

Mediating Role of Customer Engagement in the Relationship between Online Gamification and Brand Loyalty: A Study of Mobile Telecommunication Users in Kandy District of Sri Lanka

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Abstract

The growing use of gamification in mobile telecommunications has raised questions about whether such strategies foster genuine brand loyalty or simply short-term interaction. This study explained the effect of online gamification on brand loyalty with the customer engagement factor as a mediating factor and focuses on the youth user group (18–24) in Kandy District, Sri Lanka. The problem arised due to the absence of empirical evidence in the Sri Lankan telecom sector, despite the growing popularity of gamified applications. This study sought to investigate the direct influence gamification dimensions of game design, entertainment gameplay experience, and narrativity have on brand loyalty, as well as the mediating role customer engagement plays between these variables. A cross-sectional, quantitative survey design based on the Stimulus-Organism-Response (S-O-R) conceptualisation was utilised. Using convenience sampling because of the niche target group and in accordance with similar studies, data were collected from 180 respondents through structured online questionnaires. The data were analysed with SPSS to run reliability and validity tests, correlation, simple and multiple regression, as well as mediation tests using the PROCESS Macro. The results revealed significant positive effects of online gamification on customer engagement ($\beta = 0.874$, $p < 0.001$) and brand loyalty ($\beta = 0.905$, $p < 0.001$). Customer engagement positively impacts brand loyalty ($\beta = 0.909$, $p < 0.001$), which shows it as a partial mediator (indirect $\beta = 0.795$). The model explains 76% and 68% of the variance in engagement and loyalty, respectively. The study concluded that gamified telecom platforms develop sustained loyalty by immersing users in an engaging, story-based, and rewarding digital experience. The study thereby extends the S-O-R model into an emerging market context, also giving telecom operators a concrete road map for creating long-term brand loyalty.

Keywords: brand loyalty, customer engagement, mobile telecommunication industry, online gamification, stimulus–organism–response model