

3radical

The Little Book of Gamification



Welcome to
our little book
on the big subject of
Gamification



Why read this book?

More and more businesses are using Gamification to create brand awareness, drive user engagement, and ultimately influence behaviour to drive purchase and advocacy – everyone is talking about this new marketing strategy – and you need just one source that gives you the basic facts and more.

Alternative reasons to read this book?



You want to keep on top of the latest marketing strategies.

There is simply too much information out there on this subject – you just need something you can digest in small chunks.

You need useful stats, facts and quotes for an upcoming presentation but don't have time to research them.

What's inside?





What is Gamification?



Why Gamification?



10 Reasons to Adopt Gamification



Gamification and Mobile



10 Tips for Developing Your
Gamification Strategy



The 3radical Platform



About 3radical



What is Gamification?

Gamification

Activities Reputation Engagement App Social
Loyalty Online Points Applications
Badges People Sites Websites
Achievement Networking Services Encourage
Users Techniques

What is Gamification?

“Gamification
is the use of game
thinking and game
mechanics in non-game
contexts to engage
people and to impact
their behaviour”

How does it work?

Today's consumers are hungry for status, competition, reward and self-expression and are prepared to engage with brands that provide these opportunities.

Gamification uses techniques and strategies from game design to prompt specific consumer behaviour.

What does Gamification achieve?



The goal of Gamification is to enable Brands to engage consumers with their content and brand experience, and to encourage them to collaborate and share with their target audience.

Ultimately Gamification drives consumer behaviour – which can be to purchase and become an advocate.

At the same time, Brands gain valuable consumer data.



Why Gamification?

BRAND GROWTH



Why?

Gamification

was added to the Oxford Dictionary
2011 Word of the Year Short List!

Suffice it to say, you'll be
seeing the word around
more and more...

Despite huge investment,

Brands are finding it
difficult to engage
with their customers...

In 2013, Businesses spent
\$3 billion
on web-based communities
and user generated content
tools, yet nearly

70%
of customers never
log into them!

Source: Gartner

Loyalty programmes fail to meet their goals...

McKinsey estimates that the cost of loyalty programmes swelled to

\$50 billion

in 2012, yet more than half of customers are inactive in those programmes.

**However,
proven to boost
engagement
strategies,**

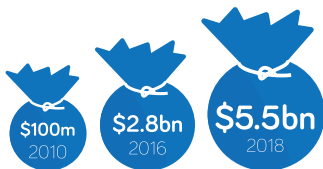
**Gamification is
becoming an
important part of
the marketing mix...**

70%

of the Global 2000 Brands
will introduce Gamification
into their marketing and
customer service mix in 2014

Source: Gartner

**And the growth
is expected to
continue...**



From a spend of just
\$100m in 2010,
organisations are expected
to spend up to
\$5.5bn by 2018

Source: Gartner

Gamification works!



Participants experiencing gamified loyalty programmes open emails 86% more often than participants in non-gamified loyalty programmes



Gamification
results in a
41.6% increase
in website activity

Average amount of time spent on website:

BEFORE
Gamification



AFTER
Gamification



Source: Martz Motivation Solutions

Examples of Gamification in action...



Runners using Nike's Fuelband to capture data such as distance and time, and to track their progress are rewarded for achieving specific goals and for sharing milestones with other runners.

In 2011 the number of players using Nike's Fuelband was 5 million.

By 2013 this had reached 11 million.



Through its Monopoly Campaign, McDonald's increased its sales by 5.6% in USA, with many people engaged in impulse buying just to get tickets.



Starbucks rewards its customers with virtual badges for “checking-in” on their SmartPhone when visiting their stores.

This encourages consumers to visit different stores and buy more products.

In 2012, users of ‘MyReward’
totalled 4.5 million, and
accounted for \$3bn in sales.

Why does Gamification work?

Traditional marketing
techniques are:

“failing

because people today
are seeking more reward
and more engagement
from experiences than
ever before”

Gabe Zickermann
Gamification.co

**Giving
something back
to consumers
is vital**

According to our own recent survey:

93%

said brands need to give
something back for them to
read or respond to messages

Source: 3radical

**and it's only
getting more
important all
the time**

65%

of respondents in our survey said that getting rewarded by brands in return for engaging with them has become more important in the past year

Source: 3radical

**Rewards don't
just mean
discounts:**



Consumers will visit a store, share something socially, or make a purchase in return for:

70% 50%

Entry to a lucky dip

Level-ups in mobile games with prizes

Source: 3radical



10 Reasons to Adopt Gamification



10 Reasons to Adopt Gamification



There are reasons aplenty, but here's our Top 10...



