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Making Loyalty Simple

Amping It Up: How to Weave Gamification Into Your Consumer Loyalty or Channel Partner Program

How to use gamification to make your consumer loyalty or channel incentive program energized, compelling, and all-around addictive.

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Introduction

Ask a dozen people for the definition of gamification and you'll get a dozen different answers. That's because the term has been used vaguely and imprecisely, often as a mere buzzword, for the past decade. However, gamification is rooted in concrete, practical behavioral conditioning practices — and it's at the core of every successful loyalty or incentive program. This ebook will go in-depth on how to define gamification, how gamification appears unexpectedly in our everyday lives and how to supercharge your incentive program performance by layering in key gamification elements.

What is Gamification?

While it may sound like a buzzword, gamification uses powerful m
that are based on long-proven behavioral conditioning principle
you've probably been influenced by gamification without even k
Before we get into some real-world examples of gamification, let
some of the ways it has been defined.

The [dictionary definition](#) of gamification is "The process of adding g
game-like elements to something (such as a task) so as to enco
participation."

In 2014, [Gartner modified that definition](#) to "The use of game mechani
experience design to digitally engage and motivate people to a
goals." This is a better definition, because it gives more weight to
experience and driving motivation.

To break down gamification even further, let's explore the eleme
compose it.

Key Components of Gamification

At Fielo, our easy-to-use Loyalty and Incentive Platform focuses on changing
behaviors to create lasting results — and in our research, we've discovered
how key gamification elements, incorporated in the platform, drive critical
behavioral changes.

In particular, we've honed in on seven critical gamification elements that,
when layered into a loyalty or incentive program, generate chart-topping
engagement and excitement. While it isn't required that each of these
elements be present to "gamify" something, the more you include in your
program, the better your engagement — and eventual program result — will
be:

Challenges: These are predefined, multi-action goals that need to be accomplished in order to get rewards or make progress.

Missions: Consider these shorter-term "quests" that mark milestones during a particular challenge.

Rules: Definite boundaries that outline how success can be achieved.

Competition: When two or more people (or teams) try to achieve the same goal. A competition could be a race, a match to see who scores more points during the same time frame, or a goal to beat your own personal best.

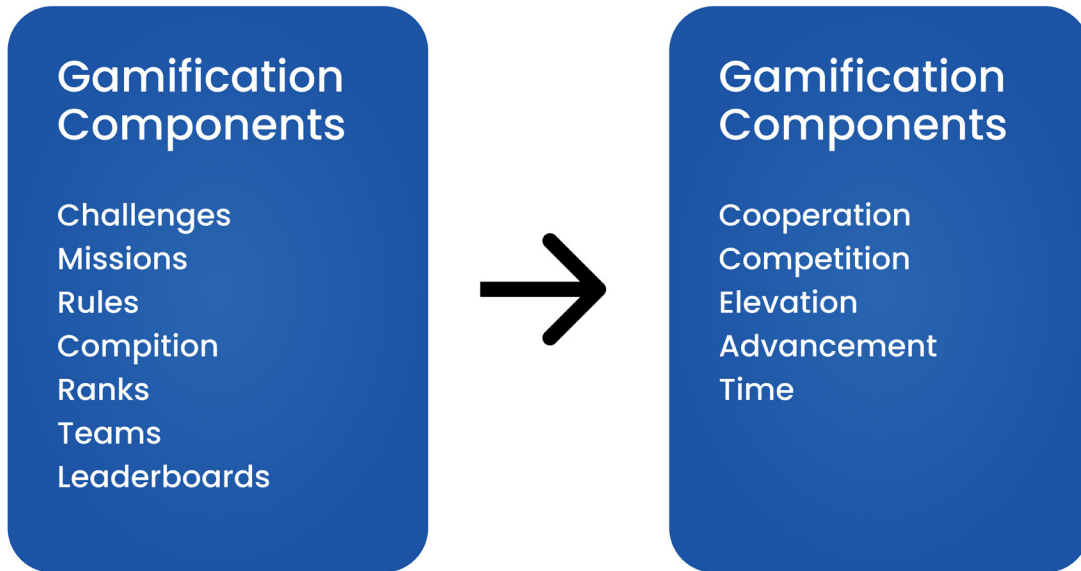**Ranking:** A progression, typically based on experience or seniority, that gives participants a way to gauge their status.

