarding the user every time she watches a spot. It may indeed

happen that a spot vision isn't followed by any credit accumulation. With this regard, it is necessary to consider the 'endowed progress effect' in which consumers "often persist in their efforts to achieve goals that are accompanied by discrete, extrinsic rewards" (Nunes & Drèze, 2006). Moreover, according to the goal gradient effect (see Hull 1932, as cited in Nunes & Drèze, 2006), individuals who are closer to their goal should exert correspondingly more effort. Consider for example the case of a user setting her daily pecuniary goal at 10€. If only a small amount of money separates her from this goal, but she is hindered in achieving it because of the surprise effect, she would end up being frustrated and discontent. This dynamic should therefore be considered, given that the likelihood of success and the perceived value of attaining the goal are deemed as extremely relevant elements by users. Thus, as stated above, the surprise effect should be handled with care or improved with modifications aiming at softening its potential detrimental effects. In the case of Fillpig, this dynamic is particularly important also due to the fact that, differently from a classic gamification platform, the concept of story or progress is missing. For example, by introducing more goal-directed mechanics reflecting progress in the app, the surprise effect may be moderated given that the closer the user is to her goal, the more motivated she becomes, independently from the reward they may get (Nunes & Drèze, 2006).

Finally, for the correct implementation of a gamification platform also a third type of motivation should be considered, i.e. social motivation. Mechanisms affording social interactions are indeed necessary in the context of a game in order to enhance social influence, the perception of reciprocal benefits and competition. This latter, among the pillars of fun, may arise not only among players but also between a player and an artificial intelligence. In Fillpig, comparisons and feedbacks caused by social interactions should therefore be implemented given that they encourage the predisposition towards a gamification system.

3.3 WHAT IS FILLPIG AND WHAT COULD IT BECOME?

All the three elements constituting the 'Holy Trinity' are present on the app. However, each of them, at a smaller or larger extent should be improved. Starting from the first element, i.e. interest, the delineation of customer profile has inevitably to be enriched by considering not only demographics and geolocalization data (factual or static data), but also behavioural (or dynamic) data. Moreover, a richer and more detailed delineation of its users' profiles should be up to Fillpig, and not to the users themselves, given that a deep knowledge of its users may:

- enhance a control mechanism over the risk of opportunistic behaviours by the users, by assessing whether a user is actually a prospect, or is just looking for a remuneration;

- manage the compensation mechanism in an efficient way, by providing only the offers truly fitting with the users' interests.

In particular, with regard to compensation, i.e. the second element of the 'Holy Trinity', taking into account also the diminishing utility of money, it may be improved through:

- a particular attention paid to the 'surprise effect' and its potential detrimental effects;
- the remuneration of the users in the form of coupons to be spent on the advertised products, rather than with 'neutral money'.

Finally, for what concerns the third of the elements necessary for pursuing a triune engagement, i.e. entertainment, it is evident how some of the elements that make a service captivating and compelling are missed out. In particular:

- in Fillpig there's no fun factor, which the prerequisite for any playful activity and for sustaining the users' involvement, as the billionaire case study of Fortnite suggests;
- improvements are necessary for turning Fillpig from an app that lightly touches a layer of gamification to an app developed around real gamification. For this reason, developments in terms of aesthetics features, solicitation of intrinsic motivation, idea of progress and community should be enhanced.

Entertainment, in order to deliver constant utility, should be continuously renovated, therefore the app's functionalities and the contents proposed will have to be upgraded on an on-going basis.

Taken all together, these elements led to the conclusion that, as it is today, Fillpig may be deemed more as a persuasive system, rather than a gamification platform. The control it exerts over the degree of attention of its users is extremely useful in aligning the behaviours of the customers with those wished by the companies. Persuasive technologies indeed are referred to interactive computer systems aiming at the voluntary reinforcement, change or shaping of attitudes and/or behaviours of the user. This is exactly what Fillpig does today: reinforcing the threshold attention of the users while interacting with a promotional content, in order to reassure companies about the active reception of the message included in those contents. However, in order to be considered as a gamification platform, some future implementations and improvements, as those discussed in this Chapter, will inevitably have to be executed.

CONCLUSIONS

This dissertation originally developed from the urgency of companies to get a reassurance about their returns on marketing. The uncertainty around these investments is mainly due to the difficulty in reaching the right customer base and in assessing the level of attention paid by this latter to the advertising contents.

With this regard, interactivity is a powerful weapon to be grabbed by companies in order to achieve touchpoints with customers. Chapter 1 showed the new possibilities brought by interactivity which allowed (and are still allowing) for a huge improvement in the advertising field, in particular: the feedback loop arising from the mix of dialogue and interactions between senders and receivers and which results in an essential element for the assessment of the correct match between consumer and promotional content; the motivational factors justifying audience's interactivity, i.e. information (the extent to which users seek for resourceful and helpful information (Luo 2002, as cited in Ko, 2002)) and entertainment (the extent to which users seek fun, amusement or excitement (Lin 1999b, Ko, 2002)) motivation; Big Data consumer analytics, regarded as the starting point in paving the way for a deeper understanding of the customer; the customer profiles, and their key role in eliciting the information necessary to provide a winning overlap between user and contents.

