The Power of Games: How to Generate a Successful Gamification Strategy

Content

The gamification industry is predicted to reach **$5.5 billion by 2018.**

Have you acquired Vaporeon yet?

Yes, it's time to catch them all at Pokemon Go, because it has just evolved way beyond gaming and established a huge platform for advertising. In this whitepaper read about all the brands and business strategies taking place in the times of gamification.

Gamification Defined

It is the application of game-design elements and game principles in non-game contexts, typically as an online marketing technique to encourage engagement with a product or service, improve organizational productivity, crowdsourcing, learning and employee recruitment.

Gamification is about taking the essence of games—fun, play, transparency, design and challenge—and applying it to real-world objectives. In a business setting, this means designing solutions for everything from office tasks and training to marketing or direct customer interaction by combining the thinking of a business manager with the creativity of a game designer. The gamification industry is predicted to reach $5.5 billion by 2018.

Sense of achievement

Reward & Recognition

Cooperation

Competition

Productivity

Why Gamification – The Power of Games

Gamification is measuring the natural behaviors and interactions of your customer experience, and recognizing them in the way that tells a story of growth.

Rewards and Recognition

Nike builds gamification into products like the FuelBand to provide rewards and recognition, and packaging motivation into a digital engagement model. FuelBand has increased its customer base from 5 million to 11 million in a short span of 2 years. As Stefan Olander, Nike's VP of digital sport, states, "The more people move, the better it is. So, we have products that can inspire and enable everyone to be more active."

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Competition

Domino's Pizza increased its sales by 30% on introduction of Pizza Hero gaming app and gained a competitive edge. Over the last 5 years, technology has been the driving factor for Domino's, via the game you can track your order status, use GPS to find the nearest store and unlock loads of coupons and offers

Cooperation

In the interest of environmental economy, Chevrolet uses gamification on the dashboard to give drivers visual feedback on their driving style. This warned the drivers of the speed they were driving at and reduced the number of people exceeding the speed limit by 53%. Small techniques influenced by gaming features can alter a person's behavior and make them cooperate and follow the set rules.

Productivity

Cisco has used gamification by applying it for training purposes and it has improved its productivity. Cisco has shown results wherein the call time has reduced by 15% and it has increased sales by around 10%. Cisco invested in a global social media training program, which allowed its employees to master over 46 courses and improve its skillset. There has been a study which shows that 80% of learners say their productivity would increase if their organization was more game like.

Sense of Achievement

Google has gamified the process of submitting travel expenses by their employees, the results show that 100% of Googlers now submit their travel expense within six months of launching the program. This builds a sense of achievement in the organization and they can maintain full compliance of the business policies which helps them in a smooth running of offices. It has been noted that 40% of the global 1000 organizations use gamification as the primary mechanism to transform business operations.

THINK   DECIDE   GROW

Success Stories

Gamification is an emerging trend and increasing number of companies are applying this technique to gain a competitive edge and influence its customers. The customers are very tech savvy and can be easily found on the digital space, this changing behavior of customers, gives companies a platform to connect with customers and build memorable relationships.

A few examples of some success stories are:

McDonald's increased their product sales by using gamification concepts derived from the classic game of Monopoly by 5.6% in USA. This concept takes place entirely offline, and has built a program which engages its customers and builds loyalty towards the company.

American Express got over 2 million likes on Facebook through their Nextpedition gamified system, which gave customers an exciting opportunity to travel, wherein the destination and itinerary was unknown and the trip was planned based on the customer's traits.

Sneakpeeq has grown from five to 45 user engagements per minute by incorporating gamification strategies. The discount eTailer also has seen a 3000% lift in total number of click-to-buys and an 18% month-over-month boost in conversions.

Value Generation through Gamification

While elements of gamification — leaderboards, badges and levels of achievement— have appeared in a business context for some years now, recent technologies are driving enlarged interest and greater prospective in this field. Real-time data analytics, mobility, cloud services, and social media platforms have accelerated and improved the outcomes of gamification. Gamification is increasing the value of business across main elements like: Education, Optimization of Cost, Improvement in Performance and Engagement.