Teams: Teams consist of people working together to achieve the same goal.

Leaderboards: A visual representation of the position of an individual member or team compared to others.

You may notice that some well-known elements of many loyalty programs — namely, points — didn't make our list. That's because a reward for a behavior (like points) does not, in itself, equate to gamification. While points allocation may incentivize and even motivate customers, it does not structure an experience around that motivation — and hence it isn't a game.

If you have a loyalty or incentive program that's limited to rewarding points for actions, and you're not getting enough traction from your customers, you should consider adding gamification elements to get the results you need.

We've seen time and time again how the following five elements, in combination, form the basis of a successful game — and hence a successful loyalty program: cooperation, competition, elevation, advancement, and time.

Gamification Components

Challenges
Missions
Rules
Compition
Ranks
Teams
Leaderboards

→

Gamification Components

Cooperation
Competition
Elevation
Advancement
Time

That brings us to our definition of gamification: "The use of cooperation & competition, elevation & advancement and time, along with experience design, to create a layer of challenge that motivates people and partners to achieve goals."

Examples of Gamification in the Real World

Gamification has been built into our everyday lives, often without our realizing it. Seeing gamification at work in the real world can give helpful inspiration for incorporating similar principles in a gamified loyalty program.

In Sports

Whether you are talking about (American) football, soccer, hockey, or even downhill skiing, each sport has some version of gamification built into them:

Challenges: Many teams strive to win challenges like tournaments, racing circuits, or seasons — knocking out other teams they play against in the process.

Missions: Consider each game played as a mission that needs to be completed (won) in order to complete the challenge (the tournament).

Rules: Depending on the sport, there are various rules for winning a game, as well as advancing from regular-season play into the postseason ("the playoffs"). In basketball, teams with the best regular-season record advance; in hockey, what counts is the greatest number of total points scored; in NASCAR racing, the rules are even more involved, as we will soon explain.

Competition: The Olympics. The Super Bowl. The World Cup. Generally speaking, competitions involve individuals or teams competing against each other to progress to a final victory. Practically speaking, a competition can take any form you can dream of — just imagine your favorite sport.

Ranking: A progression in seniority or status. In hockey, players begin as rookies and can advance to becoming team captains. Even more illustrative are sports like baseball, where the league selects Rookies of the Year and Most Valuable Players.

Team: This is a common element in sports. One example is a relay team, where one individual runs a baton along a length of track to the next teammate, who then carries it the next length, and so on. The team works together to make the fastest time and win the race.

Leaderboards: Leaderboards in sports visualize many things: how many points have been scored, how many games a team has won, or how fast a particular person or team finished a race. They represent crucial benchmarks that every participant can see.

Gamification in NASCAR

The scoring systems in NASCAR apply very well to loyalty or channel incentive program strategies.

NASCAR, like a lot of other sports, has a regular season and a championship season. There are 26 races and each race grants points based on the place in which the team finishes. There are also bonus points awarded for things like leading a lap or the most laps led.

After the regular season, the top ten teams with the most points move into the championship series, where the biggest rewards are granted. There are also two wild card spots filled by teams who had the most wins during the regular season and rank in the top 20 of points earned.

As you can see, NASCAR provides great examples for how laying gamification elements makes for a very engaging sport (or incentive program).

In Schools

Believe it or not, the school system is completely gamified. Every aspect of measuring and motivating the learning process includes aspects of gamification, such as:

Challenges: When students enter a new grade, they face the challenge of completing enough courses and studying rigorously enough to proceed to the next grade.

Missions: Each test or quiz that a student must pass is, itself, a mission. Students are quite literally awarded points for each of these missions, and must accumulate a certain percentage of total points to complete each course.

Rules: Schools set up criteria to establish success, in the form of grades: get above a 90% to get an "A," for example. At the same time, teachers have rules for deducting points (attendance, late homework assignments, etc.).

Competition: Each high school student is in a competition with other students to get into university or college, based on their grades and other criteria.

Ranking: Schools are constantly ranked against each other based on the performance of the students enrolled.

Teams: Generally, schooling is regarded as an individual achievement, but there are constantly team projects and assignments at every level of education.

At Work

While it may not always feel like fun and games, the workplace contains many basic elements of gamification.