Chapter 2 made large use of all these elements in order to establish the so-called 'triune engagement', which stands for the combination of three elements necessary to achieve an effective and durable customer engagement. The three elements are the following.

1. Interest. The individual's interests' elicitation is the first necessary step to be made by a company aiming at the engagement of a customer. Seizing the individuals' interests is necessary for every firm in order to relate with an audience made up of prospects, i.e. potential customers. However, except for extremely immediate and simplistic contents, stimulating a customer's interest is impossible without knowing who is the customer that a company wants to reach. An essential prerequisite in order to do so is the delineation of proper and detailed customer profiles gathering two sets of information, namely factual (or static) and behavioral (or dynamic). Factual information deal with specific data about the consumer, including name, surname, age, gender and other demographics details. Behavioral information deal with social CRM, brand interaction history, social interest graph, etc. By profiling customers, marketing practitioners may more wisely push contents and experiences to their audience (Ting, 2013). Contextualized and personalized contents that reflect the individual customer's behavior, preferences, current situation have long been a dream for marketers, and Big

Data, together with advanced analytics, are now making this dream come true (Weber & Henderson, 2014).

2. Compensation. The prospect's attention needs to be stimulated with the solicitation of her interest, given that it is a crucial precondition for ensuring that a company is interacting with an audience made of prospects, and not of passive or scarcely interested users. However, once the users' interest has been seized, it is necessary for the company to maintain such attention also in the long-run. For the purpose of keeping the user's interest active on an on-going basis, a compensation mechanism can be considered as a valuable mean. As early as 1748, in his 'Advice to a Young Tradesman' Benjamin Franklin wrote "Remember that time is money": compensation should indeed be employed as an effective lever leading to an incentive mechanism through which every user's eagerness to spend more of her time in a certain activity may be enhanced. In this way, compensation does not only improve a user's eagerness to spend more time, but also the number of users willing to be involved in an activity in exchange of a remuneration. As a result, remunerative mechanisms will very likely enlarge the number of users interacting with any system providing remunerative incentives. Compensation may act as an extremely effective mean for pursuing both the goal of engaging a customer by remunerating her time and the number of customers to be engaged. In particular, enlarging the number of users thanks to compensation is extremely helpful for the purpose of delineating precise customer profiles. Indeed, the larger the number of individuals interacting with a platform, the larger the data gathered and the more defined will be the prospects' profiles, which are necessary for delineating accurate and detailed potential customer segments.
3. Entertainment. To confirm the level of customer attention towards a content in the long-run, alongside the forms of compensation (i.e. material gains derived from money) that a consumer can get, also some other forms may be considered, i.e. those deriving from entertainment. Online entertainment is part of the hedonic characteristics of a system and it is referred to the extent to which users look for fun, amusement, arousal, enjoyment or excitement on it (Lin 1999b, as cited in Ko, 2002). In marketing, pleasure and arousal have been demonstrated to affect attitudes in a variety of customers' responses, such as their hedonic and utilitarian value, overall satisfaction, spending level, willingness to buy and responses to advertising (Olney et al., 1991; Donovan & Rossiter, 1982; Sherman et al., 1997; Machleit & Mantel, 2001; Chebat & Michon, 2003; Yüksel, 2007, as cited in Ladhari, 2007). In particular, among the most pleasant and entertaining activities stimulating the user's pleasure and arousal, a relevant element

is represented by play. For this reason, the dissertation focused on the concept of game by applying it also to non-game contexts, a technique widely recognized as ‘gamification’. The enactment of gamification implementations in business gained acceptance because investments in the software programs show high returns as well as greater user engagement and monetary results.

All these three elements, interest-consumption-entertainment, have to coexist in order to complement each other and to achieve the triune engagement of the customer. Taken all together, it is not possible to separate one element from the others. However, by considering each element separately it can be concluded that (everything else equal):

- The higher the compensation, the larger the time each individual is willing to spend on the performance of an activity and/or the larger is the audience of individuals willing to engage in that particular activity.
- The higher the entertainment in doing something, the lower the necessity for other forms of compensation.
- The higher the alignment between the proposed contents and an individual’s interests, the lower the necessity for an individual to be compensated, as well as the lower the necessity for an individual to be entertained.

