**Institut für KOMMUNIKATIONS-MANAGEMENT**

Fachhochschul-Studiengang
Kommunikationswirtschaft – Corporate Communications

Extended abstract of the diploma thesis:

# The Mobile Storytelling Experience

A Quantitative Study on the Impact of Mobile Storytelling on Customer Relationships in IMC (Integrated Marketing Communications)



Figure 1: Fellow student Sari Latva-Kiskola texting messages for the preliminary experiment in Delft, Netherlands (own photo)

***Deutscher Titel:***
*Eine quantitative Untersuchung der Auswirkungen von Mobile Storytelling auf Kundenbeziehungen und Integrierte Kommunikation*

Diplomarbeit zur Erlangung des akademischen Grades eines
Magister für wirtschaftswissenschaftliche Berufe (FH)

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## Purpose and Focus of the Study

This diploma thesis focuses on the dramaturgy technique of storytelling via mobile cell phones. The according effects of mobile storytelling on customer relationships are being examined within IMC concepts (Integrated Marketing Communications). Immersive storytelling is not yet a commonly practiced method within the emerging fields of mobile marketing. The research aims to prove that this communication method has a greater leverage on customer relationships than conventional mobile marketing methods.
The thesis is written in English language to reflect the current state of research in the fields of mobile marketing, storytelling and integrated marketing communications.

## Research Questions and Hypotheses

The main research question reads as follows:
*"Does mobile storytelling leverage customer relationships, and create insights for Integrated Marketing Communications?"*

To be able to find an answer by applying measurable metrics, the main question has been broken down into the following **sub questions:**

I. *Do mobile storytelling techniques generate higher response rates than conventional mobile marketing campaigns?* (Indicator: **RESPONSE**)

II. *Do mobile storytelling techniques encourage consumers to get involved in a more intensive way with a brand than within conventional mobile marketing campaigns?* (Indicator: **INVOLVEMENT**)

III. *Do mobile storytelling techniques create stronger commitment to brands than by using conventional mobile marketing campaigns?* (Indicator: **COMMITMENT**)

IV. *Do mobile storytelling campaigns increase short-term sales or reach long-term branding objectives in IMC?* (Indicator: **LOYALTY**)

The according research indicators get **attached to these hypotheses:**

I. **RESPONSE***:* The curiosity to follow the storyline generates less drop-outs in comparison to offering prizes and incentives within a quiz.

II. **INVOLVEMENT***:* The need for sharing the creative output with other participants is higher within the storytelling group, people interact more frequently on the storytelling-website rather than on the landing-page for the quiz group.

III. **COMMITMENT** *(to participate again):* The leverage on customer relationship is higher within the storytelling group.

IV. **LOYALTY***:* The leverage on future purchases is higher in the storytelling groups. Loyalty programs are expected to increase both short-term sales and leverage long-term branding objectives, depending on their strategy.

## Methodology (Field Experiment)

A theoretical frame of reference has been created to help in understanding the fields of this study. First experimental observations in mobile storytelling techniques have been made by the researcher and his colleague in their studies abroad at Hogeschool Utrecht, Netherlands in 2009. The qualitative outcome of this preliminary experiment has been used to gain first insights into this emerging method and to develop an enhanced research approach.

The present thesis is being examined with the quantitative approach of a field experiment. The field experiment constitutes a loyalty campaign that aims to interact **through SMS text messages** with the customers of Mjam.net, an online food order service. An experimental group is receiving a **narrative (story),** the control group is receiving a **mobile quiz.**

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**An original narrative has been created** for the storytelling group. The control group ('mobile quiz') was asked questions to win a voucher. The SMS were sent out in German language, with a maximum of 160 characters each. The response rates of the groups were being compared to validate the thesis that storytelling generates a higher rate of interaction.

