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Gamification

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1. What is gamification?

Gamification typically involves applying game design thinking to non-game applications to make them more fun and engaging. Gamification has been called one of the most important trends in technology by several industry experts. Gamification can potentially be applied to any industry and almost anything to create fun and engaging experiences, converting users into players.

Etymology

Noun; Gamification - gam(e) + -ification. Verb; gamify gerund: gamifying. The earliest traces of the usage of the word go back to March 2004, but it did not become popularly used until later in 2010.

Definitions

Gamification has been defined in a number of different ways.

The Gamification Wiki defines Gamification as the *infusion of game design techniques, game mechanics, and/or game style into anything*. This definition is purposely broad to support the many uses of the word outside of the context of business.

A few other definitions of Gamification are:

Gamification is the use of game design techniques and game mechanics to solve problems and engage audiences.

Simply put, the term refers to incorporating game elements and mechanics into non-gaming websites and software.

Gamification is the concept of *applying game-design thinking to non-game applications to make them more fun and engaging*.

A few simple examples are things like earning points and setting goals with Nike+ to motivate yourself to exercise more, and Synchronous Social entertainment such as Turntable.fm, the site where you can virtually DJ for your friends and random strangers -- earning points based on your performance which allows you to unlock cool new avatars to show off your skills.

According to a 2011 Gartner Research Report it is estimated that by 2015, more than 50 percent of organizations that manage innovation processes will gamify those processes. The trend has been picking up major momentum over the last year and has gained support from industry heavy weights such as such as Bing Gordon, Al Gore, J.P. Rangaswami, Chief Scientist of Salesforce.com, and many more.

Since creation of the Gamification Wiki in November 2010, Gamification has surged in popularity and Gamification has grown right along with it. It has quickly become one of the most talked about trends in Silicon Valley, with google trends showing the explosive growth continuing to accelerate. Gamification.org was created to be the ultimate resource for the emerging Gamification Industry, creating a collaborative space for those interested to come together as a community and learn and explore what works and what doesn't and to collectively benefit from the knowledge and wisdom of the community.

2. History

Although the term "gamification" was coined in 2002 by Nick Pelling, it did not gain popularity until 2010. Even prior to the 2002 coining of the term, the field of Scientific visualization, though having long employed 3D, explicitly started mimicking video games since at least 2000, and a Forbes blogger has retroactively labeled Charles Coonradt, who in 1973 founded the consultancy Game of Work and in 1984 wrote a book by the same name, to be the "Grandfather of Gamification." Once the term "gamification" first gained widespread usage in 2010, at first it referred more to incorporating social/reward aspects of games into software rather than interactive 3D or Modeling and simulation, but more recently has retroactively incorporated also simulation; e.g. Will Wright, designer of the 1989 video game SimCity, is the keynote speaker at the gamification conference Gsummit 2013.

In 2010, the technique captured the attention of venture capitalists, one of whom said he considered gamification to be the most promising area in gaming. Another observed that half of all companies seeking funding for consumer software applications mentioned game design in their presentations.

Several researchers have considered gamification to be closely related to earlier work on adapting game-design elements and techniques to non-game contexts. Deterding et al. survey research in human-computer interaction that uses game-derived elements for motivation and interface design, and Nelson argues for a connection to both the Soviet concept of socialist competition, and the American management trend of "fun at work". Fuchs points out that gamification might be driven by new forms of Ludic Interfaces.

In addition to companies that use the technique, a number of businesses created gamification platforms. In October 2007, Bunchball, backed by Adobe Systems Incorporated, was the first company to provide game mechanics as a service, on Dunder Mifflin Infinity, the community site for the NBC TV show The Office. Bunchball customers have included Playboy, Chiquita, Bravo, and The USA Network. In June 2009 a Seattle-based startup called BigDoor was founded, providing gamification technology to non-gaming websites.

In September 2010, Badgeville launched at TechCrunch Disrupt SF. Badgeville is backed by Norwest Venture Partners, El Dorado Ventures, and Trinity Ventures, and offers services for gamification, reputation management, and social mechanics. Badgeville raised \$15M in venture funding in its first year of operation. The company has since added more than 150

customers including Oracle, EMC, Samsung, NBC, Deloitte, Rogers Communications, Bell Media, CA Technologies and eBay.