In order to translate these theoretical conclusions on a practical basis, Chapter 3 was devoted to the presentation of the case study of the start-up ‘Fillpig’ and its homonymous app, with launch scheduled for April 2019. The start-up aims at delivering to companies a more effective mean to get in touch with its potential customers along its marketing channels. In order to do so, Fillpig lets its users free to choose which promotional contents supplied by companies they’re going to watch. This reversal of roles empowers users with the freedom of opting for the spots deemed as most enjoyable for them. Moreover, during the spot vision, some virtual coins randomly appearing on the screen have to be collected by the user. At the end of the spot, she is questioned about the advertising contents through a ‘killer question’ in order to check her attention. In case of correct answer, the user will be rewarded with the virtual coins previously collected and converted into real money ready to be cashed-in.

As can be observed, all the three elements constituting the triune engagement are present on the app. The user has the possibility to opt for the contents deemed as most interesting for her and most in line with her tastes and preferences. The compensation mechanism is realized through the possibility offered to user to cash-in the money she’s entitled of after having correctly answered to the final ‘killer question’. The entertainment component can be found in the ‘layer of gamification’ resulting from the collection of the virtual coins randomly appearing during the vision of the promotional contents. However, the comparison between the case study of

Fillpig and the literature discussed in Chapter 2 highlighted the need for the start-up to make some improvements to the app in order to deliver a more complete and effective service.

Starting from the first element, i.e. interest, the delineation of customer profile has inevitably to be enriched. Moreover, a richer and more detailed delineation of its users' profiles should be up to Fillpig, and not to the users themselves, given that a deep knowledge of its users may:

- enhance a control mechanism over the risk of opportunistic behaviours by the users, by assessing whether a user is actually a prospect, or is just looking for a remuneration;
- manage the compensation mechanism in an efficient way, by providing only the offers truly fitting with the users' interests.

In particular, with regard to compensation, i.e. the second element of the 'Holy Trinity', taking into account also the diminishing utility of money, it may be improved through the remuneration of the users in the form of coupons to be spent on the advertised products.

Finally, for what concerns the third of the elements necessary for pursuing a triune engagement, i.e. entertainment, it is evident how some of the elements that make a service captivating and compelling are missed out. In particular:

- in Fillpig there's no fun factor, which is the prerequisite for any playful activity and for sustaining the users' involvement, as the billionaire case study of Fortnite suggests (*Il Post*, 2019);
- improvements are necessary for turning Fillpig from an app that lightly touches a layer of gamification to an app developed around real gamification. For this reason, developments in terms of aesthetics features, solicitation of intrinsic motivation, idea of progress and community should be enhanced.

Entertainment, in order to deliver constant utility, should be continuously renovated, therefore the app's functionalities and the contents proposed will have to be upgraded on an on-going basis.

In case the suggested improvements are implemented, the app will be a powerful mean able to provide companies a reassurance about the attention paid by customers to their contents, as well as to accompany them on the way along the pursuit of a triune customer engagement.

LIMITATIONS AND FUTURE RESEARCH

The goal of this dissertation was to provide a sort of ‘model’ to be employed in order to analyse the ways in which it is possible for a company to engage a customer. As a result, the work was mainly based on the research of the theoretical background necessary to develop the ‘skeleton’ on which the body of this dissertation is built. For this reason, the focus was on the elaboration of the ‘triune engagement’ in the way considered the most complete possible by consulting the literature concerning a large amount of topics, like: interactivity and interactive marketing, digital business strategy, consumer analytics, Big Data, remunerative mechanisms, decreasing marginal utility of goods, online entertainment, gamification and its effectiveness, Business Model canvas, and so forth.

For what concerns the comparison of the ‘Holy Trinity’ on a practical scenario, the case study of Fillpig was taken into account, given the match arising between the main theoretical elements presented in Chapter 1 and 2 and the main services provided by the start-up. The comparison conducted between the concepts derived from the literature and the Business Model of Fillpig was the mean through which it was possible to assess the truthfulness and the correctness of the resulting conclusions and to convert the analysis from abstract into real terms.

The comparison with further case studies would have been far from the main scope of this research. Since the very beginning, the purpose was first of all to emphasize the development of the triune engagement in order to provide an harmonious and articulated model. However, it would be desirable that future studies, by starting from the structure proposed by this dissertation, will focus on the comparison between the ‘Holy Trinity’ and a numerous sample of realities aiming at the customer engagement by employing a triune setting. In this way, it would be possible to assess if the conclusions highlighted by this dissertation are confirmed also on a larger scale.

