

A Study On Employing Gamification Methods To Increase Customer Engagement In Digital Marketing

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Abstract— As “Gamification” quickly becomes a hot topic across industries and academia, it deserves more thorough study through qualitative and quantitative research. There was a definite feeling of infancy of gamification, be it the definition of gamification or the effectiveness of gamification. This document provides a survey of this recent phenomenon of “gamification”: a concept that has been applauded as a “game changing layer” and derided as a “useless buzzword”. It provides a comparative review of different schools of thoughts on the effectiveness of applying game mechanics to non-game contexts. Both industry implementations and academic research is reviewed and analyzed. Most of gamification thought leaders agree that the current state of gamification is mainly focus on extrinsic rewards. While some see the bigger potentials of sustainable gamification with deeper researches in the intrinsic rewards from good game designs.

Index Terms—Gamification, Game, Gamification Marketing, Gameful. (key words)

I. INTRODUCTION

Gamification is the concept of applying game mechanics, game design techniques or integrating Big Data in a way that is relevant to your digital marketing metrics, Return on Investment (ROI) and goals. It can be used by integrating apps, tools or simple yet innovative processes with your social media marketing campaigns.

The idea is to empower brands and their end users to encourage them to have real-time conversations & engagement with you.

II. NEED OF THE STUDY

Gamification is slowly becoming a force in digital marketing, but you may be questioning whether or not it is necessary for your company.

Maybe you think it is too big of an investment, maybe you don't have the resources you need to produce it. Whatever your reasons, you may want to reconsider.

Take a look at these five reasons why gamification is the future of digital marketing.

What does this mean?

Digital marketing is changing. The digital era only begins with millennials. The generation after (sometimes referred to as Generation Z or the generation) will have even greater demands on digital marketing. It won't be enough to simply engage in social media, we will have to adapt if we want to succeed. Gamification could be that method of adaptation. Gamified content gives millennials a form of interaction that they don't often see and it gives this new generation the interaction they will demand.

III SCOPE OF THE STUDY

Games are powerful. They entertain us. They develop our tastes, and sometimes our personalities too. From an early age, they teach us about the world.

It was only a matter of time, then, before digital marketers started exploring the opportunities available through the gamification of their channels. This article explores some of the forms of gamification in digital marketing, and offers some tips to take away for your own marketing activities.

IV. REVIEW OF LITERATURE

4.1. ABSTRACT

As “Gamification” quickly becomes a hot topic across industries and academia, it deserves more thorough study through qualitative and quantitative research. There was a definite feeling of infancy of gamification, be it the definition of gamification or the effectiveness of gamification. This document provides a survey of this recent phenomenon of “gamification”: a concept that has been applauded as a “game changing layer” and derided as a “useless buzzword”. It provides a comparative review of different schools of thoughts on the effectiveness of applying game mechanics to non-game contexts. Both industry implementations and academic research is reviewed and analyzed. Most of gamification thought

leaders agree that the current state of gamification is mainly focus on extrinsic rewards. While some see the bigger potentials of sustainable gamification with deeper researches in the intrinsic rewards from good game designs.

4.2 INTRODUCTION

WIKIPEDIA defines gamification as “the use of game play mechanics for non-game applications, particularly consumer-oriented web and mobile sites, in order to encourage people to adopt the applications” [Wikipedia, 2]. The term gamification only came into widespread use in February 2010, as part of the DICE 2010 conference. Jesse Schell, a game designer and professor from Carnegie Mellon, gave a presentation entitled “the future of games” in which he claimed that elements of games will invade every part of our daily lives [Schell, 3]. The term gained more prominence through several recent books such as Gabe Zichermann’s “Game Based Marketing” [Zichermann& Linder, 4], who advocated the use of game mechanics in marketing, and Jane McGonigal’s “Reality is Broken” [McGonigal, 5], who claimed that games will make us better human and game is a solution to the broken reality. Finally, Baron Reeves’s “Total Engagement” [Reeves & Read, 6], who claims that games and virtual worlds will change the way people work and businesses compete. At SXSW 2011, entrepreneur Seth Priebatsch talks about games as the new layer that similar to the social layer, “will change the world” [Seth Priebatsch, 7]. In IT industry research, Gartner predicts that by 2015, more than half of companies managing innovation processes will employ gamification [Gartner, 8]. In that same time frame, M2 Research forecasts that game mechanics production will generate \$1.6 billion in revenues and will account for 23% of social media marketing budgets [M2 Research, 9]. As of today, existing gamified applications already range across diverse application areas in including productivity, finance, health, sustainability, news, usergenerated content and e-learning. Several vendors, mainly startups, offer gamification as a service layer of reward and reputation systems with points, badges, levels and leader boards, with a recent spate of venture capital investment in this emerging industry.

