



Seminar of applied behavioural economics

Awareness of the IKEA App

Calvin

Jingwei

Ludwig Baunach (621956)

Maxime



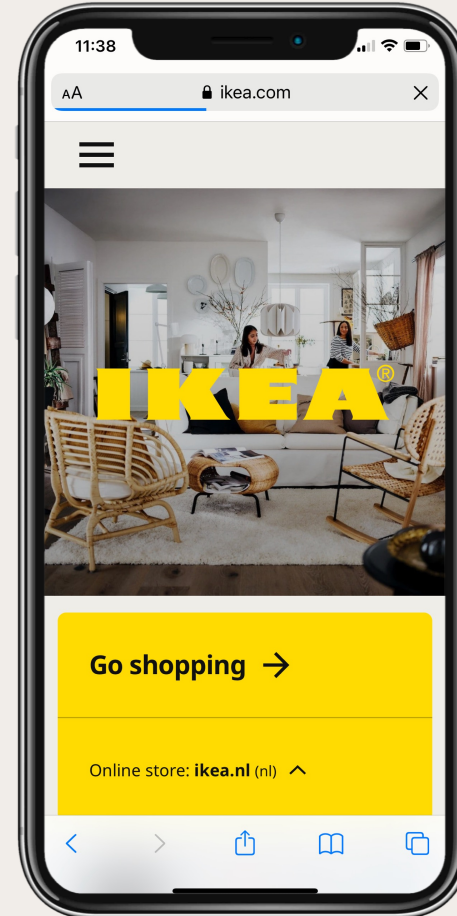


Problem

No Communication
about the app on
website

Our Focus

Missing obvious
benefits in the app



Solution

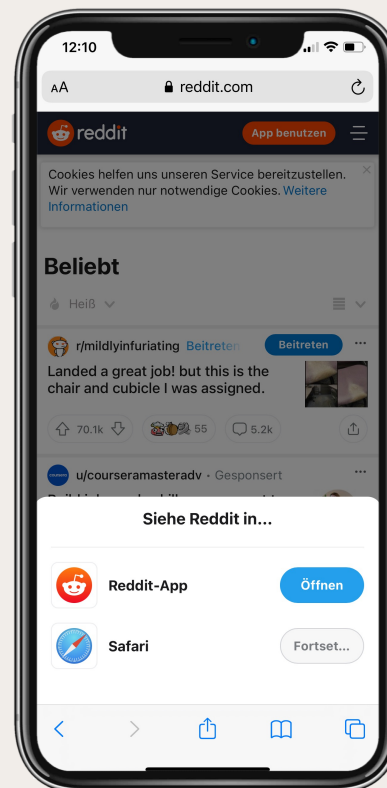
Add communication
on mobile website

Main approach:

Nudge

Inspiration

We can observe different degrees of "aggressiveness" of the nudge. Displayed in descending order:*



- Mentioned paper: 3% conversion rate prompts (Bestor, 2019), 1,6% Conversion rate banners (Yoo, 2009)

Literature

Digital nudging (Tested in Experiment)

- Digital nudging is the use of user-interface design to guide people's behaviour in digital choice environments (Weinmann, Schneider & Brocke, 2016)
- What is chosen often depends upon how the choice is presented. (Johnson et al., 2012)
- Choice architecture alters people's behaviour in a predictable way. (Thaler & Sunstein, 2008)

Dimensions of Awareness

1. **Brand recognition** which refers to the ability of consumers to recognise a brand
(Huang & Sarigöllü, 2014)
2. **Brand recall** which refers to consumers being able to recall a brand during their decision-making process without being primed
(Huang & Sarigöllü, 2014)

Research Question

How effective is digital nudging in raising awareness about the IKEA application?

H1:

Nudging **increases app recognition** more than traditional communication, which in turn increases app recognition more than no communication.

H2:

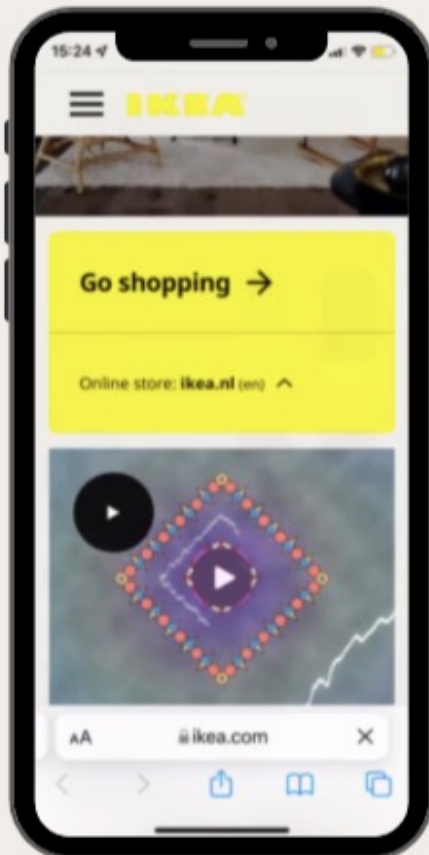
Nudging **increases app usage** more than traditional communication, which in turn increases app usage more than no communication.

