



Gamification in Incentive Programs: *The Game Where Everyone Wins*

By Cathy Schueler, Chief Client Officer



CHANNELASSIST⁺

Influence. Enable. Reward.

INTRODUCTION

Employee engagement solutions and incentive programs have always found creative ways to encourage engagement, build loyalty and drive business performance and results. People continue to be highly motivated by rewards, but what really drives motivation and behavior today is a sense of recognition. Savvy engagement and incentive programs are addressing this by adding gamification to their strategy – which recognizes achievement, while adding an element of fun – increasing participation and taking performance to a higher level.

What Is Gamification?

Gamification is the application of game thinking and game mechanics – including features like points, levels and other incentives – in non-game contexts to affect behavior in a positive way.

The global gamification market is expected to grow from an estimated



\$1.69 billion
in 2015

to



\$22.9 billion
by 2022

projecting a compound annual growth rate of **41.8%**.¹

Such growth reflects what we have been seeing over the past couple of years. More and more organizations are asking for gamification in their programs.

Why? Gamification is an effective, proven and creative way to encourage engagement, build loyalty and drive business performance and results.

How Is Gamification Being Utilized in Business?

Recognizing that gamification has a positive and lasting impact on employee engagement, motivation and performance, today's businesses are using gamification in:

Sales Incentive Programs

Organizations are applying gamification to both direct and channel sales incentive programs as a fresh and fun way to deliver business content while greatly improving retention and overall engagement. It incorporates real-time progress monitoring and feedback to incent reps to perform at higher levels, while at the same time building loyalty and providing individualised motivation and training to deliver higher sales revenues.

Employee Engagement Solutions

Employers are using a range of technology-based tools, including social recognition platforms, to educate, influence, reward and recognize employees in a more entertaining way. Engagement levels can be continuously assessed in real time to successfully influence behaviours that are critical to your business success, while at the same time increasing employee satisfaction and retention.

“In today's competitive landscape where loyalty is golden, it's no wonder organizations are seeking new and creative ways to earn that loyalty and build relationships that last.”

Cathy Schueler
Chief Client Officer
ChannelAssist

noun gam·i·fi·ca·tion \gā-mə-fə-'kā-shən\

“The process of adding games or gamelike elements to something (as a task) so as to encourage participation.”

- Merriam-Webster



Why Is Gamification So Ubiquitous?

Gaming comes naturally to us as a means of growth, learning and development, and so more and more businesses are using gaming techniques to engage employees and build loyalty, help them develop in their role, and retain business knowledge to improve their overall performance. Although it's still an exciting and novel tool for organizations, games are fast becoming the new normal.

In a Harvard Business Review study, **71%** of organizations ranked employee engagement as very important to achieving overall organizational success, and yet only **24%** said their employees were highly engaged.³ Gamification fulfills a need in organizations today in both employee engagement and in sales and channel incentives. It satisfies engagement by adding an element of fun and acknowledging achievement, while at the same time aligning employee actions to business outcomes. By applying feedback, acknowledgement, measurement and rewards, gamification keeps players engaged and motivated to keep playing. It's no wonder that many of the world's largest brands are deploying gamification to drive performance, including Nike, Coca-Cola, Nissan and Ford.

What are organizations expecting from gamification?²

44% User engagement

11% Brand Loyalty

9% Brand Awareness

“Games are the new normal.”

– Al Gore

72%

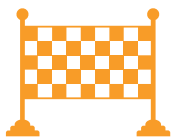
of organizations say recognition of high performance has a significant impact on employee engagement.⁴

What Makes a Program Gamified?

There are two components to games, and Gartner⁵ defines them best as 'game mechanics' and 'game play'. Game mechanics are the control mechanisms that gamify an activity to create a fun, engaging user experience. While the motivational component which drives the desired outcomes is game play.

Game Mechanics:

- Levels
- Points
- Challenges
- Virtual goods and spaces
- Leader boards
- Gifts and charity



Game Play:

- Rewards
- Status/Standing
- Achievement
- A sense of team
- Competition
- Altruism and giving



Why Is Gamification Effective on Adults?