| Group A: Storytelling | | T | Group B: Quiz | |
|---|---|---|---|---|
| Level | SMS text | | Level | SMS text |
| Level 0: CALL FOR RESP. | Bon appetit, you have just placed your order at Mjam :) We offer you a Mjam riddle via SMS while waiting for your order. Are you curious? Respond with YES! (no extra fees) | After the order | Level 0: CALL FOR RESP. | *[exactly the same initial message has been sent to both randomly chosen groups]* |
| Level 1 | Our story starts in a dark place all covered with shadows. One can smell ash in the air. Don't be afraid. (Respond HELP to cancel any time) | After response | Level 1 | Welcome to the quiz! If your answer is correct, you can win a gift coupon for a meal. Await following details! (Respond HELP to cancel any time) |
| Level 2: CALL FOR RESP. | "Hi, my name is Sergio" – suddenly somebody pats you on your shoulder and offers you a piece of bloody meat. Do you accept? Answer quickly with: YES or NO! | 10 min. later | Level 2: CALL FOR RESP. | Question 1: Can you order a meal online at Mjam.at after midnight? Answer quickly with: YES or NO! |
| Level 3 | Hey! That's not that easy. It's evening twilight. Vampire guests gather. They greedily attack your friends. Are you afraid? Just wait... | Immediately | Level 3 | Between the second and the last question you will find out if that was correct. Hint: The next answer consists of a single word. Cheers! |
| Level 4: CALL FOR RESP. | It's horror. Fiery eyes are starring at you through an iron grid. Someone threatens you with a trident. WHERE DOES THIS TAKE PLACE?? Just guess n send SMS! | 10 min. later | Level 4: CALL FOR RESP. | Question 2: Which word marks restaurants possessing a state-of-the-art ordering terminal at Mjam.at? Just guess and send an SMS! |
| Level 5 | The meat roasts on the fire. The barbecue starts at last. Mjam! Your friends are happy. The mosquitos are happy as well. But this is another story. | Immediately | Level 5 | Answers correct. Mjam! You'll get a €3,- discount providing the code AXTGNW1S / Unfortunately, no. Question1: YES, Question2: Live. Good luck next time! |
| Level 6: CALL FOR RESP. | Sergio has another surprise for you: do you wish to see all answers of your competitors and take part the next time? Send YES right now! | 10 min. later | Level 6: CALL OR RESP. | Thanks for participating :) Do you wish to take part the next time? Send YES right now! |
| Level 7: PERMISSION | Thanks! Revoke by responding STOP. Answers: mjam.at/sommer / Anyway, bon appetit! Answers: mjam.at/sommer | Immediately | Level 7: PERMISSION | Thanks! Revoke by responding STOP. Hungry? mjam.at/sms / Anyway, bon appetit! Hungry? mjam.at/sms |

Figure 2: Storyline vs. Quiz messages in English (own content and translation)

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## Results

Combining both groups together, 315 participants joined the campaign that was carried out to the whole population of 2,315 customers of Mjam during August 10, 2010 and September 19, 2010. As 97 data sets contained non-mobile or wrong phone numbers, a total of 2,218 persons could actually have responded. This corresponds a conversion rate of 14.2%, which is considered being extremely high in mobile marketing standards. Reasons are that the invitations to participate were sent right after a customer placed its order online. Another reason might be the incentive of "participating in a riddle" got offered for free. At this level, the participants have been randomly sampled to the storytelling or quiz group.