REFERENCES

- ActiveCampaign, (2019). Message Types. *ActiveCampaign*. Retrieved 24th January, 2019 from <https://www.activecampaign.com/learn/guides/message-types/>
- Adomavicius, G. & Tuzhilin, A. (1999). User Profiling in Personalised Application through Rule Discovery and Validation. Proc. 5th ACM SIGKDD international conference on knowledge discovery and data mining, August 1999. San Diego, California, USA. ACM, 377-381.
- Adomavicius, G., & Tuzhilin, A. (2005). Personalization technologies: A process-oriented perspective. *Communications of the ACM*, 48(10), 83-90. <https://doi.org/10.1145/1089107.1089109>
- Allain, R., (2016). This is the only way to solve the three-body problem, *Wired*. Accessed 24th January 2019. Available from <https://www.wired.com/2016/06/way-solve-three-body-problem/>
- Azrin, N. H., Holz, W. C., & Hake, D. F., (1963). Fixed-ratio punishment. *Journal Of The Experimental Analysis Of Behavior*, 6 (2), pp. 141-48.
- Ballestar, M. T., Grau-Carles, P., & Sainz, J. (2016). Consumer behavior on cashback websites: Network strategies. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2015.12.015>
- Bezjian-Avery, A., Calder, B., & Iacobucci, D. (1998). New media interactive advertising vs. traditional advertising. *Journal of Advertising Research*, 38(4), 23–32.
- Bharadwaj, A., El Sawy, O.A., Pavlou, P.A., & Venkatraman, N., (2013). Digital Business Strategy: Toward a Next Generation of Insights. *MIS Quarterly*, 37 (2), 471-482.
- Bridges, E., & Florsheim, R. (2008). Hedonic and utilitarian shopping goals: The online experience. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2007.06.017>
- Bunchball Solutions. (2018). About Bunchball. Accessed 4th January 2018. Available from <https://www.bunchball.com/about>
- Calder, B. J., Malthouse, E. C., & Schaedel, U. (2009). An Experimental Study of the Relationship between Online Engagement and Advertising Effectiveness. *Journal of Interactive Marketing*. <https://doi.org/10.1016/j.intmar.2009.07.002>
- Card, D. (2011). How Traditional Entertainment Can Use Social Media. *GigaOm*. Retrieved 4th January, 2019 from <https://gigaom.com/2011/05/10/how-traditional-entertainment-can-use-social-media/>
- Carpenter, J., (2017). Lucidchart's quick and dirty guide to the business model canvas, *Lucidchart*. Retrieved 24th January, 2019 from <https://www.lucidchart.com/blog/quick->

and-dirty-guide-to-the-business-model-canvas

- Carr, D., (2013). Giving viewers what they want. *New York Times*. 24th February. Retrieved 17th November, 2018 from <https://www.nytimes.com/2013/02/25/business/media/for-house-of-cards-using-big-data-to-guarantee-its-popularity.html>
- Chen, Y., Ghosh, A., McAfee, R. P., & Pennock, D. (2008). Sharing online advertising revenue with consumers. In *Lecture Notes in Computer Science (including subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics)*. Proceedings of the 4th International Workshop, WINE 2008, Shanghai, China, December 17-20, 2008 https://doi.org/10.1007/978-3-540-92185-1_62
- Cherry, K., (2018). How Reinforcement Schedules Work - Learning Process Used to Strengthen Specific Behaviors. *Verywell Mind*. Retrieved 24th January, 2019 from <https://www.verywellmind.com/what-is-a-schedule-of-reinforcement-2794864>
- Christensen, C., Cook, S., & Hall, T. (2005). Marketing Malpractice: The Cause and the Cure. *Harvard Business Review*. Retrieved 17th November, 2018 from <https://hbr.org/2005/12/marketing-malpractice-the-cause-and-the-cure>
- Clark, A. E., Frijters, P., & Shields, M., 2007. Relative Income, Happiness and Utility: An Explanation for the Easterlin Paradox and Other Puzzles. *IZA Discussion Paper No. 2840*. Forschungsinstitut zur Zukunft der Arbeit (Institute for the Study of Labor).
- Conaway, R., & Garay, M. C. (2014). Gamification and service marketing. *SpringerPlus*. <https://doi.org/10.1186/2193-1801-3-653>
- Coomes, K., 2018, The Best Moneymaking Apps, *Digital Trends*, Retrieved 28th December, 2018 from <https://www.digitaltrends.com/mobile/best-money-making-apps/>
- Damiani, J., (2019). Black Mirror: Bandersnatch could become Netflix's secret marketing weapon. *The Verge*. Retrieved 3rd February, 2019 from <https://www.theverge.com/2019/1/2/18165182/black-mirror-bandersnatch-netflix-interactive-strategy-marketing>
- Daniel, E., & Wilson, H., (2003). The role of dynamic capabilities in e-business transformation. *European Journal of Information Systems*, 12 (4), 282-296. <https://doi.org/10.1016/j.psc.2017.05.012>
- de Swaan Arons, M., van den Driest, F., & Weed, K. (2014). The ultimate marketing machine. *Harvard Business Review*. Retrieved 17th November, 2018 from <https://hbr.org/2014/07/the-ultimate-marketing-machine> <https://doi.org/10.1109/HICSS.2013.568>
- Diener, E., & Biswas-Diener, R. (2002). Will money increase subjective well-being? A