Gamification uses design based approach which is very effective in educating internally and externally to users about products, services, it's features and the value it provides, this means of communication also creates a long term memory and improves the retention of information. Companies are leveraging it and enhancing its features and applying it for the usage of their products, services and as a form of communication to build loyalty, motivation, retention and encouragement towards positive factors. It has been proved that 90% of users recall information if they are applying content within a simulation.

OPTIMIZE COST

Reduce training cost
Interactive performance dashboard & simulators
Employee and customer retention

ENGAGE

Understand customer behavior & needs
Improve learning & collaboration
Motivate & Recognize

EDUCATE

Products & Services
New proposition
Vision alignment

GAMIFICATION

IMPROVE PERFORMANCE

Track performance with real time feedback

Drive healthy

competition
Foster innovation

65%

Education and training are areas where there has been interest in gamification and is applied by companies to achieve learning and optimize costs. Microsoft released the game Ribbon Hero 2 as an add-on to their Office productivity suite to help train people to use it effectively, which was described by Microsoft as one of the most popular projects its Office Labs division ever released. The US military has also actively used gamification in their training. The approach is very effective especially when applied to complex problems. Everyone loves to play games. The feeling of accomplishment, of improving, of beating an opponent, and the feedback and rewards that one gets are the things that keep you coming back for more. These factors are essential when it comes to training, and companies have used this to train their employees and senior managers and recorded huge success.

The potential power of such games-based applications has been magnified by the convergence of two major trends: the coming of age of Generation Y, and the immense usage of the digital space. These factors are an advantage to the companies as they are leveraging it to improve performance, they can provide users with real time feedback and updates as the users are easily available via the internet, all the actions can be executed in real time and users can compete with each other across regions irrespective of the time zones. In the United States alone, there are **183** million active gamers, those gamers play 13 hours a week on average. Clearly, the gamification market isn't showing any signs of slowing down and with this speed, innovation is always round the corner and everyday this industry is innovating itself.

To gain competitive advantage through active user engagement, organizations must use the power of gamification mechanics to understand user behavior and drive results. Ongoing engagement is key for any business, gamification can help in driving continuous engagement, drive collaboration and improve business performance. It builds a connect between the organization and users and helps in getting more information on the users' needs and reactions. Engaging customers and employees with game thinking and mechanics can extend far beyond sales and training, content and media companies have seen online customer interactions increase by with gamification.

Impact on Business

Mundane to interesting
Gaming elements add thrill and fun to the overall process making it interesting

Productivity & ROI
These games can be customized according to business objectives, in order to reap most benefits

Sustainability
Games can be replayed multiple times, without incurring additional cost to company

Self-motivated work force
Rewards and recognition will give employee sense of accomplishment and strive for the best

Real-time Analytics
User behavior can be tracked on real time and analyzed. The same can then be used to make future strategies

Continuous feedback
Companies can leverage gamification for continuous feedback

Productivity and ROI

As organizations are becoming more focused on business objectives, gamification helps in making the workplace more engaging and productive as it changes the rules of engagement and inspires employees to change behaviors as a result. This shows a positive impact on productivity because the game like program brings in the aspects of competition and a sense of achievement, which motivates employees to perform and excel at each level. The games can be customized according to business objectives, in order to reap most benefits from it.

Real-time Analytics

Gamification is making its mark in nearly every form of business, and this is being accelerated as data is available at real time. Organizations need actionable insights faster than ever before to stay competitive, reduce risks, meet customer expectations, and capitalize on time-sensitive opportunities. User behavior can be tracked on real time, analyzed and applied to plan strategies. In today's dynamic environment, all the users are accessible on real time basis and they demand information and updates on real time basis, this shows the changing business scenario, and one which can be matched by gamification optimally.

Self-motivated work force

Employers that integrate gamification in the work experience will have a competitive advantage when it comes to attracting and retaining talent. Corporate reputations built by delivering creative ways to keep talented employees engaged goes a long way in attracting talented workers and sustaining employee satisfaction. When the organization puts a program in place for its employees, it keeps the employees motivated and builds a sense of belongingness within the organizations. 61% of surveyed CEOs, CFOs, and other senior executives say they take daily game breaks at work.

Mundane to Interesting

Gamification enables to tweak processes and approaches by adding an element of fun in them, this makes the entire system interesting and removes the redundancy from it. Gamification in workplace, market research and interacting with customers makes the process enjoyable and entertaining which improves the results and attitudes of employees and customers.

