

>> **Click on PLAY: Benefits and challenges of GAMIFICATION**

Madrid >> 07 >> 2014

Some time ago [Gartner](#) predicted that over 70% of the 2,000 major companies worldwide would have used gamification in one of its forms by the end of 2014. Not so much since a survey by [M2 Research](#) estimated the 2016 turnover of the gamification industry at 2.8 billion dollars. Not bad at all for a term which, although officially coined in 2002, did not gain popularity (Google Trends) until October 2010. Back in 2011 [Al Gore](#) referred to it saying, "Games are the new normal". Gamification strategies are here to stay. But what are they? What are they based on? How do they work? And above all, how can they help organizations today?

Gamification, i.e. the use of game dynamics in originally non-game contexts, is a relatively new term, but its origins are as old as mankind. The human capacity to play is related in its original context with some major concepts such as freedom, pleasure, fun or learning. The psychological architecture behind gamification dynamics is founded on the concept of intrinsic and extrinsic motivation.

In gamification, extrinsic motivation is traditionally identified with elements that contribute towards the development of playability and competition, such as rankings or rewards. However, our ability to become involved in a strategy of playing has a far stronger bond with intrinsic motivation, which drives us on through membership, status or social recognition. One of the most widely spread theories in this

regard is that of the Mijaly Csikszentimihalyi flow model, which puts the experience of extrinsic motivation between two axes, that of the level of challenge we face and that of the skill perceived for solving it. The journal [Scientific America](#) breaks motivation down into three aspects that are especially important for gamification:

- Autonomy: when we feel we are in control of something.
- Value: when we consider a goal important.
- Competence: when we feel we are improving in something.

These dimensions of motivation should be borne in mind when designing game dynamics to secure maximum success in generating engagement with the target players. This is where we consider the risks and rewards of this type of process. The success of gamification in companies, whether focusing on consumers or employees, will depend directly on their ability to engage their target public in a context of freedom and, above all, fun. Gamification may be an important tool for companies. It is already been used by many to generate stronger, more credible relationships with their stakeholders. However, unless the target public, the goals pursued and the essential rules of the process are studied carefully, we may well succumb to rusty communication and energizing tools, not touching on people's motivation and, therefore, failing utterly in the attempt to mobilize them. Adjusting the difficulty of these processes and understanding the context in which they are developed are fundamental to connect with users' happiness and pleasure.

PLAYING AS A TOOL FOR CONSUMER ENGAGEMENT

In the context of present-day communication, the model of brand-consumer relations has been radically changed by content pollution and attention economics. Nowadays, consumers are mainly consumers of content and, therefore, we navigate through different communication impacts, selecting what we want to include within our experience and discarding anything we do not consider important. All too often companies' communication and marketing strategies have been included in the second group.

This lack of connection with consumers' scope of attention is closely related with the passive consideration of consumers as mere receivers of our communication strategies, when we are actually dealing with individuals who demonstrate every day, through their participation in the digital world,



that they need to express themselves and tell stories. In this regard, interactivity is the main boundary that companies must overcome, a decisive step which converts the brand speech into a conversation, moving from exhibition to *engagement*.

Going further than co-creation strategies, gamification has turned into the best way to interact with consumers. Its ability to activate consumer motivation is a clear trigger of commitment and involvement. There are three important areas to be considered for dynamics of this nature as the basis of conversation with consumers:

- **Entertainment:** We could almost say that without it, game dynamics would not exist, or would at least not reach the full dimension of the term. The value added contributed by entertainment to a company's connection with consumers is inevitable when developing a game-based strategy.
- **Novelty:** One of the most-criticized aspects of gamification strategies is their fleeting nature. Tension and challenge are two essential elements of a game, so we should consider renovation a necessity to extend the life of our conversation. It is in any case important to understand the specific goals pursued, so as not to extend the dynamics beyond those goals and turn them into a deadweight of our strategy. .
- **Measurement:** The possibility of generating controlled environments to enable gamification dynamics beyond their expansion through social media makes them generators of reliable measurements. Although the first gamification applications originally targeted consumer involvement, they have gradually revealed their potential for getting to know consumers better, since we act more naturally when we are playing.

Having said this, examples of gamification already used by companies can range from a simple marketing anecdote to the complex definition of a territory. The first group includes the [M&M](#) experience in the USA. By merely creating a web page in which users had to find a pretzel hidden among a heap of M&M, it obtained over 11,000 comments and 26,000 likes in Facebook and promoted the combination of both products into a new one. The iconic app [Nike+ Running](#), one of the most significant examples of gamification in terms of user loyalty and lasting existence, is rather more complex. Over time, Nike+ Running has become the brand's most effective tool for connecting with a territory (running), in which it has managed to shake off all competition. A correct understanding of the concept of challenge in relation with the concept of motivation is one of the main reasons behind its success.

In Spain, BBVA pioneered the use of gamification with the development of its award-winning platform [BBVA game](#), with 75,000 users, which developed playability strategies to capture and retain users in online banking. The company remains at the forefront of gamification in Spain with its [Liga BBVA game](#) and theorizing about it, headed by its Innovation Centre.