- literature review and guide to needed research. *Social Indicators Research*, pp.119-169.
<https://doi.org/10.1023/A:1014411319119>
- Djambaska, A., Petrovska, I., & Bundaleska, E. (2015). Is Humor Advertising Always Effective? Parameters for Effective Use of Humor in Advertising. *Journal of Management Research*. <https://doi.org/10.5296/jmr.v8i1.8419>
- Duhigg, C. (2012). How Companies Learn Your Secrets. *The New York Times Magazine*. Retrieved 17th November, 2018 from
<https://www.nytimes.com/2012/02/19/magazine/shopping-habits.html>
<https://doi.org/10.1177/0146167212445599>
- Easterlin, R. A. (2001). Income and happiness: Towards a unified theory. *The Economic Journal*. 111 (July), pp. 465-484. <https://doi.org/10.1111/1468-0297.00646>
- Easterlin, R. A. (2003). Explaining happiness. *Proceedings of the National Academy of Sciences*, 100 (19). <https://doi.org/10.1073/pnas.1633144100>
- Easterlin, R. A. (2005). Diminishing marginal utility of income? Caveat emptor. *Social Indicators Research*, pp. 243-255. <https://doi.org/10.1007/s11205-004-8393-4>
- Eisenhardt, K. M. (1989). Agency Theory: An Assessment and Review. *Academy of Management Review*. 14 (1), pp. 57-74. <https://doi.org/10.5465/AMR.1989.4279003>
- Erevelles, S., Fukawa, N., & Swayne, L. (2016). Big Data consumer analytics and the transformation of marketing. *Journal of Business Research*, 69(2), 897–904. <https://doi.org/10.1016/j.jbusres.2015.07.001>
- Farrington, R., 2018, Inbox Dollars Review: Take Your \$5 And Run, *The College Investor*, Retrieved 28th December, 2018 from <https://thecollegeinvestor.com/19965/inbox-dollars-review/>
- Fernie, S., & Metcalf, D. (1999). It's not what you pay it's the way that you pay it and that's what gets results: Jockeys' pay and performance. *Labour*. 13 (2). pp. 385-411
<https://doi.org/10.1111/1467-9914.00100>
- Forbes Coaches Council, 2019. 15 Ways You Can Encourage Clients To Buy Without Turning Them Off. *Forbes*. Accessed 19th January 2019. Available from <https://www.forbes.com/sites/forbescoachescouncil/2017/03/24/15-ways-you-can-encourage-clients-to-buy-without-turning-them-off/#788ec3c37486>
- Gladwell, M., (2000). The Tipping Point: How Little Things Can Make a Big Difference. *Little Brown and Company, Boston*.
- Hamari, J., & Koivisto, J. (2013). Social motivations to use gamification: an empirical study of gamifying exercise. In *ECIS 2013 Proceedings at AIS Electronic Library (AISeL)*. <https://doi.org/10.1016/j.chb.2015.07.031>

- Hamari, J., Koivisto, J., & Sarsa, H. (2014). Does gamification work? - A literature review of empirical studies on gamification. In *Proceedings of the Annual Hawaii International Conference on System Sciences*. <https://doi.org/10.1109/HICSS.2014.377>
- Harbour, S., (2019). How to Stimulate Client Interest & Sales Leads. *Houston Chronicle Smallbusiness*. Accessed 19th January 2019. Available from <https://smallbusiness.chron.com/stimulate-client-interest-sales-leads-43588.html>
- Heeter, C., (2000). Interactivity in the context of designed experiences. *Journal of Interactive Advertising*, 1(1), 4-15.
- Heinonen, T., & Rozenveld, M., (2013). Challenges Facing The Advertising World In The Digital Era. Master Thesis in Marketing, Mälardén University, School of Business, Society and Engineering.
- Hofacker, C. F., de Ruyter, K., Lurie, N. H., Manchanda, P., & Donaldson, J. (2016). Gamification and Mobile Marketing Effectiveness. *Journal of Interactive Marketing*. <https://doi.org/10.1016/j.intmar.2016.03.001>
- Hoffman, D., & Novak, T., (1996). Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations. *Journal of Marketing*, 60 (3), 50-68.
- Hoffman, J., (2019). 5 Tricks That Will Magically Get Prospects Interested in You. *HubSpot*. Accessed 19th January 2019. Available from <https://blog.hubspot.com/sales/get-stranger-interested-si>
- Holbrook, M. B., & Hirschman, E. C. (1982a). Hedonic Consumption: Emerging Concepts, Methods and Propositions. *Journal of Marketing*. <https://doi.org/10.2307/1251707>
- Holbrook, M. B., & Hirschman, E. C. (1982b). The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun. *Journal of Consumer Research*. <https://doi.org/10.1086/208906>
- Holbrook, M., & Lehmann, D. (1981). Allocating discretionary time: Complementarity among activities. *Journal of Consumer Research*. <https://doi.org/10.1086/208830>
- Holmes, T.E., (2016). *7 ways to attract and keep customers*, USA Today, Retrieved 24th January, 2019 from <https://eu.usatoday.com/story/money/business/small%20business/2016/05/06/invest-in-customer-acquisition-retention-small-business-week/83936710/>
- Huizinga, J. (1951). Homo Ludens: A Study of the Play-Element in Culture. *American Sociological Review*. <https://doi.org/10.2307/2087716>
- Huotari, K., & Hamari, J. (2012). Defining Gamification - A Service Marketing Perspective. In *Proceeding of the 16th International Academic MindTrek Conference*. <https://doi.org/10.1145/2393132.2393137>