Challenges: Organizations abound with challenges. In a sales role, a quarterly challenge might be to increase the average deal size by 10%. If successful in that challenge, the salesperson might increase their rank within the organization.

Missions: Within that challenge, a company-wide performance goal (the mission) could be for each salesperson to close at least 80% of the leads they are assigned.

Rules: They change from job to job, but rules are typically in place for performance tracking and for what qualifies for increased compensation or rewards. Oftentimes, these rules apply to how an employee can earn the variable component of their overall compensation.

Competition: Employees may be competing with each other for a specific job within the company. On a company level, each business is competing with other businesses in the same market.

Ranking: In business, people start out as interns or junior level employees and work their way up the ladder by completing challenges and missions. Of course, in the workplace, this progression is not always linear, as company politics and organizational restructuring can change mission priorities.

How to Gamify Your Loyalty or Channel Incentive Program for Maximum Impact

Some people would argue that a loyalty program, in itself, is gamification. We disagree with that assessment.

Loyalty or incentive programs don't qualify as being gamified simply because they award points for particular actions — because every loyalty program has this points-for-actions functionality.

Instead, gamification is that additional layer of elevation, competition, and advancement that is built on top of a basic points-based loyalty program. And gamification is not just a buzzword: challenges, ranks, missions, and other gamification elements are what really accelerate the success of a consumer loyalty program.

For some great examples of how gamification can be used to increase the effectiveness of a loyalty/incentive program, here are a few that we've implemented in our automated incentive platform at Fielo:

Challenges: Challenges are a way of encouraging members to perform particular behaviors and drive engagement. With Fielo, challenges can be addressed to different audiences (your key customer segments) within a specific time period — taking customers through a range of accomplishments along the way.

Missions: A mission is a series of tasks that customers need to accomplish in order to win a challenge. Missions leverage Fielo's powerful Multi-Action Rules Engine, which tracks and assesses program member activities in order to drive targeted behaviors.

Performance models: Performance models provide different methods for characterizing and measuring what you want your customers to do. Our gamification performance models include:

- ***Race:*** A race is a benchmark against time that classifies members' performance into "places", like first, second, and third.
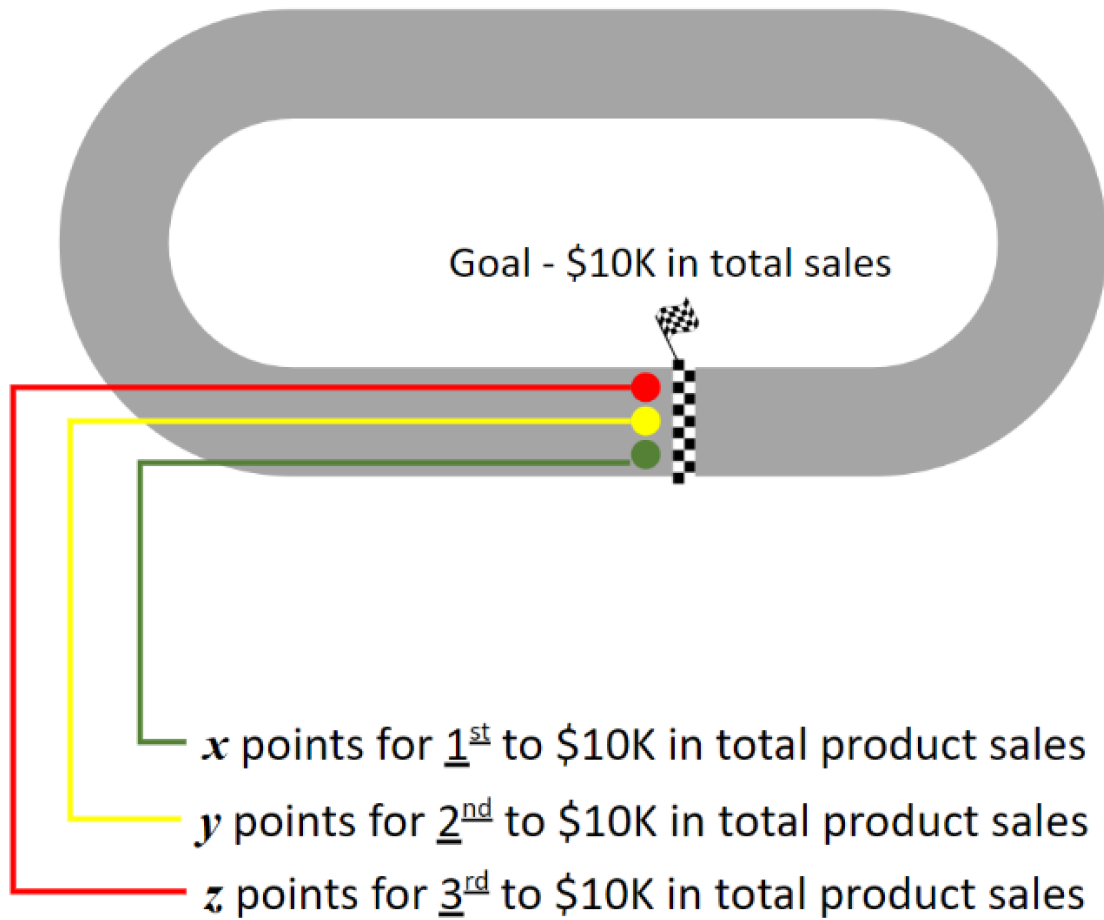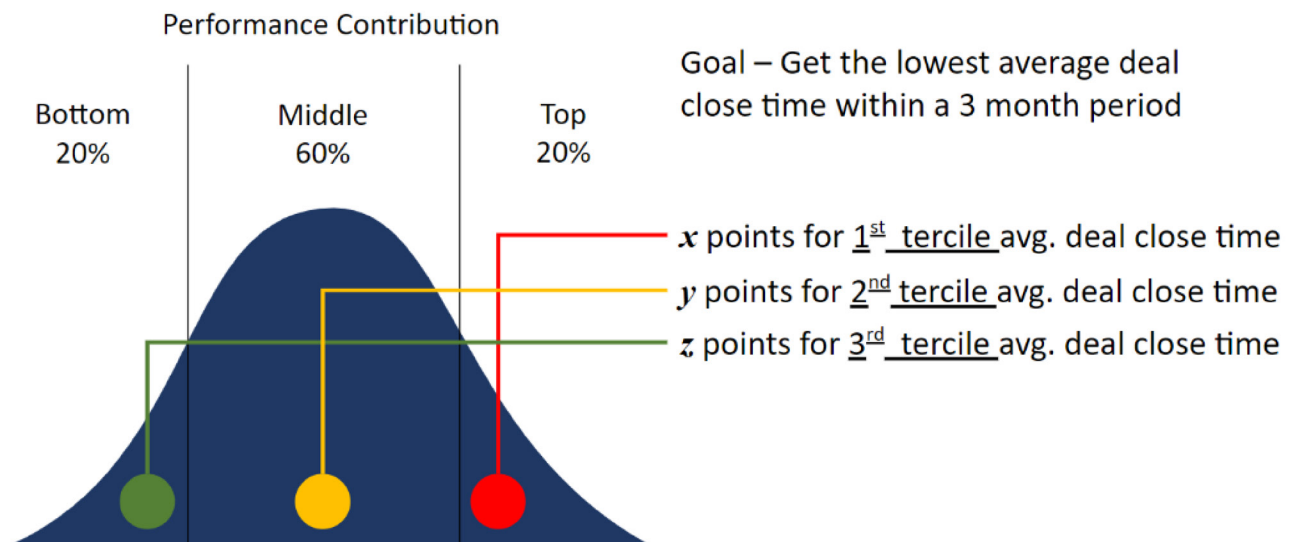
- **_Performance improvement:_** Uses historic (e.g., previous period) data as a baseline to gauge current-period activities.