Target:

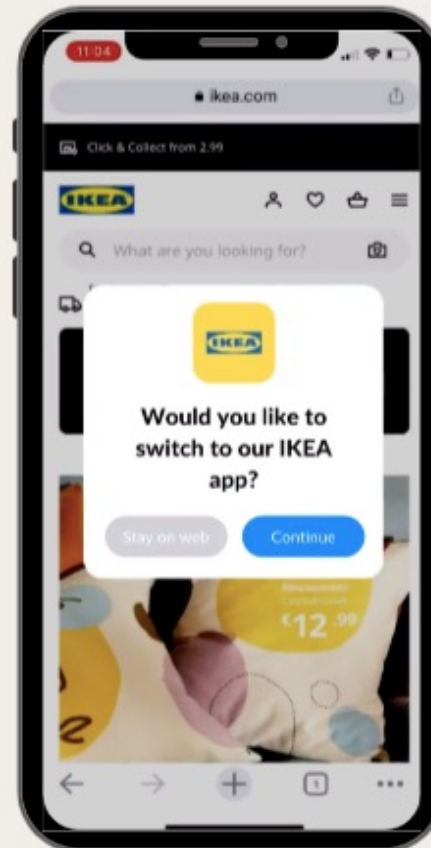
Dutch residents aged 18-45

Experiment (Pictures)