- Huotari, L., Ulkuniemi, P., Saraniemi, S., & Mäläskä, M. (2015). Analysis of content creation in social media by B2B companies. *Journal of Business and Industrial Marketing*, 30(6), 761–770. <https://doi.org/10.1108/JBIM-05-2013-0118>
- Il Post, 2019, *Perché Fortnite non passa di moda?* Retrieved 24th January, 2019 from <https://www.ilpost.it/2019/01/13/fortnite-motivi-successo/>
- Jacoby, J., Szybillo, G. J., & Berning, C. K. (1976). Time and Consumer Behavior: An Interdisciplinary Overview. *Journal of Consumer Research*. <https://doi.org/10.1086/208644>
- Jahng, J. J., Jain, H., & Ramamurthy, K. (2002). Personality traits and effectiveness of presentation of product information in e-business systems. *European Journal of Information Systems*, 11(3), 181–195. <https://doi.org/10.1057/palgrave.ejis.3000431>
- Joe, R., (2014). CES 2014: Why Pandora Is Happy That Cookies Are Disappearing. *AD Exchanger*. Retrieved 22nd December, 2018 from <https://adexchanger.com/digital-marketing-2/ces-2014-why-pandora-is-happy-that-cookies-are-disappearing/>
- Karat, C. M., Karat, J., Vergo, J., Pinhanez, C., Riecken, D., & Cofino, T. (2002). That's entertainment! Designing streaming, multimedia Web experiences. *International Journal of Human-Computer Interaction*. https://doi.org/10.1207/S15327590IJHC143&4_06
- Katz, M. L., & Shapiro, C., (1994). Systems Competition and Network Effects. *Journal of Economic Perspectives*, 8 (2), pp. 93-115.
- Kenton, W., (2018), *Law Of Diminishing Marginal Utility*, Investopedia. Retrieved 24th January, 2019 from <https://www.investopedia.com/terms/l/lawofdiminishingutility.asp>
- Khoubian, M., (2018), *10 Customer Retention Strategies That Keep Customers Coming Back*, Yotpo Voice. Retrieved 24th January, 2019 from <https://www.yotpo.com/blog/10-ways-to-improve-customer-retention/>
- Ko, H., (2002). Internet uses and gratifications: a structural equation model of global interactive advertising. PhD thesis, University of Florida.
- Kotler, P., & Armstrong, G., (2012). *Principles of Marketing*. 14th edition. Pearson Prentice Hall.
- Kren, L., & Kerr, J. L. (1993). The Effect of Behaviour Monitoring and Uncertainty on the Use of Performance-Contingent Compensation. *Accounting and Business Research*. 23 (90), pp. 159-168. <https://doi.org/10.1080/00014788.1993.9729873>
- Ladhari, R. (2007). The movie experience: A revised approach to determinants of satisfaction. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2006.12.007>
- Lai, H., Lian, T. and Ku, Y.C. (2003). Customized Internet News Services Based on Customer