Goal – Reduce average deal close time

6 months to close deal

x points for <u>50% reduction in deal close time</u>

3 months

Base
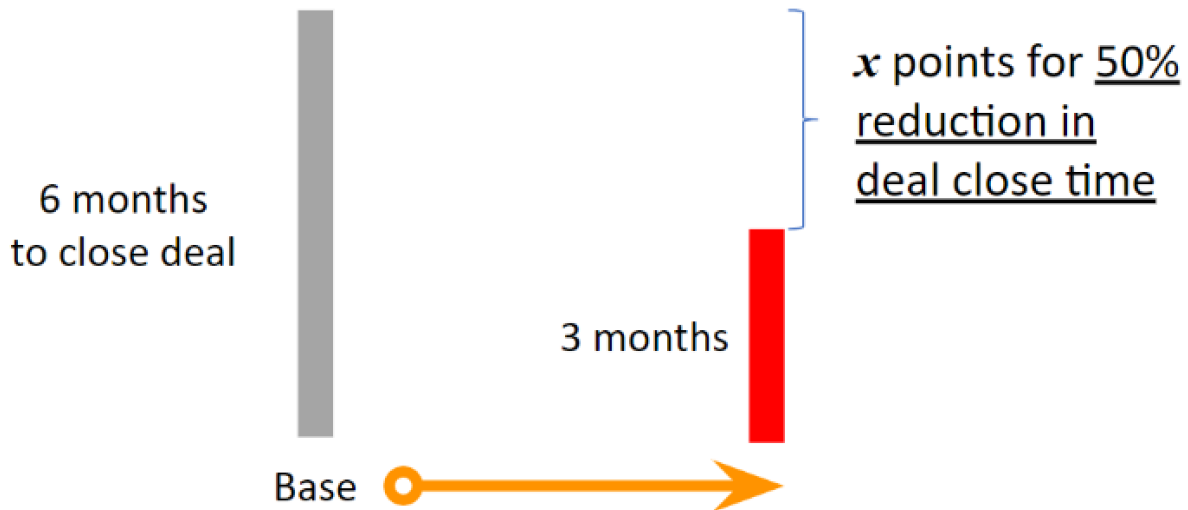
- **_Top performers:_** A benchmark against the results of other members that rewards top performers accordingly.

Performance Contribution

Bottom 20%

Middle 60%

Top 20%

Goal – Get the lowest average deal close time within a 3 month period

x points for <u>1st</u> <u>tercile</u> avg. deal close time

y points for <u>2nd</u> <u>tercile</u> avg. deal close time

z points for <u>3rd</u> <u>tercile</u> avg. deal close time

Challenge teaming: Challenge teams are an alternative to selecting individual members to compete for rewards in a challenge. With Fielo, challenges get more exciting when teams put their collective skills together to achieve victory.

Challenge ranking: Fielo's challenges have their own ranking or leveling systems based on the progress of the challenge. Ranks are given when specific criteria are met (i.e. completing a mission or set of missions) within a challenge. Ranks give the ability to promote or demote specific members based on their performance during a specific mission.
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See It in Action: How to Weave Gamification into a Loyalty Program

Let's bring together what we've learned — creating a sample situation where engagement is increased and sales are boosted, thanks to a gamified consumer loyalty program.

Imagine you are the owner of a clothing store called Clothing Hut. Your company objectives are:

- Ensure that more than 80% of the customers enrolled in your consumer loyalty program complete their profiles.

- Increase the average amount of winter gear purchased per customer.