Gamification is so much more than the latest thing in employee motivation and incentive tools.

It teaches by engaging and entertaining its audience. And that teaching sticks. According to a recent study by the University of Colorado,⁶ adults participating in gamified eLearning experiences scored higher in:

14%

Skill-based knowledge assessments

11%

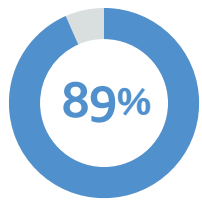
Factual Knowledge

9%

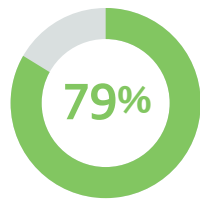
Retention Rate

How Is Gamification Increasing Employee Performance?

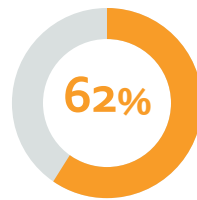
In an extensive TalentMLS gamification survey of corporate learners and university students about to enter the workforce:⁷



stated that a points system would boost their engagement



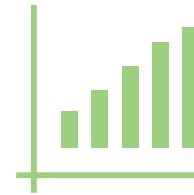
of the participants said that they would be more productive and motivated if their learning environment was more like a game



said they would be motivated to learn if leader boards were involved and they had the opportunity to compete with other colleagues

Gamification helps people better understand their contribution to the greater team. People – salespeople in particular – love to compete, to win and to receive validation. Gamification engages, educates and openly rewards accomplishments, which not only grows individual and team involvement, but also the bottom line.

“We all love to win, but how many people love to train?” -Mark Spitz



Using Gamification in Sales Incentive Programs

The Goal:

Education on Products and Services to Drive Sales

The Technique:

Application of Gaming Elements

The Results:

Facilitates learning
Strengthens retention
Increases engagement
Tracks progress
Rewards success
Collects data
Grows sales

Using Gamification in Employee Engagement Programs

The Goal:

Align Employees with Business Objectives and Drive Engagement

The Technique:

Application of Gaming Elements

The Results:

Strengthens loyalty
Increases retention
Tracks progress
Rewards success
Collects data
Attracts top talent
Improves customer experience

The U.S. loses nearly **\$370 BILLION** annually due to disengaged employees, according to a Gallop Poll.⁸

- Only **31.5%** of U.S. employees felt engaged in **2014**
- Engagement in **2014** was at its highest since **2000**
- Millennials were the least engaged at **28.9%**, followed by Generation X at **32.2%**
- Traditionalists were the most engaged at **28.9%**, followed by Baby Boomers at **32.7%**

What Are the Key Components of Successful Gamification?

We know that games satisfy a basic human desire for achievement. Key gamification components that recognize and reward achievement, including points, milestones, badges and leader boards encourage users to keep playing, reinforcing positive behaviour, spurring healthy competition and driving multiple interactions.



Techniques:

- Puzzles
- Quizzes
- Arcade style games
- Challenges
- Missions

Rewards/Recognitions:

- Points
- Milestones
- Badges
- Leader boards
- Team rankings

What Are the Key Best Practices of Successful Gamification?

The following best practices will help you successfully integrate gamification into your incentive programs and employee engagement solutions:



- Assess/know your audience
- Keep it simple
- Encourage healthy competition/progress sharing
- Measure participation
- Encourage multiple interactions
- Track progress
- Keep it fresh
- Incorporate a meaningful prize/reward strategy

Every client audience has a unique demographic and dynamic, and what might resonate with one channel partner, sales team or employee group might not work for another. It's about knowing your audience. Games should be kept simple to ensure a good balance between learning and fun. Encourage healthy competition or progress sharing, measure participation, track individual and team progress and respond to any gaps in learning. And remember to keep games fresh by introducing new elements which will keep users interested and encourage long-term engagement. Finally, ensure that rewards, whether physical prizes, virtual rewards or simple recognition, are meaningful and motivating to your users.