### I.        Measurements for the Research Indicator: RESPONSE

The SMS response rate of the participants has been recorded, and those no longer responding were considered being 'dropouts'. As expected, the amount of participants has been continuously decreasing during the campaign:
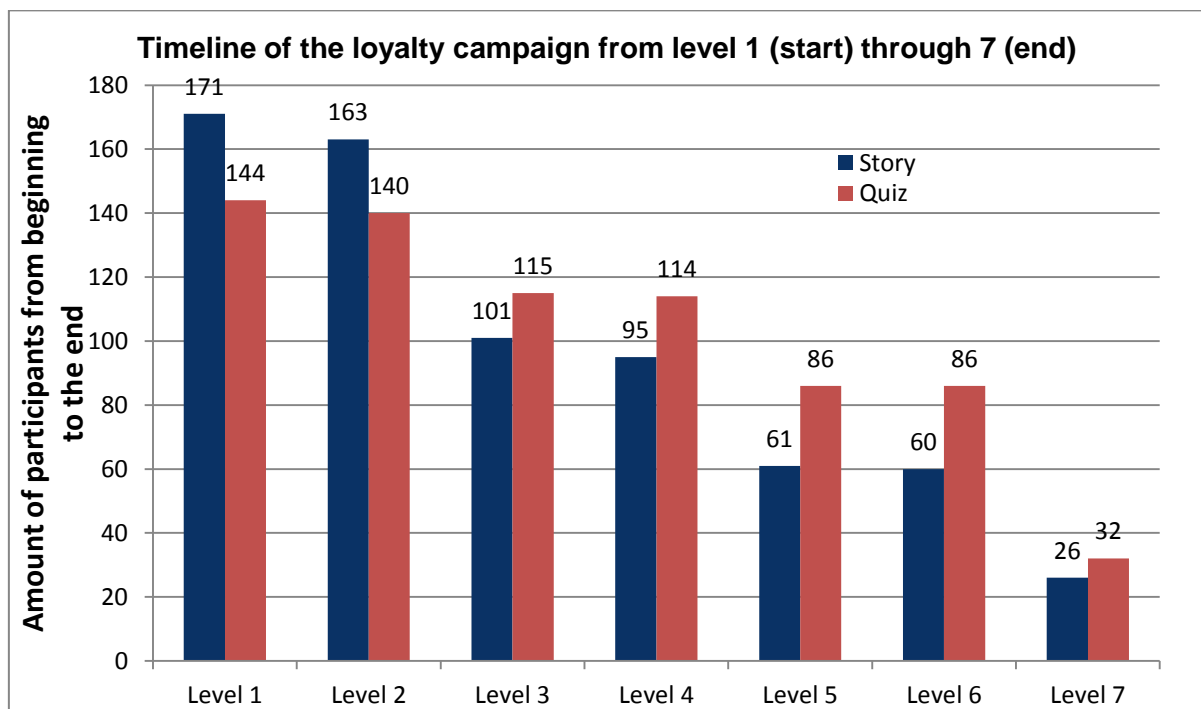


Figure 3: Decreasing amount of participants following the campaign (own illustration)

As one can easily spot within the chart above, the amount of participants decreased from level to level. This was expected to happen, as not every participant is likely to get involved into the story or quiz until the last stage. Every two stages people were asked to respond. There can also be seen that in transition from level 2 to 3 a lot of participants of the story group did not longer respond and therefore stopped to participate.  Reasons are that the call for action in the second level might have been too tricky for the story group. This SMS

contained: *"'Hi, my name is Sergio' – suddenly somebody pats you on your shoulder and offers you a piece of bloody meat. Do you accept? Answer quickly with: YES or NO!".*

It might be that a lot of people were not sure what this message was implicating and therefore did no longer respond in this group. **This did affect the overall response rate but did not lead to statistically significant differences between the groups.**