Mission Prerequisites

One unique Fielo feature is the ability to set mission prerequisites. With Mission Prerequisites, you can require that one or more missions be completed before a member can move on to the next mission.
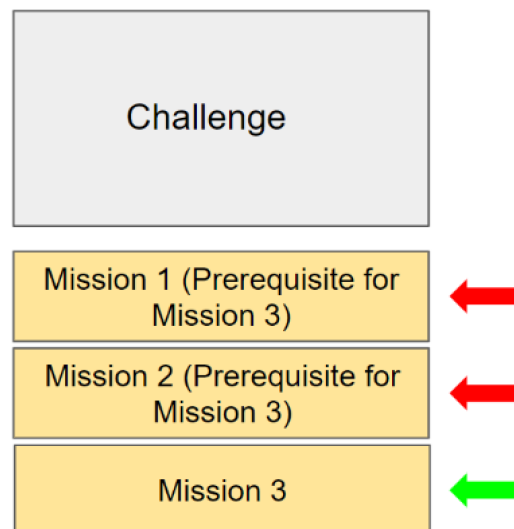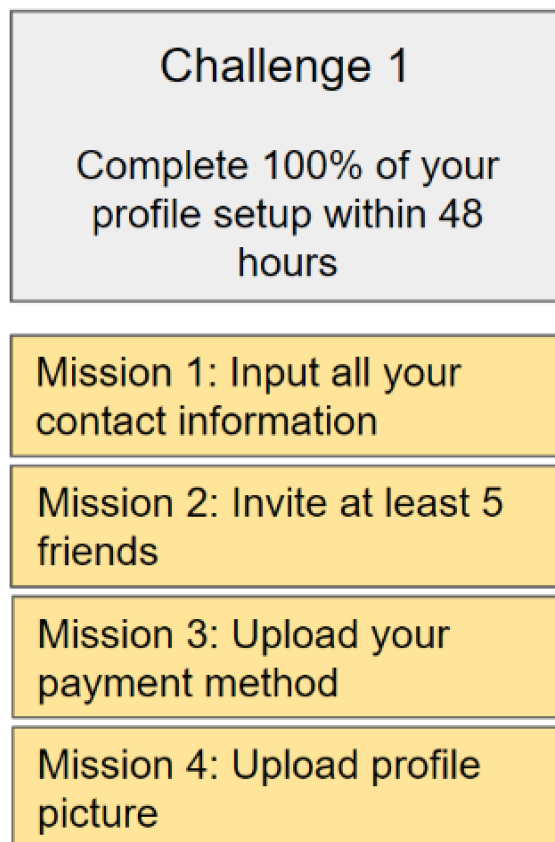

One unique Fielo feature is the ability to set mission prerequisites. With Mission Prerequisites, you can require that one or more missions be completed before a member can move on to the next mission.

When a new customer signs up to your loyalty program, the first thing you want to do is automatically enroll them in a challenge: fill out their profile within 48 hours to receive a $10 coupon. If they don't, the challenge will close and the customer will miss out on the reward.

Challenge 1

Complete 100% of your profile setup within 48 hours

Mission 1: Input all your contact information

Mission 2: Invite at least 5 friends

Mission 3: Upload your payment method

Mission 4: Upload profile picture

Each mission should be planned with the intention of progressing your customer toward their first objective — completing their profile.

Ensure that Mission 1 is a prerequisite for Mission 2 and 3, and so on. Each mission needs to be completed in order before the next can become available.