Customers want it

Today's consumers are hungry for status, competition, reward and self-expression.

Brands that enable consumers to demonstrate their success through badges, status levels and leaderboards will attract consumers who will happily engage with them.

58% of consumers want brands to be fun and playful

Source: DailyTekk



Drive engagement and loyalty

Traditional loyalty programmes have evolved beyond points and discounts.

Using Gamification, brands can drive and reward desired behaviours such as visiting stores, engaging on Facebook, visiting a website and sharing content on social networks.



Traditional marketing techniques are no longer working

Customers are faced with more content, more channels and more marketing messages than ever before – and they've tuned out.

Brands need to cut through the noise and offer more compelling reasons to engage.



Social media helps promote it

Today's use of social media further encourages consumers to share their achievements with their peers (and feed their need to demonstrate their success), while, at the same time, entice new customers.



You don't want to get left behind your competitors

Gartner predict that by the end of 2014,
70% of the Global 2000 Brands
will introduce Gamification into
their marketing mix.



Brands get rewarded too

Brands are rewarded with more engaging relationships with their customers, and ultimately, more profitable revenues.

Through the Gamification process, Brands learn more about each consumer to be able to make more relevant offers in the future.

Studies have shown that the average amount of time visitors spend on a Brand's website can more than double following Gamification campaigns.



Mobile marketing is growing faster than ever before

During 2014, it is estimated we will pass an installed base of 2 billion smartphones globally.

And with the **mobile internet growing 8x faster** than web adoption in the 1990s and 2000s, being able to apply Gamification techniques to consumers via their smartphones is key.



Everyone wants to play games

If games are included in a Gamification strategy, they are reaching a broader audience than ever before.

40% of the world's internet users play online games.

Mobile games is the fastest-growing segment of the overall market, with **revenue set to nearly double** between 2013 and 2015 from \$13.2 billion to \$22 billion.



Success is proven

Early adopters, such as Nike, Starbucks and McDonalds, have all adopted Gamification marketing techniques in recent years, and their **incredible results are well documented.**



Technology has evolved to enable it quickly and at low risk

Technology vendors such as 3radical provide the tools you need to develop your own Gamification strategy to drive specific behaviours from your target market...



Gamification and Mobile



Why should Gamification be mobile first?

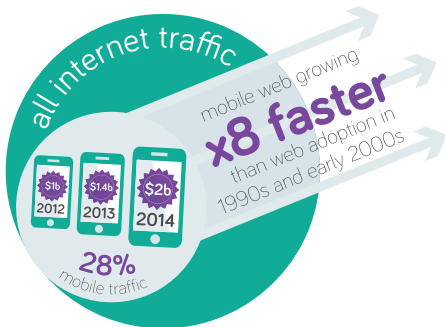
During 2014,
it is estimated we will
pass an installed base of
2 billion
smartphones globally.

Source: Forrester

“ Mobile is becoming not
only the new digital hub
but also the bridge to
the physical world. ”

Source: Forrester

**Mobile will play
an important
part in
Gamification
strategies...**



With the mobile internet growing 8x faster than web adoption in the 1990s and 2000s, being able to apply Gamification techniques to consumers via their smartphones is key.

Why?

Because we use our
mobiles **all** of the time...

89%

of smartphone users use their smartphones throughout the day

Source: Forrester



98% At home



89% On the go



79% While shopping



64% on public transport

Source: We are social

Why does mobile deliver?



Only mobile
can deliver
this!

Because it's:

WHERE CONSUMERS ARE

Consumers have their mobile with them from waking up to going to sleep, and increasingly it is the device of choice for all digital interactions

RELEVANT

Messages can be delivered at the right time and in the right location

IMMEDIATELY REWARDING

Consumers can interact with the brand using the phone, and get their rewards immediately



10 Tips for Developing Your Own Gamification Strategy



**Gamification
works because
it is...**
relevant &
rewarding

60%

of marketing today is
untargeted and not relevant

50%

of consumers disengage with
brands because of irrelevance

41%

of consumers would consider
ending a brand relationship
because of irrelevant messaging

Source: Precision Marketing

10 tips for developing your own Gamification strategy

Simply adding gaming elements is not enough.

Gamification is based on a behavioural approach and should be based on the behaviours you wish to drive from your target audience.



What are the business goals driving your Gamification strategy?

In order for your Gamification strategy to succeed, you need to be clear about what you want to achieve and how this can be measured.

For example, if your goal is to encourage the sharing of product information, your Gamification strategy should encourage and reward customers for writing product reviews or posting product pictures on your social media channels.



