

MSI Webinar: Experience Infusion: How to Improve Customer Experience by Embedding Autotelic Activities in Incidental Activities

March 19, 2024 | Virtual | 10:00 pm – 10:30 pm ET

Speakers:

Mathew Chylinski - Associate Professor, School of Marketing, University of New South Wales Business School.

Overview:

In this MSI Webinar, Mathew Chylinski presents research he conducted with Ashish Sinha (University of Technology Sydney), David Sugianto Lie (University of New South Wales), and William David Neill (Venture Capital). Inspired by the growth of social e-commerce, particularly in Asian markets, Chylinski indicates that their study focuses on enhancing the online retail experience for consumers by implementing "experience infusion," which allows for improvements without incurring the high costs associated with a redesign. To address this, the researchers introduce a framework of compensatory experience binding, suggesting that positive experiences, even if they're unrelated to the decision, can balance out the negative impact of transaction costs during decision-making. By examining data gathered from a complex experimental setup and utilizing a Bayesian Monte Carlo Markov Chain (MCMC) method to test a panel dynamic system of equations, the researchers find that integrating a naturally enjoyable yet supplementary activity such as gameplay into a primary-agent collaborative task enhances the overall decision-making experience and improves decision-making accuracy.

Takeaways:

What is Social e-commerce?

- **Social e-commerce (SeCommerce):** Typically provides **social recommendations, group or team buying** (sometimes includes quantity discounts) and **games** or other intrinsically rewarding activities, as seen on the platform Pin Duo Duo, embedded in the consumer journey (e.g., watering ePlants, playing Sudoku, etc.).
 - In **social e-commerce** the process is **driven by autotelic tasks and engagement**, with product recommendations typically stemming from real users (e.g. nano-influencers).
 - This is in stark contrast to platforms like Amazon which are driven by instrumental tasks and efficiency, using algorithmic suggestions.

amazon

relative accuracy
effort (total EIP)

WAZDO, BIZW, JACED, BLEX, BIRA, BAN

PIN DUO DUO
Together More Savings More Fun

amazon

- INSTRUMENTAL TASKS
- EFFICIENCY FOCUS

PIN DUO DUO ORCHARD GAME

1 Choose your own fruit tree to grow!
2 Grow your tree organically to harvest and grow your fruit size!
3 Harvest on your own basis of fruits for trees!

- AUTOTELIC TASKS
- ENGAGEMENT FOCUS

- **The SeCommerce process** underscores how **experience consumption operates as a form of compensation**, offering fresh perspectives on engagement by delving into the psychological state of flow.

FLOW

Representing Experience Infusion using Flow Theory (Skill vs Challenge)

Skill vs Challenge graph:
AUTOTELIC
INSTRUMENTAL

Instrumental Task
- PRICING - AGENT
- CHECK OUT

Autotelic Task
- PLAY STATE

Experience Infusion

Social Recommendations: usually from nano-influencers using Social Media Platforms (in contrast to Algorithmic Recommendation eg Taobao and Amazon)

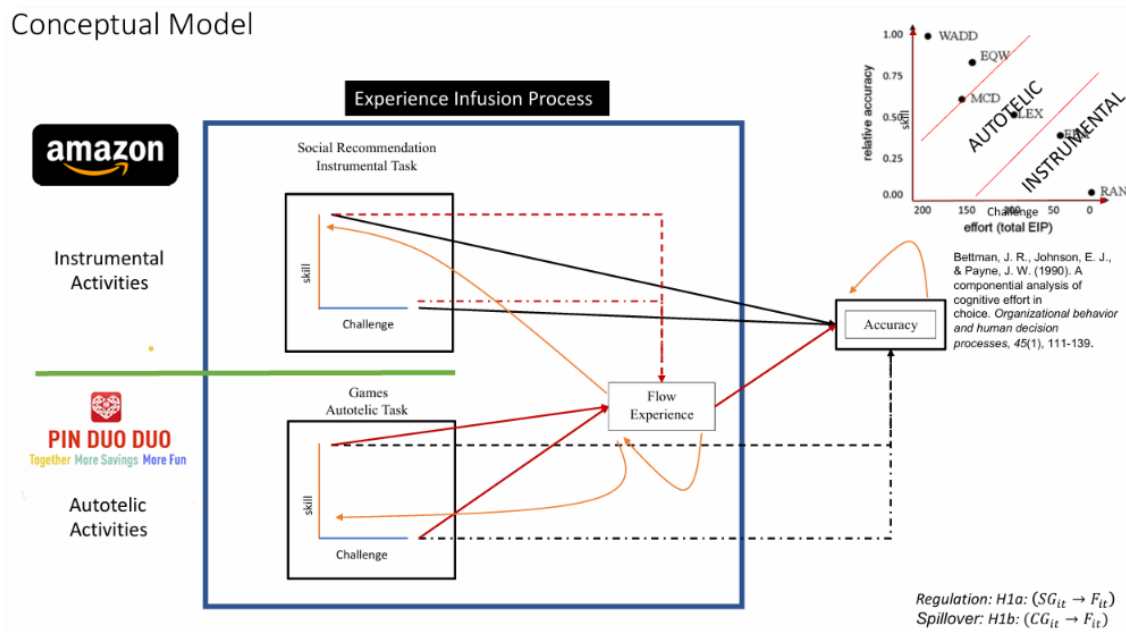
Group or Team Buying in which you are not only buying for yourself but also others (sometimes Quantity Discounts)

Games or other Autotelic Activities Embedded in the Customer Journey – some of these activities could be easy (watering ePlants) but others harder (playing Sudoku)

The Research

- To engage customers in such activities, the researchers developed an online retail environment for consumer electronics.
 - The research employs a Bayesian (MCMC) approach to capture and understand the concurrent interaction among various activities and experiences as they unfold over time.

Conceptual Model



Results

- Overall, the results are consistent with the initial speculation that **game infused activities contribute to an improved experience during decision making** and do so independently, as implied by a compensatory view of experience binding.
- On a managerial perspective, the results indicate that **Social eCommerce is emerging as a significant business model** distinct from traditional eCommerce.
 - The study offers a 'plug and play' approach to improve customer experience without the exhaustive redesign of an established marketing system.
 - It incorporates independent activities like gaming and social recommendations, enhancing flow, customer engagement, and decision accuracy.
 - The binding of activities further boosts flow over time, potentially fostering customer loyalty and retention on Social eCommerce platforms.
- On a theoretical level, the concept of Experience Infusion is introduced as a new theoretical framework, challenging the traditional effort-accuracy tradeoff.
 - Experience Regulation, rather than Experience Spillover, is proposed as the psychological mechanism behind Experience Infusion, offering intriguing insights for designing customer journeys.

Selected sources:

Experience infusion: How to improve customer experience with incidental activities.

Source: Chylinski, M., Sinha, A., Lie, D. S., & Neill, W. D. (2023). MSI Working Paper. [MSI](#).

A componential analysis of cognitive effort in choice.

Source: Bettman, J. R., Johnson, E. J., & Payne, J. W. (1990). [*Organizational Behavior and Human Decision Processes*](#), 45(1), 111–139.

How regulatory fit affects value in consumer choices and opinions.

Source: Avnet, T., & Higgins, E. T. (2006). [*Journal of Marketing Research*](#), 43(1), 1–10.

Daily stress and the trajectory of mood: Spillover, response assimilation, contrast, and chronic negative affectivity.

Source: Marco, C. A., & Suls, J. (1993). [*Journal of Personality and Social Psychology*](#), 64(6), 1053–1063.