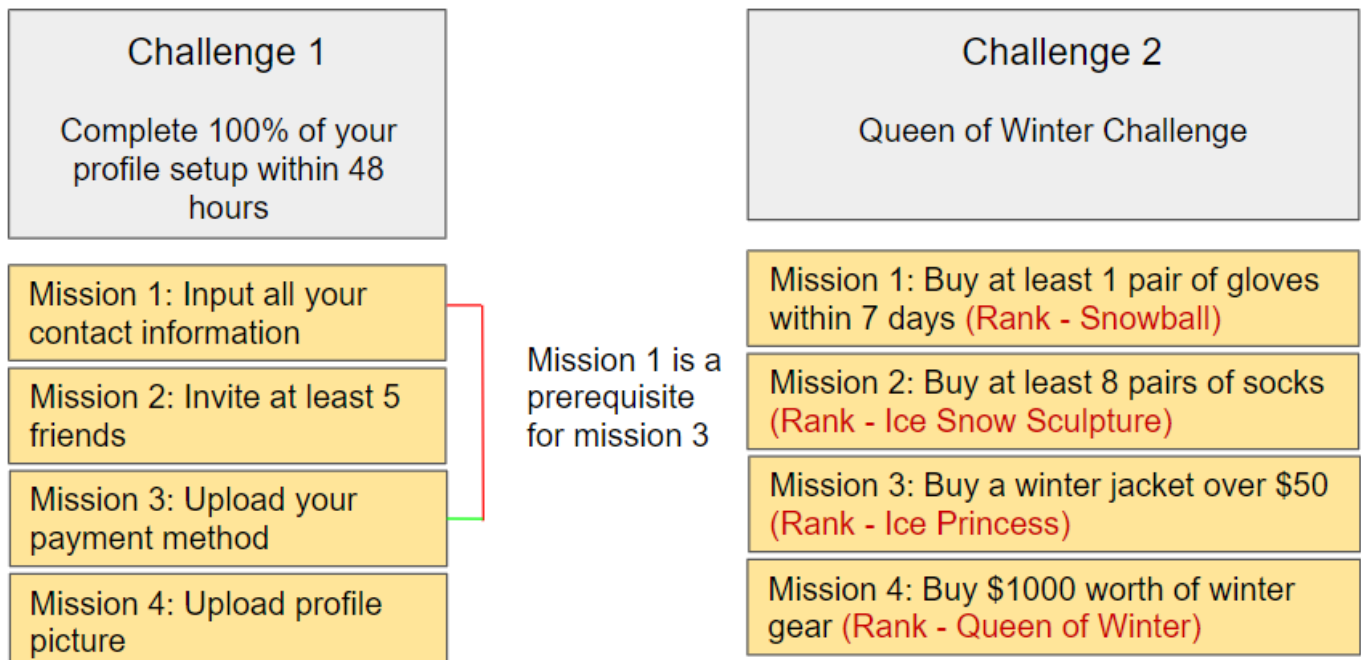**Challenge 1**

Complete 100% of your profile setup within 48 hours

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Mission 4: Upload profile picture
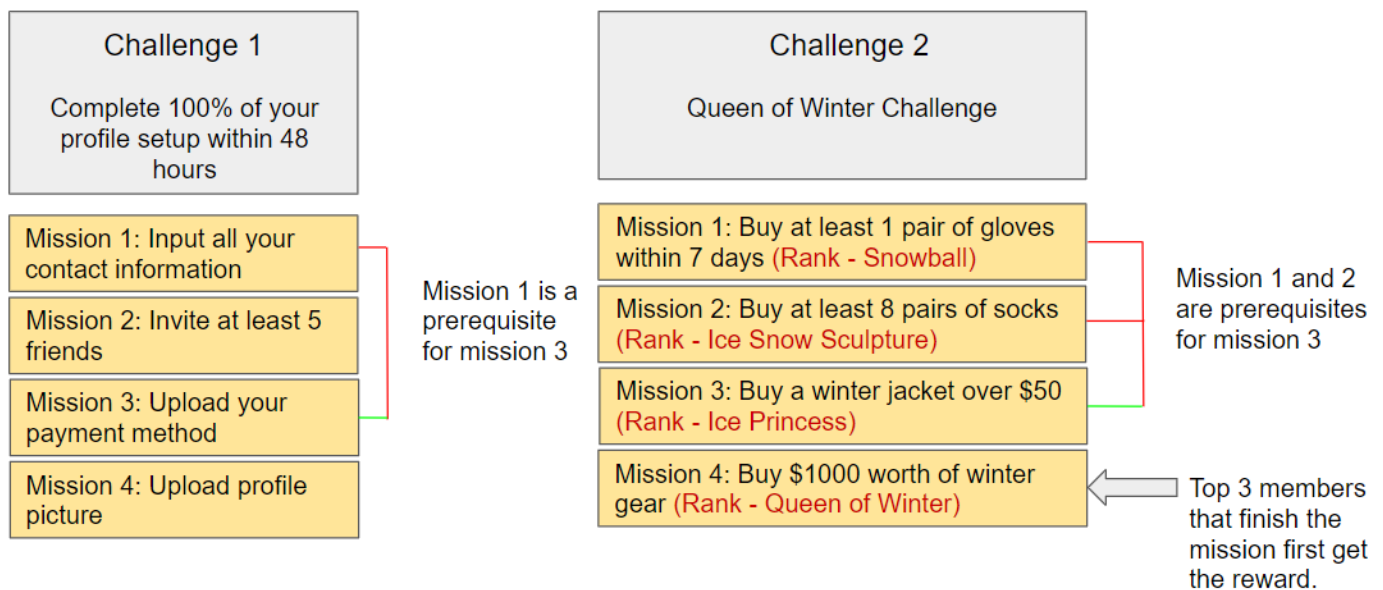
Mission 1 is a prerequisite for mission 3
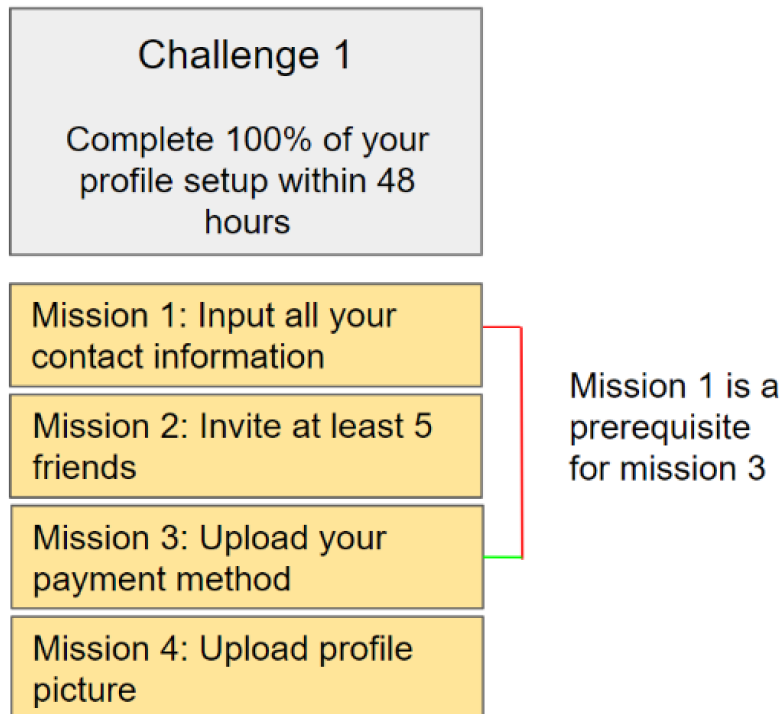
When the user completes all the missions within the 48-hour window, the entire challenge is completed. From there, a second challenge appears, providing your customer with a natural progression. We're calling this second challenge the "Queen of Winter Challenge."

