

Department of Marketing



Research Seminars Series

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Motivating Product Usage with Conditional Activities: An Application to Online Education

In this paper, we study the usage of products with sequential activities and develop a method that accounts for the link between these activities. To explain usage, we develop a multiple discrete-continuous time allocation model that accounts for the existence of a conditional activity, i.e., when the completion of one activity – e.g., a lesson – allows access to another activity – e.g., a game. We apply our approach in the context of an online educational platform for children, where the completion of math lessons is rewarded with access to gamified activities. We estimate the model on data from two online field experiments involving more than 21,000 pairs of children and parents. We show that ignoring the link between activities significantly biases the estimates of preferences for the activities. Considering this, we provide recommendations in our setting for amount of core and gamified content, leading to increases in subscriptions of around 10%, without a significant decrease in child participation.