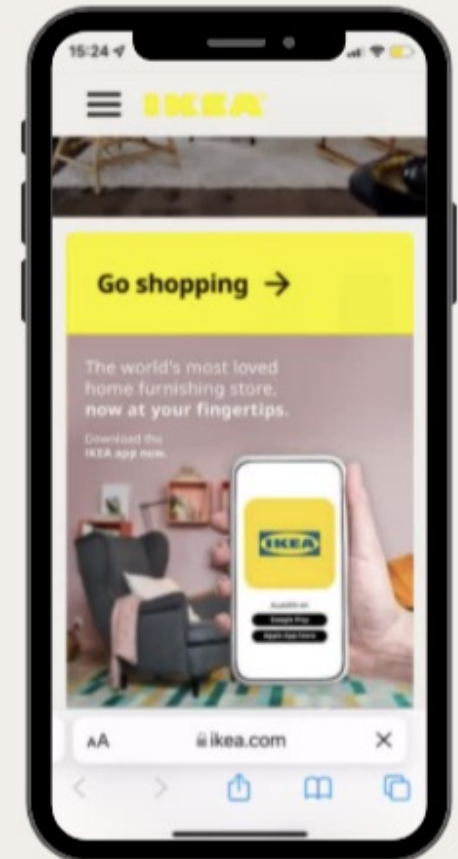
Control



T - 1

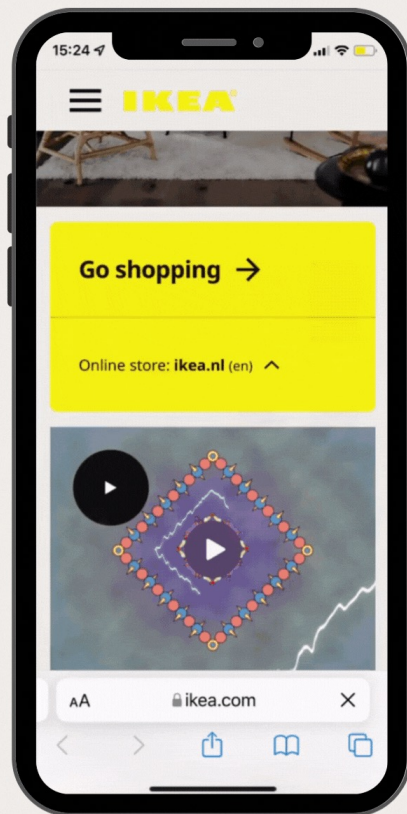


T - 2

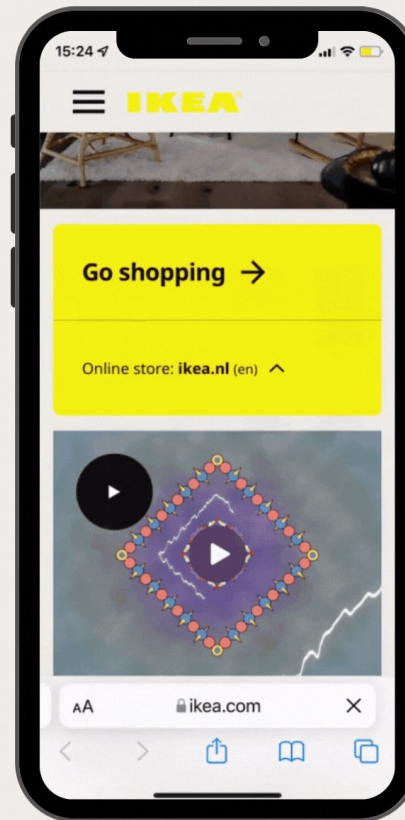


Experiment (Video)

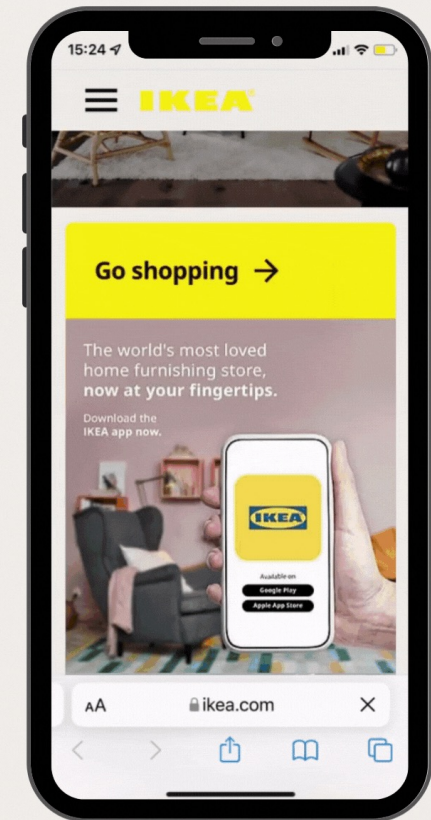
Control



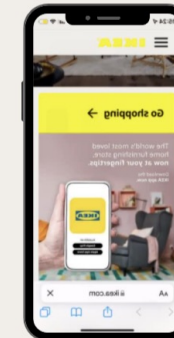
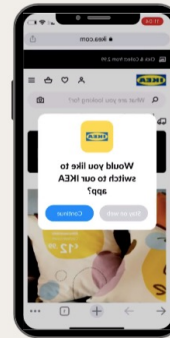
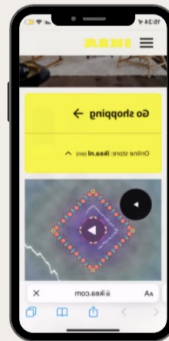
T - 1



T - 2



Main Variables of Interest



Effects on

Recognition

Click-Rate

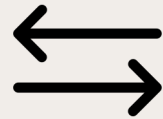
Preference of next purchase

Data collection

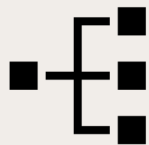
SOCIAL MEDIA



Survey Swap



Snowball Sampling



F2F Recruitment



Total number of participants we recruited:
281

Screeners



Valuable observations:
145

Randomization



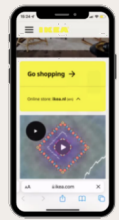
Control
56

Nudge
42

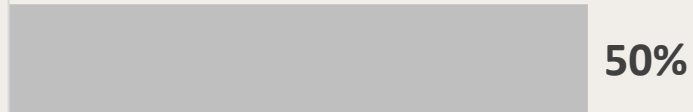
Trad. ad
47

App Recognition

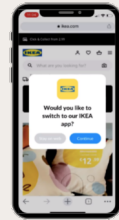
Recognition of the IKEA Shopping App



Control
(n=56)



50%



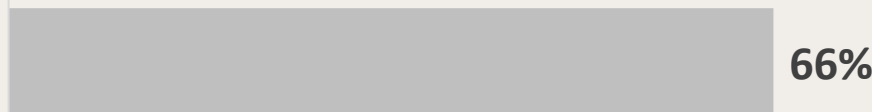
Nudge
(n=42)



52%



Traditional Ad
(n=47)



66%

0.84

0.11

0.20

Pairwise Fisher-Exact test p-value

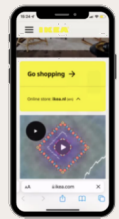
Interpretation

No significant increase in recognition for the nudge compared to the control.