It should be noted that the phenomenon of gamification is not essentially technological, but behavioural for participants and strategic for companies. However, three major areas of technological development will increase the importance of gamification in the years to come:

"The phenomenon of gamification is not essentially technological, but behavioural for participants and strategic for companies"

- **Explosion of mobile technology:** The growth of this area expands the gamification market, while enabling developments related with geolocation, which enhances user experience.

- **Integration of digital and physical through Wearables:** The next generation of electronic appliances will transform our everyday accessories (glasses, watches or bracelets) into intelligent devices, triggering the definitive explosion of gamification potential. Especially popular in connection with sport (Nike+ Fuelband or Fitbit), Google Glass is the icon of wearables.

- **Development of neuromarketing:** As seen earlier, gamification is based on the application of techniques that work on our brain capacity. The development of neuroscience and its application in marketing will provide new knowledge, which will have a bearing on the effectiveness of strategies focusing on games.

GAMIFICATION AS AN OPPORTUNITY FOR STRENGTHENING CONVERSATION AMONG EMPLOYEES

In recent decades, several consumer trends have been incorporated in companies, especially those that most need to attract and motivate internal talent. The classical intranets, essentially operational and organizational, are developing into social networks in which content personally defined by users and conversation among employees are taking priority over corporate information. In the same way, the dividing line between professional and personal use has now disappeared in mobiles and tablets and the two worlds are beginning to intermingle, precisely owing to the new way of understanding and fostering personal relationships in and out of work. Against this backdrop, having broken down the former division between internal and external, business and personal, how is gamification helping to stimulate conversation among the people working in a company? Can it help to generate a sense of belonging and enhance a company's reputation as a good place to work?

Obviously the concerns and motivations of a company's employees are very different from the drivers of consumer behaviour. Employees need to see **a practical usefulness, a clear and simple purpose and an attractive reward** in any initiative falling within the above-mentioned limits of gamification **before they will decide to "play"**. But above all, they need to be sure that the underlying aim of the game is not to make them work more and better, but that it is really an invitation to participate and interact with other people in their company. In other words, a gamification programme at work must stick to the basic criteria of games, including:

- It must not be obligatory. Participation must be free in all cases.
- Employees participating in the game must not obviously receive a larger compensation than those who do not participate. Everyone should stand to gain something.
- It must be limited in time, with a duration in which the start and stop times are strictly imposed to ensure fair play.
- The prize or reward must be attractive, not only to encourage participation, but also in recognition of the underlying effort, and it must not always be a "corporate" reward.

At present, gamification is in vogue in business. Not surprisingly, this strategy is being used more and more because it penetrates more readily in employees' lives and increases the chances of creating a connection, which is the basis for collaboration in business environments and employee involvement. **This is the case of Correos which, under counselling from Wonnova, a firm specializing in gamification, renewed its corporate website based on recommendations for improvement submitted by its employees. Employees received points for each improvement, which they could exchange for prizes. Some 1,700 employees participated in this initiative, submitting over 50,000 proposals for improvement, more than 30% of which were applied.**

But **gamification is also being applied to attract talent**, enabling companies to go way beyond a routine selection

process to identify the skills and aptitudes of the best candidates. A good example of this is the **L'Oréal Brandstorm** programme, in which university students must propose a marketing and communication plan. The students whose proposals are rated most highly are contacted by the French multinational's Human Resources departments to participate in a selection process.

In short, gamification in business is a strategy which, if well planned and provided the rules of the game are respected, is just as effective as other strategies designed more explicitly to stimulate a sense of belonging, employee engagement and a company's reputation.

Shall we play?



>> **Luis Miguel Peña** is a Senior Director of LLORENTE & CUENCA. With over 12 years' experience in communication, Luis Miguel has worked on numerous projects related with the labour dimension of corporate reputation, from those aiming to stimulate employees' sense of belonging or handling a cultural change within organizations to those focusing on boosting and strengthening the visibility of a company's "employee brand". He has built up his experience in clients of different sectors, sizes and characteristics, including Telefónica Internacional S.A. (TISA), Gonvarri Steel Industries, Gaurecia, Burger King, Mercadona, Repsol and Coca-Cola Iberia.



>> **David González Natal** is Head of LLORENTE & CUENCA's Consumer Engagement Area in Madrid. After graduating in Journalism from the Complutense University in Madrid, he was chief coordinator at the agency Actúa Comunicación for seven years, directing communication campaigns for brands such as Heineken, Red Bull, Movistar and Ron Barceló. He is also one of the creators of the cultural and trend website Numerocero.es and the audio visual producer of the same name.

d+i LLORENTE & CUENCA

d+i is the LLORENTE & CUENCA Ideas, Analysis and Trends Centre.

Because we have a new macroeconomic and social script. And communication is not lagging behind. It is progressing.

d+i is a global combination of relations and exchange of knowledge that identifies, focuses and transmits new communication patterns from an independent position.

d+i is a constant flow of ideas moving ahead of new trends in information and business management.

d+i LLORENTE & CUENCA, because reality is not black or white.

www.dmasillorenteycuenca.com