

Gamification: more than just a game

Gamification – a term broadly accepted to mean the use of game design techniques and mechanics in order to foster greater engagement with audiences – has followed a startling trajectory over the past 18 months. Having only come to prominence midway through 2010, gamification has since become one of the most ubiquitous buzzwords in the marketing and consumer engagement space. Whilst gamification raises questions about how researchers extract compelling insights from respondents, the term has been more widely and visibly used by consumer-facing organisations seeking to find more playful and creative ways of facilitating business to consumer interaction. For years, game designers have been able to incentivise and motivate players through the use of mechanics like points, leaderboards, levels, challenges, trophies, badges and status. Gamification in the business sense can be defined as the concept of integrating these game dynamics into a site, service, community or campaign in order to drive participation, foster greater levels of consumer engagement and build brand loyalty. At its core, gamification seeks to tap into deep seated human needs; to satisfy the fundamental human requirements of being rewarded, gaining status, earning achievements and engaging in competition.



Fun is not enough

The financial sector has certainly been keen to adopt a more 'gamified' approach, with many examples of financial providers adopting gamification techniques in order to improve the customer experience and drag a sector synonymous with low consumer engagement, tradition and functionality into a more engaging, playful space. In the UK, American Express recently launched its first iPhone game, named Cash IQ. The game requires players to complete a range of brain-training mini-games, challenging their mathematical and memory skills in the process. Barclays have also been quick to respond, with their role playing game 56 Sage Street. Aimed at educating those approaching the first stages of financial independence about how to make and then safeguard money through hard work and the avoidance of scamming, the game – on the surface at least – seeks to leverage gamification for educational, rather than sales-based purposes. .

Many of the examples we see in the financial space follow a similar pattern, in that they draw a clear link between gamification and 'fun'. However, whilst the introduction of fun and playfulness is a key characteristic of the gamified approach, 'fun' – especially in the financial services sector – is a term that has to be treated carefully. Finances have always been a highly personal part of consumer lives and, against a backdrop of on-going economic uncertainty, the need for professionalism, expertise and seriousness is increasingly pronounced. Perhaps more pertinently, providers need to tread carefully in order to avoid accusations of tokenism; with public cynicism of the financial services industry still rife, gamified techniques – especially those which may be viewed as flippant, thinly veiled sales and acquisition exercises – could hinder as much as they help. But whilst the dangers of getting it wrong aren't to be under-estimated, a closer look at the key principles of the term highlights the potential value of a more considered approach to integrating gamification theory into business-to-customer interactions.

The rewards game

The key pillars of gamification – generally accepted to be the rewarding of active and valuable participation in a community, encouragement of a sense of competition, continued motivation through challenging but achievable levels and the opportunity to express individuality through self-expression – speak loudly to the overarching concept of reward. For financial services providers, this has always been a pressing issue. In recent years it has been an area where major players have sought to push the boundaries, with an increasing focus on attainable, tangible rewards attempting to banish the poor connotations that, for many years, have plagued the reward category. In 2010, Barclaycard launched their 'Freedom' rewards scheme; hailed as a 'game-changer' at the time, the scheme not only offered rewards in the form of cash rather than points, it also opened up the pool of participating retailers significantly. More recently, Halifax 's reward account – offering £5 per month in exchange for a monthly deposit of £1,000 or more – has offered a simple take on the more transparent, customer-centric reward structure. Tesco's Clubcard – so often held up by consumers as the most instantly recognisable reward scheme in the UK – has also made efforts to evolve, most notably with the introduction of double value rewards.

But despite advancements in the way in which financial providers offer rewards, there are very few in-sector examples of businesses leveraging the principle of achievement as the key to unlocking higher levels of reward. Outside the sector, some businesses have begun to tap into this; O2 rewards is one such example, where customers are moved up a hierarchical rewards package structure (blue, silver, gold, platinum) based on



increased spend. It's a simple reward structure, but one which clearly and explicitly offers the customer the chance to unlock bigger and better rewards in exchange for larger financial investment. In a sector where consumers frequently complain about being 'just another number' and where loyalty on both sides is viewed as practically non-existent, we believe that financial services providers who are willing to re-align their stance on customer rewards in accordance with true gamification principles are likely to prosper. By giving customers something to constantly aspire to, and by offering them the challenge of unlocking further, higher levels of reward, businesses can take a major step forward in making the customer feel valued once again. Furthermore, the fluidity of such a structure moves reward schemes away from the static, predictable and unexciting feel that we frequently hear customers complain about. After all, like any good game, the motivation to stick with it hinges on the potential for further progress.

Changing the game

To view gamification as little more than a passing fad is to ignore a fundamental shift in the way that businesses interact and communicate with their customers.

As competitors find increasingly engaging, innovative ways of interacting with the consumer and solidifying brand loyalty, the adoption of the principles of gamification will become increasingly important. Games are no longer the domain of the bedroom-dwelling teenager, with recent research revealing that the average age of a video-gamer in the UK is now 37. With an ever increasing (albeit predominantly male) cohort exposed to the core principles of gamification via gaming, it is reasonable to conclude that this will impact on consumer expectations and, consequently, the way in which interactions with brands are conducted. In the financial services space, we see the area of customer reward as being particularly fertile ground for a gamified approach, where one of the fundamental tenets of gamification in its truest form – that being the rewarding of the player on an ongoing basis, in exchange for continued and improved achievement – could be leveraged to create reward schemes which offer genuine value and a very real opportunity for differentiation in a crowded marketplace.

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