Amount of people that have participated from start to the end, altogether:
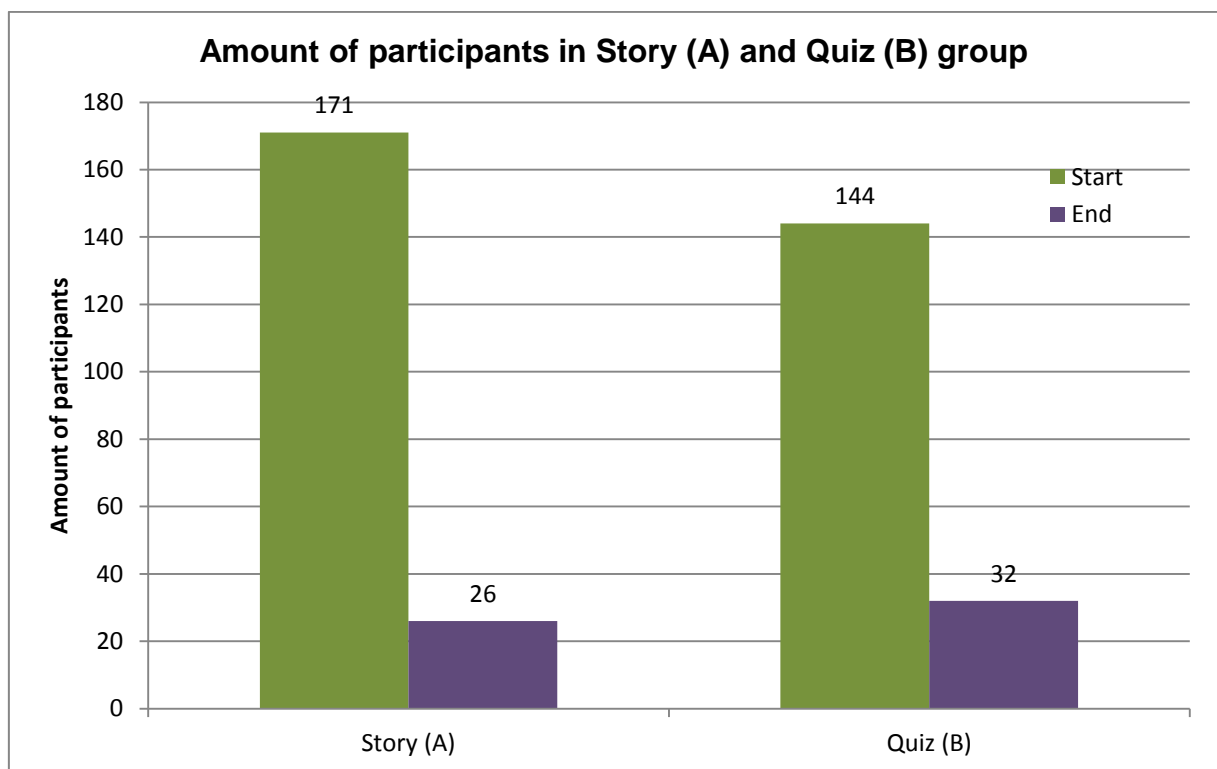


Figure 4: Amount of participants, altogether (own illustration)

There can be seen that the decrease of participants from the start level 1 to the end level 7, in both groups (A) and (B), **has not been significantly different.** In other terms, **neither the people in the storytelling group nor the quiz group generated less drop-outs.**

## II.      Measurements for the Research Indicator: INVOLVEMENT

This questioned if the 'secret' website <http://mjam.net/sommer/> of the storytelling group would be more accessed than the link the quiz group was given. Results have been generated with the metrics of the webserver's analytics. They show that a majority of about 300 unique users have accessed the website with the special contents for the storytelling group. A vast 40 unique users accessed the link the quiz group was given. If combined with the amount of people that actually entered the gift coupon code to place an order on <http://mjam.net/sms/> - this would count another 17 people.

The participants have interacted more frequently on the storytelling-website rather than on the landing-page for the quiz group. **This does support the hypothesis on the INVOLVEMENT indicator.**