- Profiles. Proc. 5th international conference on electronic commerce ICEC), Pittsburgh, Pennsylvania, September 2003. ACM, 50, 225-229.
- LaValle, S., Lesser, E., Shockley, R., Hopkins, M., & Kruschwitz, N. (2011). Big Data, Analytics and the Path From Insights to Value. *MIT Sloan Management*, 52(2), 13. <https://doi.org/10.1016/j.biortech.2012.05.102>
- Layard, R., Mayraz, G., & Nickell, S. (2008). The marginal utility of income. *Journal of Public Economics*. 92 (8-9). pp.1846-1857. <https://doi.org/10.1016/j.jpubeco.2008.01.007>
- Levitt, T., (1983). *The marketing imagination*. Excerpt from Chapter 7. New York/London, Free Press.
- Lievrouw, M., & Livingstone, S., (2006). Handbook of new media: social shaping and consequences of ICTs. 2nd edition. London Sage
- Litwin, B. (2016). 8 Critical Metrics to Watch with Google Analytics. *The A2 Posting*. 4th November. Retrieved 17th November, 2018 from <https://www.a2hosting.com/blog/8-critical-metrics-watch-google-analytics/>
- Lombard, M., & Snyder-Duch, J., (2001). Interactive advertising and presence. *Journal of Interactive Advertising*, 1(2), 56-65.
- Luthra, A., 2018, *Top Cashback Sites - Make £100s when you shop online*, Money Saving Expert. Retrieved 24th January, 2019 from <https://www.moneysavingexpert.com/shopping/cashback-websites/>
- Magids, S., Zorfas, A., & Leemon, D. (2015). The New Science of Customer Emotions. *Harvard Business Review*. Retrieved 17th November, 2018 from <https://hbr.org/2015/11/the-new-science-of-customer-emotions>
- Myhill, C., (2004). Commercial Success by Looking for Desire Lines. In: Masoodian M., Jones S., Rogers B. (eds) Computer Human Interaction. APCHI 2004. Lecture Notes in Computer Science, vol 3101, pp. 293-304. Springer, Berlin, Heidelberg
- Neff, J. (2004). P&G chief: we need new model-now. *AdAge*. 15th November. Retrieved 17th November, 2018 from <https://adage.com/article/news/p-g-chief-model/101188/>
- Ntawanga, F., Calitz, A. and Barnard, L. (2008). Dynamic customer profile for e-commerce websites. Proceedings of Southern African Institute for Management Scientist (SAIMS), September 2008, Misty Hill Hotel, South Africa.
- Ntawanga, F., Calitz, A. and Barnard, L. (2009). Customer Profiling as a Service on the Internet. Proceedings of Southern African Institute for Management Scientist (SAIMS), September 2009, Summerstrand Hotel, Port Elizabeth, S.A.

- Nunes, J. C., & Drèze, X., (2006). The Endowed Progress Effect: How Artificial Advancement Increases Effort. *Journal Of Consumer Research*, Vol. 32, pp. 504-12.
- Nwankwo, S. (1995). Developing a customer orientation. *Journal of Consumer Marketing*, 12 (5), 5-15. <https://doi.org/10.1108/07363769510103856>
- Oinas-Kukkonen, H., & Harjuma, M. (2009). Persuasive systems design: Key issues, process model, and system features. *Communications of the Association for Information Systems*. <https://doi.org/10.17705/1CAIS.02428>
- Osterberg, W. P., & Thomson, J. B., (1998). Network Externalities: The Catch-22 of Retail Payments Innovations. *Federal Reserve Bank of Cleveland*.
- Osterwalder, A., & Pigneur, Y., (2009). *Business Model Generation*. Modderman Drukker. Amsterdam, The Netherlands.
- Pandora Internet Radio (2017). Historical Financial Results in September 30, 2018. Retrieved 22nd December, 2018 from <http://investor.pandora.com/interactive/newlookandfeel/4247784/Historical-Detailed-Financials.pdf>
- Pavlou, P.A., & Stewart, D.W., (2000). Measuring The Effects And Effectiveness Of Interactive Advertising: A Research Agenda, *Journal of Interactive Advertising*, 1 (1), 62-78.
- Prey, R. (2018). Nothing personal: algorithmic individuation on music streaming platforms. *Media, Culture and Society*, 40(7), 1086–1100. <https://doi.org/10.1177/0163443717745147>
- Reinecke, L., Vorderer, P., & Knop, K. (2014). Entertainment 2.0? The role of intrinsic and extrinsic need satisfaction for the enjoyment of facebook use. *Journal of Communication*. <https://doi.org/10.1111/jcom.12099>
- Richard, M. O., & Chebat, J. C. (2016). Modeling online consumer behavior: Preeminence of emotions and moderating influences of need for cognition and optimal stimulation level. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2015.05.010>
- Richter, G., Raban, D. R., & Rafaeli, S. (2015). Studying gamification: The effect of rewards and incentives on motivation. In *Gamification in Education and Business*. https://doi.org/10.1007/978-3-319-10208-5_2
- Roth, R., (2018). Give Customers What They Need (Not What They Want). *Forbes*. Retrieved 17th November, 2018 from <https://www.forbes.com/sites/forbescoachescouncil/2018/05/03/give-customers-what-they-need-not-what-they-want/#22739f6140ca>
- Rust, R. T., Ambler, T., Carpenter, G. S., Kumar, V., & Srivastava, R. K. (2004). Measuring