Several other angel and venture-backed companies emerged in late 2010, including IActionable, BigDoor and Reputely (inactive as of 2011).

In December 2011 Salesforce.com announced the acquisition of the social performance platform provider Ryppl, which uses gamification for employee performance and HR.

In June 2012, CA-based InfoArmy launched a crowdsourced business research platform, which uses badges, ranking, leaderboards, and other gamification techniques to incentivize members to conduct online company research.

3. Techniques

Early examples of gamification are based on giving reward points to people who share experiences on location-based platforms such as Facebook's "Place" feature, Foursquare, and Gowalla. Some of the techniques include:

- achievement "badges"
- achievement levels
- leaderboards
- a progress bar or other visual meter to indicate how close people are to completing a task a company is trying to encourage, such as completing a social networking profile or earning a frequent shopper loyalty award
- virtual currency
- systems for awarding, redeeming, trading, gifting, and otherwise exchanging points
- challenges between users
- embedding small casual games within other activities.
- demographics
- explorers (Bartle's Type)
- flow theory
- motivational design
- organizational goals
- quantifiable outcomes



Achievement "badges"

“Since the dawn of Foursquare and a variety of other social check-ins, rewards and badges have become all the rage. Companies big and small have long ago realized that it is a great way to connect with customers and reward them for the use of their service. People naturally enjoy being praised for their actions and collecting proof of their invested time and energy to show off to their friends.” Think about it: What badges have you earned via social games? Why have they mattered to you?

Achievement levels

In games, such as the enormously popular Call of Duty franchise, ranks are a way of determining a user's expertise and/or dedication. It creates, to some degree, a class system. Users often rally around similar players and tout their achievements. The same idea is used in gamification to create levels of dedication that users aspire to achieve. Everyone wants to be the best and that rank next to a user's name is a way of boasting how close one is to achieving that.

Leaderboard

Country	Pos	Name	To Par	Hole	Today	1	2	3	4	Total
	1	JAMIESON, Scott*	-6	18	-6	66	.	.	.	66
	T2	WATTEL, Romain	-5	18	-5	67	.	.	.	67
	T2	LARRAZÁBAL, Pablo*	-5	18	-5	67	.	.	.	67
	T2	SINGH, Jeev Milkha	-5	18	-5	67	.	.	.	67
	T2	WEBSTER, Steve	-5	18	-5	67	.	.	.	67
	T6	BOURDY, Grégory*	-4	18	-4	68	.	.	.	68
	T6	LAWRIE, Peter*	-4	18	-4	68	.	.	.	68
	T6	AIKEN, Thomas	-4	18	-4	68	.	.	.	68
	T6	WALL, Anthony	-4	18	-4	68	.	.	.	68
	T10	HANSEN, Anders*	-3	18	-3	69	.	.	.	69
	T10	LOWRY, Shane	-3	18	-3	69	.	.	.	69
	T10	ARRUTI, Jesus Maria*	-3	18	-3	69	.	.	.	69
	T10	BENSON, Seve*	-3	18	-3	69	.	.	.	69
	T10	NORRIS, Shaun	-3	18	-3	69	.	.	.	69
	T10	NILSSON, Christian	-3	18	-3	69	.	.	.	69

Leaderboards are a means by which users can track their performance, subjective to others. Leaderboards visually display where a user stands in regards to other users. Leaderboards can be broken down into several subcategories such as: Global, Friends, Relative, Isolated etc.

Leaderboards are implemented on sites to show which players have unlocked the most achievements. The desire to appear on the Leaderboards drives players to earn more achievements, in turn fueling deeper engagement.

Delving into social comparison theory and mixing it with competition/collaboration, we uncover the pitfalls and dangers of using leaderboard as an effective form of meaningful feedback. However, interdisciplinary connections between psychology and gamification can create new insight that could help transform the leaderboard's potential. In a groundbreaking psychology study examining the importance of certain ranks on a leaderboard and competition between neighboring spots, Ranks and Rivals: A Theory of Competition (Gonzalez 2006) sheds light on some not-so-intuitive results. "Social comparison theories typically imply a comparable degree of competition between commensurate rivals who are competing on a mutually important dimension. However, the present analysis reveals that the degree of competition between such rivals depends on their proximity to a meaningful standard."