### III. Measurements for the Research Indicator: COMMITMENT

The last question sent to the participants was: *"Do you wish to take part the next time?",* thus asking for permission. There where 26 people granting the permission in the storytelling group, and 32 in the quiz group. In that point of time, there where 60 people in the story group still participating, and 86 people in the quiz group. They correlate as follows:
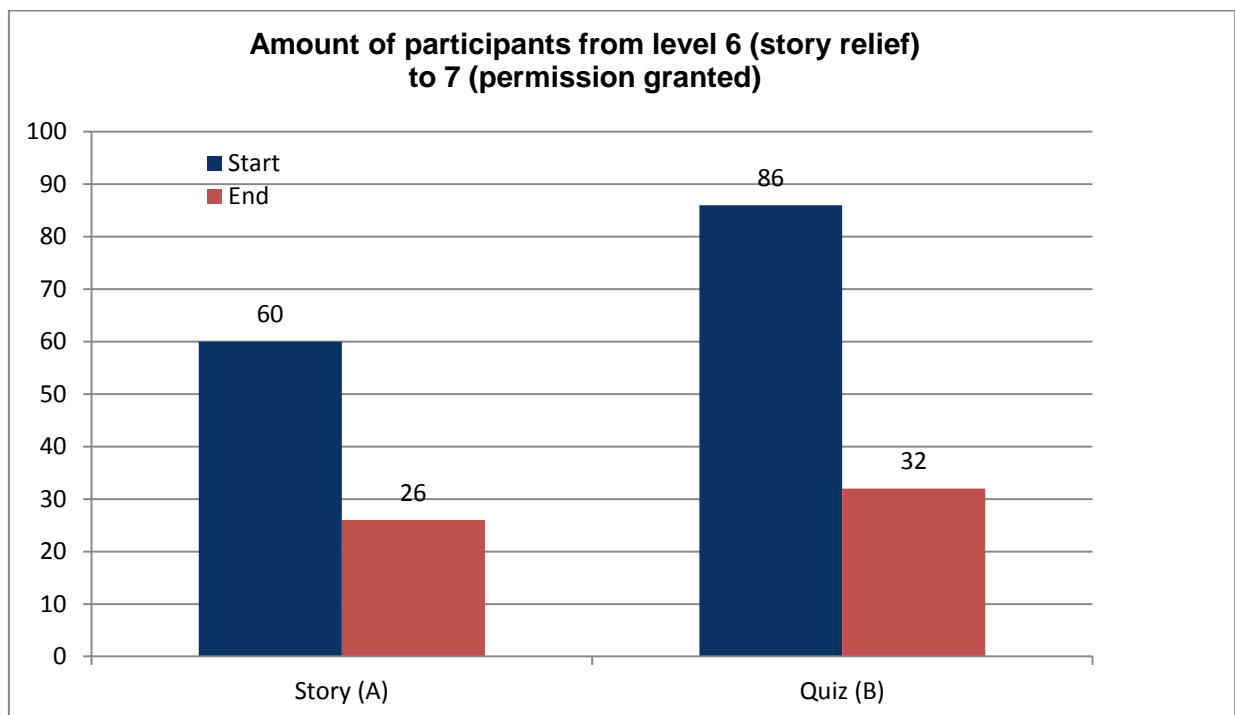


Figure 5: Amount of participants from level 6 to 7 (own illustration)

As there were already too few people participating, and the differences in relative figures were too less, the response rates in transition from level 6 to 7 **have not been significantly different.** In other words, **neither** the people in the storytelling group **nor** the quiz group **were more likely to grant their permission** for further mobile campaigns.

### IV. Measurements for the Research Indicator: LOYALTY

Too prove the last part of the hypotheses, the participants of the two groups were correlated with their amount of purchases they have had done so far until the experiment was conducted. As a 'univariate analysis of variance' showed, there were **no significantly correlations between new customers and returning customers** in participants of the storytelling, the quiz, or in the larger group  of non-players found. Reasons are that most of the overall participants were new customers (2,223 persons out of 2,315). It was not possible to use the low amount of available data to verify this part of the thesis.

## Conclusion

The research indicators have been correlated to the hypotheses to give a conclusion:

I. *RESPONSE:* Neither the storytelling group nor the quiz group generated less drop-outs. Answer: There are no significantly differences in RESPONSE.