In the 2011 Gartner Hype Cycle report, gamification, along with big data and the internet of things, are new additions [Gartner, 10]. According to Gartner, gamification is on the rise to the peak of the hype, the stage of the “peak of inflated expectation”, with a subsequent 5-10 years required for mainstream adoption. Gartner uses hype cycle theory to track technology adoption: after the peak period, the technology will slip into the trough of disillusionment, after which some technologies will start climbing the slope of enlightenment and eventually reach the plateau of productivity. As with any technology, gamification will inevitably slip into the disillusionment trough where the hype is passed and the masses realize that there are a lot of unsolved problems. The question remains if gamification will eventually climb out of the trough and appear in the plateau of the cycle.

In fact, there is already quite a lot criticism of gamification in the media. Some call it a mere buzzword, a hyped-up version of a mileage loyalty program, or a superficial “pointification”, which often misses elements such as storytelling and experiences which are central to what make games effective [Margaret Robertson, 11]. More and more game designers and researchers are looking into the deeper practice of gamification. Amy Jo Kim presents “Smart Gamification” which focuses on designing an effective “Player Journey” with intrinsic rewards preferred over extrinsic rewards [Amy Jo Kim, 12]. Jane McGonigal emphasizes the aspect of “Playfulness” in gamification instead of game mechanics [Jane McGonigal, 13]. Similarly, researcher Sebastian Deterding criticizes the current practice of simplistic gamification and stresses the importance of “meaningful play” in his Google Tech Talk “Getting Gamification Right” [Sebastian Deterding, 14].

Gamification is quickly becoming an IT phenomenon, with some argue it is a meaningless buzzword, while other argue it will revolutionize information technology in the same way as social networks.

The goal of this document is to review the different gamification design thoughts and approaches as thoroughly as possible, and to examine commonly employed game mechanics with respect to their usage and effectiveness.

LITERATURE SURVEY

This section describes the literature survey related to gamification. It starts with the definition of gamification, followed by examples, why game and gamification. The science behind gamification and the current state of gamification design are described next. Finally gamification services and platforms are surveyed.

4.3 Defining Gamification

Although gamification is a popular buzzword, there are quite a few definitions. Bunchball, a company that provides gamification services to marketers, defines gamification as “integrating game dynamics into your site, service, community, content or campaign in order to drive participation” [Bunchball, 15]. Wikipedia defines gamification as “the use of game play thinking and mechanics to solve problems and engage audiences” [Wikipedia, 2]. They all seem to tie gamification to the goal of engagement. Some others consider any game-related application as gamification, such as serious game, playful interaction and game-based technologies. Researcher Sebastian Deterding proposes an academic definition: “Gamification is the use of game design elements in nongame contexts” [Sebastian Deterding et al., 16]. This is the definition we choose to use in our discussion.

4.4 Gamification Examples

There are many examples of applications that effectively employ game design elements. We will only briefly examine a few here for the purpose of better understanding the gamification concept and how it is utilized across a wide range of technologies.

FourSquare [17] is a location-based game-like service where players check-in to locations for virtual points and rewards. It is probably the most recognized example of applying game mechanics to location-based networking application. By employing gamification elements such as points, badges, levels and leader boards, it engages users to revisit a location such as restaurant

or pub and become a loyal customer and finally the “mayor” of the place. Some virtual rewards such as the “mayors” of Starbucks or certain badges can be converted into real products, e.g. a free coffee. Foursquare proved that simple game mechanics can affect user behavior by engaging 10 million customers with a successful business model.

Nike+ [Nikeplus, 18] is a social running game-like application that employs game mechanics to encourage runners - both casual and hardcore - to compete and improve their fitness, with the goal of solving the main problem of most fitness programs: motivation. Nike+ makes it easy for runners to upload their exercise data to its web site, and start challenging themselves and their friends. They can also get supports from their friends through the web site. The game attempts to make running and exercise fun.

RibbonHero [19] is a game that attempts to help users discover new Microsoft Office features in a fun and motivating way. The goal is to have users build familiarity and expose them to the Office UI, so that they understand what kind of features are available. According to the creator of the game, Office “has a lot of powerful features that users might not know but can be really useful”. The game gives users a chance to learn those features in a fun and engaging way, rather than reading the software manuals or watching the typically dry IT training videos.

RecycleBank [20] introduced a series of “Green Challenges” that used gaming techniques online to motivate participants to learn about green living and to take small green actions to live more sustainable lives offline. According to their report, 49,000 individuals participated in the “Green Your Home Challenges”. They found that: a) Gamification can increase awareness of positive environmental actions. 97% of participants surveyed said the game increase their knowledge of environment. b) Games can drive individuals to take positive social and environmental actions. Most participants surveyed indicated they are very or extremely likely to take green actions as a result of participating in the challenge. c) Games are an effective and appealing educational tool. 86% participants agreed online games and contest can be a good way to inform and educate them personally.

