



What is gamification? An introduction for retailers

Workplace

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Language develops with technology. We see this when words like ‘edutainment’ (the mid-90s fad merging education with entertainment) are listed in dictionaries. Even ‘selfie’, the slang word for a self-taken photograph, is now part of our everyday language; this can be attributed to the popularity of such pictures, driven primarily by the easy availability of the technology to do it.

The term gamification is no different. Twenty years ago, the word ‘game’ went hand-in-hand with board games, card games, even sport. Today, thanks to technology, it sits primarily within the video game realm. And, just as easily-available camera technology has encouraged the likes of Instagram and Tumblr, so too has gaming’s popularity pulled it into the mainstream – and business.

What is gamification?

Gamification is turning something into a game. Tell your child to do their chores, it's a demand. Dress it up as a fun challenge; it becomes a game. The idea is that the result is the same, but the journey becomes more colourful and enjoyable. Simple.

Here comes the science part. Alicia Fiorletta, associate editor at online retail publication, Retail Touchpoints, describes gamification in business as “the process of utilizing game mechanics and thinking to drive engagement and action”.

US company [Bunchball](#) is a big deal in gamification, in turn, using its principles to “motivate millions of people to take action every day”. But how exactly can gamification motivate the workforce?

Well, Elizabeth Shaw from Forrester Research says gamification connects “game dynamics and mechanics” with “non-game activities” in order to “drive a desired behavior”. When you look at it like that, the gap between gamification and employee engagement becomes a little smaller.



“What triggers people to want to interact with a game? The motivations drive actions that are incentivized by rewards. The rewards help players to earn achievements that reinforce the initial motivations. And there you have it – The Engagement Loop.”

Elizabeth Shaw, Forrester Research

The psychology of gamification

Gamification was being discussed in TED talks way back in 2010. In her talk, game designer Jane McGonigal pointed out “we invest three billion hours weekly playing online games”. This huge time commitment is not lost on the retail industry at large, as a study by the Panteion University of Athens’ Department of Communication, Media and Culture found that actual retail websites are becoming more game-like “because users prefer the combination of buying and gaming.”

The emergence of game playing ties in with the emergence of Generation Y, and as such has had an increasing influence on behavior. Retailers are beginning to see this and are employing it in strategies to engage and influence people, thereby building brand loyalty and increasing sales.

A familiar example is the location-based service Foursquare, where users check in at locations for no material gain – just cyber ‘badges’. The principles at play in Foursquare are now being made available more broadly in the form of reward and reputation systems with points, badges, levels and leader boards.

But for retailers, the benefits of gamification don’t stop there. Just as important are the possibilities to influence, engage and motivate employees as well as consumers. Those retailers who have noticed it see that gamification is a potential way to build engaging workplaces as well as encourage mass-collaboration for the benefit of their business.

All this makes gamification an attractive proposition for industries like retail to develop and strengthen its workforce. The habits and behaviors associated with gaming are giving retailers a new opportunity to adopt competitive tools and strategies to improve engagement, morale, lower costs and improve labor scheduling and forecasting.



“Simply put, the concept applies a game-oriented approach to non-game activities, making them more engaging. Game mechanics motivate participants to get and remain involved. For many businesses, gamification is a powerful new tool that drives loyalty and retention in the same way that game designers, social networks, and the travel industry have for years.”

Source: Bunchball white paper “Improving customer engagement through gamification”

Six core elements of gaming

The psychological motivations behind games are relevant to how gamification is integrated into retail. Alicia Fiorletta in Retail TouchPoints identified six core drivers in this:



“Human nature has wired us with an innate urgency to become the best at a specific activity, and more importantly, be rewarded for our expertise and dedication.”

Alicia Fiorletta, Retail TouchPoints

The four 'i's of engagement

So how do you get people involved? Elizabeth Shaw's work into gamification led to four 'i's:



Involvement

Gamification allows brands to increase participation among consumers, leading to increased site returns, new visitors and registrations.

Interaction

Content becomes more meaningful to shoppers when they have a closer connection to brands and retailers. Gamification incentivizes players to engage with products, leading to an increased likelihood of purchase. For example, marketers can facilitate an action/reward for the activities and behaviors they want to increase.