KEY FOCUS: Assess/know your audience:

Understand your baseline and know where you're starting from. Many organizations don't know where to start when introducing gamified programs. An experienced solution partner will have the expertise to establish a baseline, devise a customized program for your teams and ensure that the onboarding process, program kickoff and adoption are resounding successes.

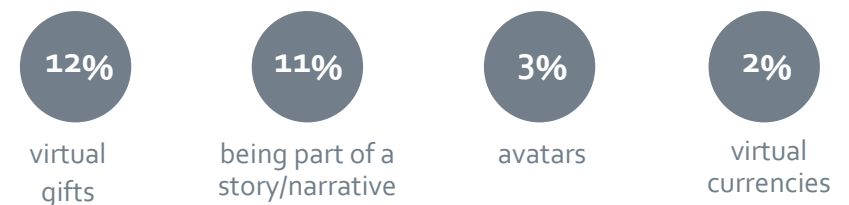
What Are Some Common Dos and Don'ts of Gamification?

Games that recognize achievement and success engage users the most. An extensive TalentMLS survey⁹ found that there are certain gamification techniques that learners preferred over others.

Most preferred:



Least preferred:



It's evident that game components associated with a sense of personal achievement scored the highest, while those that were not directly tied to achievement, like avatars and being part of a story, were least preferred by users.

How Can Gamification Benefit the Learning Experience?

Adults participating in gamified eLearning experiences, according to a recent study by the University of Colorado, scored **11%** higher in factual knowledge and **9%** higher in retention rate.¹⁰ From a purely sales perspective, the more knowledgeable and confident a sales rep is in a product's features, benefits and strengths against the competition, the more they will promote that product.

What Are the Tangible and Intangible Benefits of Gamification?

Gamification delivers tangible and intangible benefits to organizations that can all contribute to a boost in productivity and performance.

Intangible Benefits

- Increases product knowledge
- Incent people to perform at higher levels
- Builds loyalty
- Increases engagement
- Improves clarity by defining goals and metrics
- Increases employee and channel partner retention
- Provides individualised motivation and training
- Incorporates real time progress monitoring/feedback
- Attracts top performers
- Gets new team members up to speed faster
- Improves the customer experience

Tangible Benefits

- Higher sales revenue
- Better employee data
- Cost savings through more efficient use of resources
- Productivity gain

Gamification has a multitude of intangible benefits, including increasing product knowledge, building loyalty and enabling real time progress monitoring and feedback. It also delivers the very tangible benefits of higher sales revenue, better employee data, cost savings through more efficient use of training resources and productivity gain.

KEY FOCUS:

Gamification incents people to perform at higher levels: healthy competition and achievement recognition motivate employees to strive to excel at the game, and excelling means more learning, which in turn makes them a better champion for you.

“Gamification helps you reach your ‘B players’. Those that are seen as your middle ground or B players are often ignored in favour of your top performers. This middle ground is the area, however, where you can have the most impact.”

Cathy Schueler
Chief Client Officer
ChannelAssist

CONCLUSION

Games are no longer just for fun. They are powerful, proven and valuable tools that enrich the learning experience, raise engagement levels, build brand and company loyalty, increase productivity and spur motivation, helping you drive revenue growth.

Gamification in business – a game where everyone wins.

About ChannelAssist

ChannelAssist is a pioneer of employee engagement and online incentive program management, building client-specific programs for companies from mid-size to enterprise. They drive partner and employee engagement through incentives, education, recognition and rewards to drive sustainable loyalty and revenue growth.

About the Author, Cathy Schueler

Cathy is the Chief Client Officer at ChannelAssist. She is recognized for enabling her clients to operationalize strategy and new business opportunities to drive revenue growth. Cathy not only understands the importance of comprehensive planning to develop the strategy for an integrated plan but also the importance of engaging both direct and indirect sales channels – using best practices in communications and incentives to improve overall sales performance.

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