Byron Reeves et al., [21] described the design of Power House, an energy game that connects home smart meters to an online multiple player game with the goal to improve home energy behavior. In the game, the real world energy data are transformed into a “more palatable and relevant form of feedback”, and players may be incentivized by the in-game rewards to complete more energy- friendly real-world behaviors.

4.5 Why Games and Now

Gamification is not games. In fact, the subjects of gamification deal with everything else but games. However, to understand the research in gamification, we have to look at the studies of games. Games already prove to be an effective, engaging media and are ubiquitous in everyday life. “Video games are everywhere” is the critical thesis of many gamification advocates.

Why game? Results of a study published in the May 1998 issue of Nature [Koepp, 22] demonstrated that video game players experienced regular releases of dopamine during game play. Dopamine is a neurotransmitter that signals pleasure rewards for food, sex and addictive drugs, such as cocaine. This study proves that playing games stimulates pleasure centers in the brain. People are hardwired to enjoy games.

V. RESEARCH DESIGN

Nowadays businesses across all domains are employing gamification methods to increase customer engagement and loyalty, inspire their employees, generate buzz among customers, enhance overall user experience. All these methods will in turn increase the business profit. Gamification helps customer to be connected more with the product which in turn increases customer loyalty.

These examples, which span over various verticals, product types, and gamification methods, show us that gamifying our processes leads to increased conversions, regardless of industry or audience. In a sense, gamification is about turning customers into active “co-creators”—delighting them while also encouraging their interaction and personal input.

Some of the gamification methods that can increase conversions for business are

1. Prizes and Rewards for Social Sharing - Discount coupons for social sharing
2. Leaderboard - Leaderboard with rewards, badges etc
3. Timing Urgency - Eg Discount countdown timer shown with offers

To make successful integration of gamification, allow users to integrate/personalize/integrate goals with your product, allow them to share/brag about their achievement's.

Ways to add gamification to marketing strategy:

marketing trend going forward and, if anything, is gaining more attention as an ideal way to create engagement with a consumer audience. That's because the concept of playing a game and possibly winning something stimulates the creative, playful and competitive spirit in pretty much all of us.

Gamification is fun -- but it's more than just reading words on a screen or watching a video. The process involves a way to improve skills or get better at something, plus it involves some type of prize.

For marketers, gamification is a way to stand out and use that emotional high of winning in order to close the deal on selling a product or service. The use of gamification is memorable for the user and may feel inclined to share how they did in gameplay with their social circles.

Using gamification to increase the amount of time a consumer spends in your app can raise their engagement level with your brand. This goes a long way toward influencing their purchase decisions in the near future.

Here are some tips on how you can incorporate gamification into your own marketing strategy.

1. Know your audience. Always start with your target audience to determine what type of game might appeal to your customers. If you don't look at this aspect first, you may not engage them to get the return you're seeking. A

millennial audience probably doesn't like the same type of gameplay as a 40-something-year-old. If you are going to use a quiz or trivia format for your game, then consider your audience's age so that it includes relevant questions they could answer. If your audience comprises a larger demographic, you could combine gaming elements and relevant questions to appeal to a more general demographic.

2. Results of the Nike+ Fuelband

By the end of 2013 we saw 11 million Nike Fuelband players.

Gamified Marketing Conclusion

The use of gamified techniques is a powerful strategy for companies to support the sale of their products.

The above examples not only illustrate innovative game design, but also the end results of happily engaged users who, in many cases were thrilled to share their experiences with their friends and family.

Care must be taken in applying gamification to one's own brand. Companies need to be aware that gamification is not a panacea. The experience must be planned carefully. The overall design requires specialized expertise that often relies on models.

Gamification Marketing Examples

Businesses need creative marketing strategies to spread their company message and promote their brand. Gamification has become a popular strategy to reach consumers online and through connected mobile devices. Gaming techniques—such as competition, ranking lists, scoring systems, and incentives—are used to attract customers with the overarching goal of building brand loyalty, creating connections, and giving customers a reason to keep returning to the brand and purchase products and services. The central objective of gamification as a marketing tool is to boost sales and increase profit. These customer-oriented games have benefits that propel companies closer to reaching their objectives. They aid in collecting customer data, increasing engagement, boosting the company brand and promoting repeat business. The following examples show how major corporations are successfully employing gamification marketing.

M&M's Eye-Spy Pretzel

When M&M launched a pretzel-flavored version of their candy, they used gamification and social media as a marketing strategy to promote their new product. The simple and inexpensive strategy involved an eye-spy game that was published on the brand's Facebook page. They posted a graphic consisting of many, multi-colored M&M candies and challenged their followers and consumers to find a tiny "pretzel guy" hidden among the candies. The game quickly went viral. The Eye-Spy Pretzel game received over 25,000 likes, 6,000 shares, and 10,000 comments.