- Marketing Productivity: Current Knowledge and Future Directions. *Journal of Marketing*, 68(4), 76–89. <https://doi.org/10.1509/jmkg.68.4.76.42721>
- Rust, R.T., & Oliver, R.W., (1994). The Death of Advertising. *Journal of Advertising*, 23(4), 71-78.
- Ryan & Deci, (2000). Self-Determination Theory and the Facilitation of Intrinsic Motivation, Social Development, and Well-Being. *American Psychologist*, 55 (1), 68-78. <https://doi.org/10.1037/110003-066X.55.1.68>
- Schell, J., (2008). *The Art of Game Design - A book of lenses*. Carnegie Mellon University. Morgan Kaufmann Publishers.
- Siang, A. C., & Rao, R. K., (2003). Theories of Learning: A Computer Game Perspective. *Proceedings of the IEEE Fifth International Symposium on Multimedia Software Engineering (ISMSE'03)*.
- Spacey, J., (2017). 17 Types of Marketing Message. *Simplicable*. Retrieved 24th January, 2019 from <https://simplicable.com/new/marketing-messages>
- Spotify for Brands (2018). You are what you stream. Retrieved 22nd December, 2018 from <https://spotifyforbrands.com/en-US/audiences/>
- Steuer, J., (1992). Defining Virtual Reality: Dimensions Determining Telepresence. *Journal of Communication*, 42 (4), 73-93.
- Tassi, P., (2019). Why Isn't 'Fortnite' Going Away?, *Forbes*. Retrieved 24th January, 2019 from <https://www.forbes.com/sites/insertcoin/2019/01/04/why-isnt-fortnite-going-away/#2930eb264380>
- Taylor, P., (2018), *The Best Cash Back Sites (like Ebates.com)*, Part-Time Money. Retrieved 24th January, 2019 from <https://ptmoney.com/cash-back-sites/>
- The Telegraph (2017). The biggest technology flops in history. Retrieved 22nd December, 2018 from <https://www.telegraph.co.uk/technology/0/biggest-technology-flops-history/google-glass/>
- Ting, R. (2013). The Customer Profile: Your Brand's Secret Weapon. *Harvard Business Review*. Retrieved 17th November, 2018 from <https://hbr.org/2013/03/the-customer-profile-your-bran>
- Tracy, B., (2019). 14 Proven Strategies To Increase Sales Of Your Product. *Brian Tracy International*. Retrieved 24th January, 2019 from <https://www.briantracy.com/blog/sales-success/proven-strategies-to-increase-sales-of-your-product/>
- Unger, L. S., & Kernan, J. B. (1983). On the Meaning of Leisure: An Investigation of Some Determinants of the Subjective Experience. *Journal of Consumer Research, Inc. Source: Journal of Consumer Research*. <https://doi.org/10.1086/208932>

- Vana, P., Lambrecht, A., & Bertini, M. (2015). *Cashback Is Cash Forward: Delaying a Discount to Encourage Future Spending*. SSRN. Marketing Science Institute Working Paper Series 2015 (Report No. 15-112).
<https://doi.org/10.2139/ssrn.2588611>
- Weber, L., & Henderson, L. L. (2014). *The Digital Marketer_ Ten New Skills You Must Learn to Stay Relevant and Customer-Centric*. Wiley.
- Weide, K., Ireland, G., Kevorkian, S. (2011). *Social Entertainment 2.0: What Is It, and Why Is It Important?* *IDC Research*.
- Wells, M., (2015). Top 10 best examples of gamification in business. *MYcustomer*. Retrieved 4th January, 2018 from <https://www.mycustomer.com/community/blogs/monicawells/top-10-best-examples-of-gamification-in-business>
- Wilson, L. O., (2019). Five Basic Types of Questions. *The Second Principle*. Retrieved 24th January, 2019 from <https://thesecondprinciple.com/teaching-essentials/five-basic-types-questions/>
- Yoon, K., Bolls, P. D., & Muehling, D. D., (1999). The Effect of Involvement, Arousal, and Pace on Claim and Non-claim Components of Attitude toward the Ad. *Media Psychology*, 1:4, pp. 331-352. DOI: 10.1207/s1532785xmep0104_3
- Zaltman, G. (2003). How customers think. *Summarized by arrangement with Harvard Business School Press*, from 'How customers think: Essential Insights into the mind of the Market' *Harvard University*. <https://doi.org/10.2501/S026504870808013X>
- Zorfas A, & Leemon, D. (2016). An Emotional Connection Matters More than Customer Satisfaction. *Harvard Business Review*. Retrieved 17th November, 2018 from https://hbr.org/2016/08/an-emotional-connection-matters-more-than-customer-satisfaction?referral=03759&cm_vc=rr_item_page.bottom
- Zwick, D., & Dholakia, N. (2018). Digital Marketing : From Customer Profiling to Computational Marketing Analytics, in Peñaloza, L., Toulouse, N., Visconti L. (Eds.), *Marketing Management: A Cultural Perspective*, London and New York: Routledge, chapter 27.
- Zwick, D., & Knott, J. D. (2009). Manufacturing Customers: The database as new means of production. *Journal of Consumer Culture*, 9(2), 221–247.
<https://doi.org/10.1177/1469540509104375>