Intimacy

A primary challenge for retailers is making their brand more approachable and personable. By exploiting gaming strategies, retailers can create a real-time, intimate connection with consumers through fun and rewards, leading to long-lasting and trusted relationships. the activities and behaviors they want to increase.

Influence

Incentives such as tokens, badges and offers encourage consumers to share games with their social networks. Encouraging these "social bragging rights" helps boost word-of-mouth and encourages bystanders and peers to join the game.





Applying gamification to the workplace

So much for the psychological theories behind gamification, but how do they translate in practice?

A presentation on “Gamification in Retail - designing for engagement” by IT consultancy Raona summarized a successful approach to gamification:

- Remember the importance of balance: don't make the game experience too difficult, easy, overwhelming or underwhelming
- Think about the player journey: there needs to be a beginning, a middle and an end
- Use the principle of 'scaffolding': players must acquire new skills and knowledge to reach the next stage
- The path to mastery: deeply engaged players will want to master the game and enjoy a great sense of achievement when they do
- Create an enjoyable experience: don't forget the fun!

The psychology of reward – five key prizes

Of course, even if something is entertaining and fun, people won't just drop everything to do it. There has to be some reward, from simple praise, to the joy of winning, or even actual prizes. Here are six key ways gamification makes winners:

Goal setting

In any industry, goals challenge users to meet the objective that is set for them. Goal setting is known to be an effective motivator, and experimental studies have illustrated that the most motivating goals are those that are just out of comfortable reach. Research also suggests that individuals sometimes “consume” goals and the experience of striving for them, even at the expense of consuming physical goods.



Instruction

Gamification can help new employees adjust to roles, in much the same way a tutorial helps new players of a video game. A tutorial wrapped up in a game can exemplify the types of activities and interactions that are highly valued and in so doing provide a kind of social shaping of activities. Once it's been completed – the player picks up a qualification of sorts. They have achieved.

Reputation

A user's interests, expertise and past interactions can be shaped to build their game 'profile'. It's what makes players unique, within the confines of the workplace. Providing an encapsulated assessment of engagement, experience, and expertise, rewards in areas such as 'friendliness' or 'leadership' can be an invaluable tool for determining effective scheduling and forecasting for specific scenarios (i.e. use the 'level headed' achievers during predicted stressful times).

Status / affirmation

Advertising a player's achievements and communicating past accomplishments provides an ego boost which will no doubt keep them motivated. It's human nature. The power of such status rewards derives from the expectation that others will look more favorably upon someone who has undertaken the activity represented by the reward. More difficult achievements may be assumed to lead to greater status.

Group identification

A set of shared activities can bind a workforce together around shared experience. Achieving rewards here can provide a sense of solidarity and increase positive group identification through the perception of similarity between an individual and the group. It brings people together, much like a team-building exercise or away day, but without the need to go away!



End game

Effective retail gamification needs to be seen as part of a long-term employee engagement and not an end in itself.

Retailers must try to make the gamification experience as “real” as possible for players. To quote Basil Farano, co-creator of 3D iPad fashion app Stylmee:

“In Stylmee, the gaming experience is built around challenging our member’s knowledge and taste in fashion as they try to build a fashion boutique and empire. We use the same problems that real boutique owners would face to challenge our member’s ‘fashion-ability.’ It is a very realistic experience, which is what we believe the social gaming community is hungry for.”

Successful retail gamification combines an engaging experience, fun information and a strong enough incentive to trigger engagement, in turn reaching real-world retail targets.



About Workplace

Workplace is the leading supplier of workforce management solutions in the cloud. With over 26 years' experience in scheduling, forecasting and time and attendance, it is dedicated to making its clients' workforces simpler to manage. Workplace's cloud-based solutions enable organizations to create competitive advantage through improved productivity, visibility and control of costs, sales growth, more engaged associates and better customer service. Workplace's rapid implementation approach combined with its industry expertise and highly intuitive cloud-based solutions delivers a faster return on investment to its clients.

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