My Starbucks Rewards

Starbucks applies gamification techniques through their loyalty program My Starbucks Rewards as a way to increase customer engagement and ensure repeat business. Customers who become Starbucks Rewards members receive incentives such as free food and drinks, and customers receive points or "stars" with each purchase. Customers can then redeem these stars for specific items or prizes. Other unique rewards, such as a free birthday beverage and free refills, become available as customers earn more stars. Those who reach gold status stand to reap the best rewards. In this example, Starbucks provides incentives to give consumers a sense of achievement and reinforces the idea that if they are loyal to the company, they will be rewarded.

Chipotle Love Story Game

Chipotle launched a memory game based on their short film "A Love Story," in which customers are supposed to match real ingredients together while avoiding the use of added colors and flavors. Players are rewarded with a buy-one-get-one-free coupon for any food item. Conveniently, customers can play the game and receive rewards all on their mobile devices. The reward encourages consumers to play the game, stay engaged with the company, and purchase more, while the game itself reinforces the brand message of using healthy, real ingredients as opposed to artificial colors and flavors. This is another gaming example that provides an opportunity for customers to interact with the brand while bringing attention and buzz to the company.

Nike

The personalized fitness tracking Nike+ and Fuelband accessories allow for Nike to connect with their customers while gathering valuable information about them. The personal data they collect is useful for enhancing their targeted content marketing campaigns. Nike+ Fuelband gives users incentives for using the athletic tracking devices to compete against others while running and working out. The NikeFuel app can be linked to social media, which enables users to share and compare accomplishments. Trophies and badges are awarded to those who reach milestones and achieve athletic accomplishments, which further encourages consumers to use their products and seek more rewards.

Target's Wish List

Target employed gamification marketing that was focused on children with their Wish List app. They combined gamification with their Target Registries technology to create an interactive shopping list. Designed for the holiday season, children navigate through a 3D animated game that takes place in Target's Toy Factory. They drag-and-drop desired toys to build their holiday wish list and then send the completed list to Santa. The game was presented as a fun way for children to create their wish lists, and it's an easy way for parents to buy their children gifts and share gift ideas with other relatives. The execution of the app was successful with the initial launch generating approximately 75,000 downloads. Over the course of the holiday season there were more than 100,000 wish lists made up of 1.7 million total items representing a total sales potential of \$92.3 million.

Gamification marketing has taken off with the increased use of the Internet, social media, and mobile technology. Games centered on a product or service provide an opportunity for customers to interact with and get to know a brand. Companies who integrate aspects of gaming into their marketing strategies will find that simple and often inexpensive games can lead to increased profits and greater social media share of voice.

VI. CONCLUSION AND FUTURE DIRECTIONS

5.1. Conclusion

Gamification has emerged as a recognizable trend and impact so many areas of business/society whereas exists many opportunities and risks. There was a definite feeling of infancy of gamification, be it the definition of gamification or the effectiveness of gamification, there are debates from different areas of business. Most of gamification thought leaders agree that the current state of gamification is mainly focus on extrinsic rewards such as points, badges and leaderboards, and this novelty of simple gamification will have its effectiveness in user engagement before the novelty worn off. Many also see the bigger potentials of sustainable gamification with deeper researches in the intrinsic rewards from good game designs. Sebastian Deterding even introduce the term “gameful design” (design for gameful experiences) as a potential alternative to “gamification”.

Be it “gamification” or “gameful design”, the debate and the above literature surveys warrant broader academic research in this interdisciplinary area that bridges HCI and game studies and other fields to study a wide range of gamified applications. The major take away of reading the debates of gamification is that, this is a field rife with anecdotes but little hard data. The main focus of the research is not whether gamification is good or bad, but does it work or not.

5.2. Future Directions

The current state of the gamification is focus on the relatively superficial game mechanics, such as point, level, leader board and badges. More and more researchers and commercial service providers are looking more in-depth approach to achieve engagement of whatever industries the gamification is applied on. The followings are a few directions and efforts in furthering the effectiveness of gamification:

1. Social interaction. With the social games are transforming so many non-gamers into casual gamers in a massively engaging way, the studies of social interaction in game will inevitably benefit the progress in gamification application.
2. Mobility. Mobile devices’ ubiquitousness is one of the main reason that the mobile games are invading people’s every minute in everyday life. This unique engaging factor should also be gamification’s research topic.
3. Analytics. although most of the commercial services provide some kinds of engagement metrics and behavior analytics, it is still an new area that need broader, deeper researches and experiments to find out what works and how it works.

Because gamification is relatively new field, the development of new thoughts and new areas of gamified application will emerge and change rapidly. To closely follow the future development in this field, a growing list of gamification thought leaders and their biographies is provided in the appendix as the future readings and researches.