Sustainability

Gamification is a very viable and unique organizational strategy, games can be replayed multiple times, without incurring additional costs to the companies. It is a powerful tool for sustainability, as it combines fun with the process of business objectives, and makes the system more enjoyable, social and rewarding. Many organizations are applying gamification to protect our environment, as it empowers everyone to participate in the movement and have fun in the process.

Continuous Feedback

In today's always connected world, our attention spans have reduced. Everyone has grown used to ready access to information and real-time feedback. Gamification leverages this information derived through continuous feedback and uses it to reinforce desired behavior. This loop of feedback enables valuable customer opinions to be obtained during launch cycles.

Key elements of a successful gamification strategy

Analysts state that about 85% of gaming strategy initiatives fail. The problem lies in the way the gaming has been designed, here are some key factors to be kept in mind while designing a strategy for gamification:

Focus on what and why

The first step in laying out a strategy for gamification is to identify the need. This is where most of the organizations go wrong. Gamification starts with a business objective and translating that into a gaming program after analyzing and understanding the needs and desired results.

Align with organization goals

It is imperative to make sure that the gamification objective is in line with the broad level organizational goals. This will provide a consistent and stable strategy for growth.

Identify your audience

It is important to carefully choose the target audience intended to be engaged through gamification and design the strategy accordingly.

Evaluate different design options

Now it's time to analyze the "HOW" part of the gaming design. Different options should be evaluated keeping in mind the target audience and desired results to be achieved. The options should be interactive, rich in visuals and engaging.

Design user journey

The gaming experience should be in such a way so as to engage the user throughout the journey i.e. what's the current position, what the next level and what the user needs to do to reach to the next level. The objective should be to guide him/her towards achieving excellence & mastery in the game, without losing user attention or interest level. Winning alone will not drive excitement, but also challenges faced during the course of the game.

Rules of engagement

Users should have clear understanding of what they are working on. There should be well defined and simple rules for users to participate.

Identify clear outcomes/results

Any gamification initiative needs to be outcome driven. What is that you need to achieve out of it. This will be the factor used to measure the success of the initiative.

Keep it real and simple

Reward points or leaderboard status, earned by the users should have a real and simple value attached to it to provide some benefit to the user for eg. in the form of coupons/vouchers.

Go social

Game mechanics should be social media friendly. You should be able to integrate it with different social media platforms. For instance, users can share their achievement on Facebook, Twitter etc.

Continuous feedback and improvement

The best way to test effectiveness of gamification initiative is to keep on reviewing the feedback and making changes in an agile mode.

Gamification works across Industries

Organizations across all industries are turning to gamification to encourage, incentivize and reward users to engage and implement new business processes and applications.

Automobile

Ford Motor Company in Canada added gamification to its learning portals to assist the sales team that must have exhaustive information on new car models, financing plans and technologies every year. This resulted in 100% increased actions per user within 5 weeks and improved sales and customer satisfaction.

Volkswagen applied gamification by crowdsourcing ideas for its product line and achieved 33 million webpage hits and 119,000 ideas through its People's Car Project which allowed people to design their "perfect car".

Banking, Financial Services and Insurance
Extraco Bank used gamification to educate their customers about the benefits the bank has to offer, their game had around 4,250 visitors and raised customer acquisition by 700%.

Australia's Commonwealth Bank developed Investorville, a property-investing game that improved the real estate knowledge of potential home buyers. The game featured an online simulator allowing players to experiment in real estate, and investing without risking their equity. The most beneficial part of the game was that users can, in true sense, try the property before they actually buy. The game generated about 600 loans within 1 year of launch.

E-commerce

E-commerce site NextJump has taken corporate wellness program to the next level with gamification, where they encourage and incentivize employees to work out at the gym and are made to compete against peers and earn the chance of winning $1,000 each week.

Step2 encourages it customers to engage with the brand and create a noise, using loyalty programs. Customers build content for the products and climb the leadership ranks, this has boosted up sales with 300% increase in revenue from Facebook and 600% increase in content uploaded.

Entertainment

MTV My Chart lets users create their video chart based on various game dynamics, and obtained 500,000 votes and 150,000 videos viewed within 3 months.

Much Music implemented a social loyalty program, rewarding users with tangible gifts such as concert tickets and led to weekly activity increase by 59%.