Challenge 1

Complete 100% of your profile setup within 48 hours

Mission 1: Input all your contact information

Mission 2: Invite at least 5 friends

Mission 3: Upload your payment method

Mission 4: Upload profile picture

Mission 1 is a prerequisite for mission 3

Challenge 2

Queen of Winter Challenge

Mission 1: Buy at least 1 pair of gloves within 7 days (Rank - Snowball)

Mission 2: Buy at least 8 pairs of socks (Rank - Ice Snow Sculpture)

Mission 3: Buy a winter jacket over $50 (Rank - Ice Princess)

Mission 4: Buy $1000 worth of winter gear (Rank - Queen of Winter)

Challenge 2 also has four missions within it, but with the addition of special ranks that can be achieved by completing each mission.

When the customer starts the challenge, they're automatically assigned the "Snowball" rank. By completing the first mission to buy a pair of gloves, they move on to Mission 2 where they'll earn the rank of "Snow Sculpture." Members will find Mission 3 locked until they complete Missions 1 and 2, as those are prerequisites.

Mission 4 gets very interesting: you can use rules to assign unique rewards, based on how customers perform relative to each other. In our example, the rule for this mission is that the first three customers who spend $1000 on winter gear are bestowed the highest rank.

Challenge 1		Challenge 2	
Complete 100% of your profile setup within 48 hours		Queen of Winter Challenge	
Mission 1: Input all your contact information		Mission 1: Buy at least 1 pair of gloves within 7 days (Rank - Snowball)	
Mission 2: Invite at least 5 friends	Mission 1 is a prerequisite for mission 3	Mission 2: Buy at least 8 pairs of socks (Rank - Ice Snow Sculpture)	Mission 1 and 2 are prerequisites for mission 3
Mission 3: Upload your payment method		Mission 3: Buy a winter jacket over $50 (Rank - Ice Princess)	
Mission 4: Upload profile picture		Mission 4: Buy $1000 worth of winter gear (Rank - Queen of Winter)	Top 3 members that finish the mission first get the reward.

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Taking Your Game Live

With the fundamental elements of gamification at your disposal, you can harness the energy, competition, and addictiveness of activities like sports and business — taking your loyalty or channel incentive program to the next level and boosting member engagement.

For a consumer loyalty program or channel incentive program that's easily gamifiable and optimized to actually change behavior and achieve lasting results, try Fielo — the company making loyalty simple.

Fielo provides a Salesforce-native Loyalty and Incentive Platform that lets you easily design and manage innovative programs that more deeply engage your customers and channel partners — helping you win new business, drive new partnerships, and capture new market share. Learn more by visiting our learning center, checking out customer success stories from our partners around the globe, or requesting a free demo.

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