The traditional ad is still the most effective form on communication at increasing recognition.

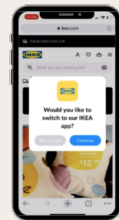
Click-rate

Click-rate on re-direct link



Control
(n=56)

13%



Nudge
(n=42)

7%



Traditional Ad
(n=47)

6%

0.51

0.34

1.00

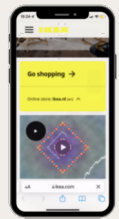
Pairwise Fisher-Exact test p-value

Interpretation

No significant difference in click-rate between the two treatments.

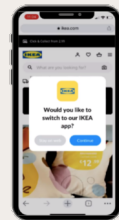
Preference of next purchase

Preference to use IKEA Shopping App on next purchase



Control
(n=56)

4%



Nudge
(n=42)

14%



Traditional Ad
(n=47)

9%

0.07

0.41

0.51

Pairwise Fisher-Exact test p-value

Interpretation

The **nudge is the most effective at increasing preference for the app** compared to the control and traditional ad.

The difference in preference between the nudge and the control is **statistically significant**.

Implications

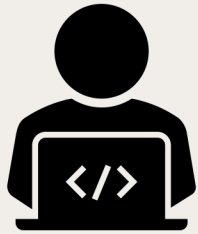
H1: Recognition

We did **not find supporting evidence** that the nudge increases app recognition

H2: App usage

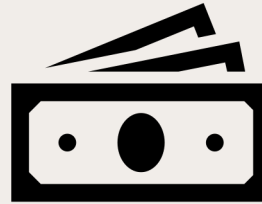
We **found supporting evidence** that the nudge increases app usage when looking at preference as a parameter

Costs of implementing the nudge*



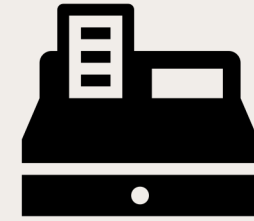
Web Developer

8 h



Wage

50€/h



Costs

400€

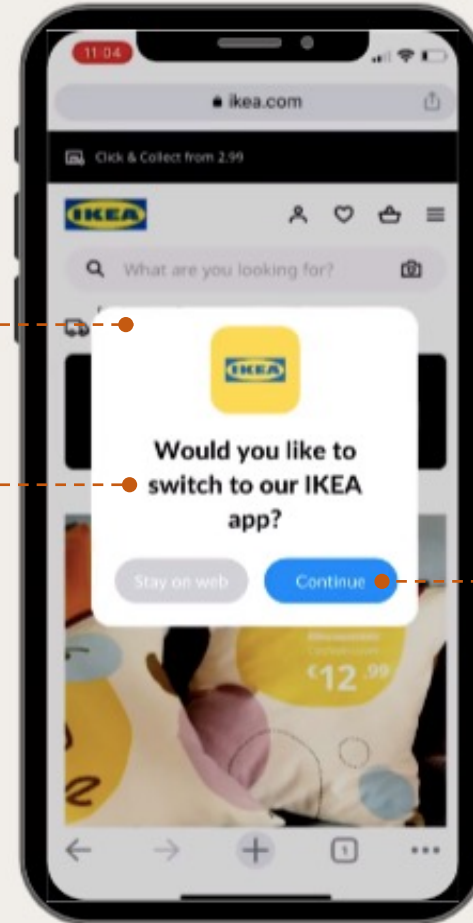
Improvements

Aggressiveness

Adjust Size/Colour of Prompt
(Bestor, 2019)

Wording

Optimize Question Framing
(Singer et al, 2010)

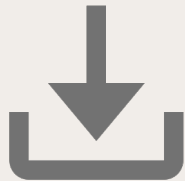


Default Option

Test Default Choice
(Park et al, 2000)

Evaluation approach

Downloads



- Track downloads of the app
- More concrete evidence about effectiveness

Regression Discontinuity Design



- Set introduction of the solution as a threshold
- Track App visits before and after the threshold

Implementation plan

Test

Implement

Evaluate

Use A/B testing

- Test Aggressiveness
- Test Default Options
- Test Wording

Several iterations

Use Open-source
code

Use Apples API's

Further improve
solution based on
KPI's

Conclusion

Feasibility

Easy to test
Easy to implement



Effectiveness

No significant increase in recognition
Increase preference of next purchase



Costs

Cost efficient



Thank You