II. *INVOLVEMENT:* The 'secret' website of the storytelling group has been accessed a lot more often than the link the quiz group was given. Answer: Therefore, the sub question according to INVOLVEMENT does validate and **this part of the hypotheses is confirmed.**

III. *COMMITMENT:* Neither the people in the storytelling group nor the quiz group were more likely to grant their permission for further mobile campaigns. Answer: There are no significantly differences in COMMITMENT.

IV. *LOYALTY:* Neither new customers nor returning customers have being approved a significantly increase in purchases after participating in the storytelling, the quiz, or not participating at all. Answer: There are no significantly differences in LOYALTY.

The main research question has been related to the indicator COMMITMENT and therefore cannot be proven as well, as there were no significantly differences in the two groups shown.

## Summary and Further Aspects

The main thesis was not confirmed, though one aspect of the hypotheses was confirmed; the indicator 'involvement' shows that people are **more likely to get actively involved in a storytelling loyalty program that offers the possibility to share experiences online.**

*Suggestions for further implementations of the experimental design:*

- The story itself has to be composed with being very carefully in detail to avoid possible misunderstandings. Also, each single message is a critical part of the story.
- The amount of richness of the available customer database is a key driver for successful evaluation of mobile storytelling campaigns, and of loyalty programs in general.
- The storytelling program should be tested on a smaller sample of customers prior to deploying it on a whole population.

## Appendices

Additional material with insights to the mobile industry were given in the thesis paper.

*The full paper includes interviews with:*

- Angelo Laub, CEO and Co-Founder of Mjam Gmbh
- Harald Winkelhofer, Founder and CEO of IQ mobile GmbH
- Peter Hofbauer, Vice President Mobile Marketing at DIMOCO GmbH

## Excerpt of References used in Full Paper

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## Appendix: Author's Resume

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| Website | http://richard.pyrker.com |
| Occupation | Networked Communications and PR consultant |
| | at Pressebüro Pyrker / www.pyrker.com (Vienna, Austria) |

**Education**

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|---|---|
| 2006-2010 | FHWien University of Applied Sciences |
| | in Corporate Communication (evening program) |
| 2009 | Semester abroad at Hogeschool Utrecht, Netherlands |
| 2004 | Train-the-trainer adult education certificate |
| 1997-2000 | University of Vienna, Communications, Theatre/Film/Media studies |

**Experience** — **PR & Corporate Communications industry**

| | |
|---|---|
| since 2010 | Member of the board at Austrian Journalists Club (ÖJC) |
| since 2008 | Freelance journalist, e.g. CHiLLi, futurezone.ORF.at |
| 2008 | Realtime Generation MuseumsQuartier, PR & Project manager |
| 2008 | 1st Annual FHWien Summer Fest, Project leader / kommpress.at |
| 2007 | European Go Congress Villach, Press officer |
| 2004 | Filmladen Distributor of Votiv cinema, Marketing assistant |
| 2003-2007 | AniNite Japan Festival, PR & Marketing manager / aninite.at |
| since 2000 | [d]vision – Platform for Digital Culture, Press officer / dvision.at |

**Experience** — **Information and Communications Technology industry**

| | |
|---|---|
| 2007-2008 | Samsung Electronics Austria, Telecom sales tutor |
| 2004-2007 | Venetia educational institute, Software trainer |
| 2002-2003 | SKIP cinema magazine, Project manager online & cinema spot |
| 2001 | Update Software AG, Web administrator / update.com |

**Experience** — **Film and theatre production**

| | |
|---|---|
| 1999 | Kino unter Sternen and Satel Film, Production assistant |
| 1998-1999 | Project Theatre / Vienna-New York, Production assistant |

**Languages, skills**

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|---|---|
| German | Native language |
| English | Fluent written and spoken |
| French | Grammar school level, course at Institut Français |
| Additional skills | Networking, ability for teamwork, organizational skills, writing |
| Passions | Media, cinephilia, digital culture, mobile storytelling, inline skating |