Metrics – how will you measure your success?

The most obvious goal for any Gamification strategy is increased engagement. Metrics for measuring increased engagement include:

- ★ Increase in new web visitors
- ★ Time spent on site
- ★ Social media followers
- ★ Content sharing
- ★ App sign-ups
- ★ Time spent in app
- ★ Content download
- ★ Conversion rates



Consider what motivates your customers

Different customers are motivated by different desires and you will need to analyse customer behaviour to know which of the following are the strongest motivators for your target audience:

- ★ Achievement
- ★ Reward
- ★ Status
- ★ Competition
- ★ Self-expression



Consider what game mechanics will work for you

The game mechanics you decide to use will depend on what motivates your target audience. Some of the most used game mechanics include:

- ★ Points
- ★ Levels
- ★ Badges
- ★ Challenges
- ★ Virtual goods
- ★ Leaderboards
- ★ Discounts
- ★ Lucky Dip entries



Badges

Badges give your customers the recognition of having reached certain levels or completed new challenges.

Feeding their need for self expression will spur customers on to obtain the next badge or meet the next goal you set for them.



Leaderboards

Consider the use of leaderboards to give your customers real time feedback on their progress and success as this will drive competition amongst your target audience as well as drive and satisfy their need for status and achievement.



Levels

Levels indicate that a customer has reached a particular milestone. They can be completed either by reaching a certain amount of points, or completing a certain goal.

Levels work well in Gamification since they drive and encourage competition and reward consumers who are motivated by status and achievement.



Social Sharing

Social sharing is the perfect game mechanic if your customers are motivated by self expression and being able to share their success with their achievement, such as badges and trophies, with their peers through their preferred social media sites.

Additionally, social sharing is useful for promoting your brand, products and Gamification programme to other likely participants.



Challenges

Setting challenges will encourage your customers to meet your specific goals and Gamification objectives.

Customers welcome challenges since they feed their desire for reward, status, achievement, self-expression and competition.

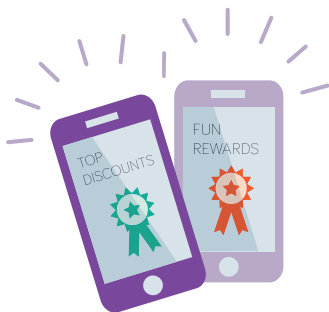


Check out the following successful Gamification strategies for inspiration:

- ★ **Starbucks**
levelling, rewards
- ★ **Nike**
achievements,
badges, challenges,
rewards
- ★ **Xbox Live**
achievements,
leaderboards
- ★ **Foursquare**
badges, rewards
- ★ **LinkedIn**
progress bar
- ★ **SalesForce**
leaderboard,
achievements,
levelling
- ★ **Hallmark**
Facebook credits,
virtual goods, gifting,
sharing
- ★ **Microsoft**
achievements,
contests
- ★ **Wii Fit**
achievements,
rewards



The 3radical Platform



The 3radical platform

“ Provides brands with a new communication channel to connect directly with consumers while impacting their behaviour in a measurable way. ”



The 3radical platform gives Brands:

The ability to deliver a “gamified” experience to consumers – through competitions and rewards

A new communication channel, via an own branded mobile app with customisable mobile phone games with prizes to further drive brand engagement.

A marketers portal to select individual consumers to receive gamified offers and alerts based on demographic information, past behaviour and location.

Rich analytics to further enhance future offers and inform all Brand communication

The 3radical platform

gives Consumers a
fun and rewarding
experience that
is relevant to
them

- ★ Fun activities like competitions, photo sharing treasure hunts, quizzes and more which have rewards and prizes associated with them.
- ★ Virtual currency – enabling them to enter competitions, donate to charity, gain further discounts and level up in 3radical games.
- ★ Real world offers – relevant discounts and incentives based on their previous purchases and current location.
- ★ Status recognition such as badges and trophies to display on their phone or share via social media.
- ★ A fun gaming experience – playing great mobile games with the chance to win prizes, with level ups provided by Brands



About 3radical



3radical

About 3radical

3radical has created a new way for Brands to get and keep consumers attention.

3radical Voco is the first cloud based mobile marketing platform that includes a full range of individually targeted gamification techniques to engage consumers.

Using Voco leading Brands across the world are achieving unprecedented engagement levels, driving uplift across the whole customer journey and creating significant return on investment. Consumers engage because they have a fun, positive, rewarding experience that creates a true value exchange.

**Visit our
Resource
Library...**

For our other resources on Gamification, including infographics, videos and webinar recordings, please visit:

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