Government

The Department of work in UK used game mechanics to get 120,000 people to contribute 4000 ideas, with 63 of them implemented in the marketing department

Telecom

CaLLogix wellness program reduced attrition by 50% and absenteeism by 80% while cutting insurance premium increase and improving overall company performance. The company saved $380,000 per year.

Verizon implemented personalized gamification as a result of which users spend over 30% more time on-site with social login games versus a regular site login.

It's time to play

In today's engaging and dynamic environment, where time and attention is limited, gamification provides the opportunity to replay every moment and build relationships with all the users of an organization.
Gamification is not a magical wand. Designing an effective gamification initiative needs to have a rock solid strategy and a feedback monitoring system for continuous improvement. It is time to kick start games and master them!

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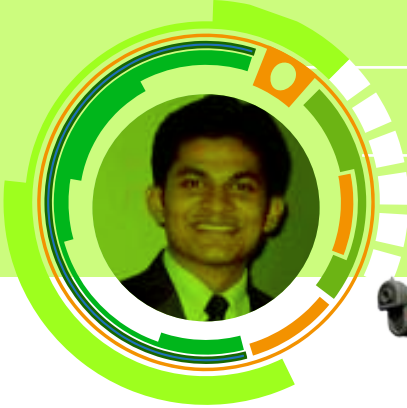
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Shankar Narayan R is Business Analyst/Functional consultant, who has dabbled in various domains. With ~8 years of experience, primarily in Travel, Telecom and Manufacturing, Shankar believes in exploring new tools/techniques and best practices across industries for enriching customer experience. He is currently working on establishing customized ERP solution for a leading law firm. He is an ardent sports person, who is passionate about music and fitness.
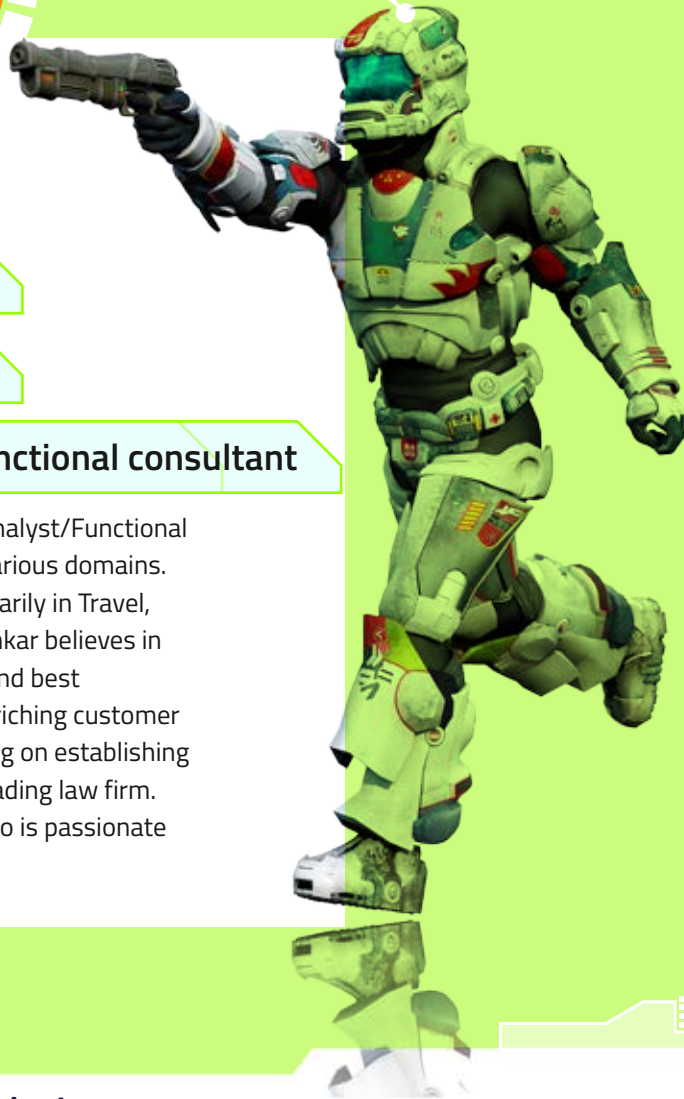
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