Coupling psychological theory with gamification, some proposed solutions could be designed to improve the use of a leaderboard as a meaningful standard. For example, create a leaderboard for everyone that shows the stats of the person one spot ahead of you on the ranking board. On top of that, show the two people right below you. This will increase the motivation of everyone because each rank has great meaning: to stay ahead of TWO people

and to beat the NEXT person. On top of that, the leaderboard could offer suggestions to the player as tips on how to beat the score of the player ahead of you.

Progress bar



A progress bar is a component in a graphical user interface used to visualize the progression of an extended computer operation, such as a download, file transfer, or installation. Sometimes, the graphic is accompanied by a textual representation of the progress in a percent format.

A more recent development is the indeterminate progress bar, which is used in situations where the extent of the task is unknown or the progress of the task cannot be

determined in a way that could be expressed as a percentage. This bar uses motion or some other indicator to show that progress is taking place, rather than using the size of the filled portion to show the total amount of progress, making it more like a throbber than a progress bar. There are also indeterminate progress indicators, which are not bar shaped.

For instance, if you use the professional networking site LinkedIn, you've seen a progress bar that tells you how much of your profile you've filled out. The company found that simple tool induces people to continue adding information, thanks to our innate desire to complete a task. That additional information creates more connections for you, leading you to spend more time on the site.

Virtual currency

Virtual currency (or in-game currency depending on environment) is used to purchase virtual goods within a variety of online communities; which include social networking websites, virtual worlds and online gaming sites. A key revenue driver within social media, virtual currencies are specific within each game and are used to purchase in-game goods. Characters or avatars in virtual worlds own things within the context of the virtual world and users will collect each games' virtual currency to purchase land, supplies and various items used to enhance their status and add points. Some virtual currencies are time-based, relying upon measurement of in-game achievements in order to accrue exchangeable points.

Engaging users with virtual currency conveying social status is a cheap opportunity for businesses to take advantage of. The exploitive nature of this thinking is maybe best illustrated in a statement Zichermann first made in his November 2010 Google Tech Talk "Fun is the Future: Mastering Gamification", repeated in the initial rough cut of Gamification

by Design: “Uniquely, games are able to get people to take actions that are not always in their best interest, without the use of force, in a predictable way.”

Systems for awarding, redeeming, trading, gifting, and otherwise exchanging points

Anyone who has played computer games in the last two years will have become aware of "Achievements". Basically, you receive Achievements for doing certain things in games. Completing a level might give an achievement. Completing it on a harder difficulty setting might give another. Completing it quickly might be another one. Or finding a hidden item within the level. Falling from a height that almost (but not quite) kills you.

Anything pretty much can be an Achievement.

And they're addictive. For example - playing World of Warcraft and getting really in pet battles - for those not aware of what it is talking about, basically you can train pets to fight other pets, to make them stronger. And you can capture other pets (generally after your pet has kicked the stuffing out of them) to give you more choice.

And there's achievements for defeating certain people with your pets. It's driving the people to get an Achievement, and basically makes them stay online playing the games for many hours more than they would do otherwise, playing what is basically a simple turn based fight sim.

There has been some thought into how this Achievement system could be brought into the world of work. Certainly targets are nothing new (the acronym SMART is synonymous with target setting) but whether it can be reconfigured into an Achievements system is an intriguing one.

Would you stay longer at your desk working if it meant you getting more "points" than your colleagues? It's certainly a way of differentiating between workers. There's a danger that potentially people come to rely on it as a method of assessing quality of work, which is too much of a blunt implement to do successfully. However, it could indeed form part of performance management, apart from its main role as a motivational tool.

Challenges between users

Workplace Wellness “Challenges” - activities that engage people in becoming happier, healthier, and more energetic at work - are gaining popularity and changing lives at work. The purpose of Challenges is to encourage healthier lifestyle behaviors. Challenges are successful when a supportive, positive climate of fun and camaraderie helps people to adopt or maintain a healthy way of living. With little or no investment in creating a company

challenge, the net result is an engaged and productive workforce that performs at a higher level – everybody wins!

Create a Challenge

Challenges can be created by anyone in the organization. Better buy-in results when everyone participates in generating ideas and has input into the selection process. Challenges can be done frequently or infrequently. However, consistency produces the best results and levels of participation. Short duration challenges, e.g. one week or one month, are more focused and effective. If done on a monthly basis, a Challenge can last the entire month, or any portion of the month. With this approach, a new month starts a new Challenge. If you prefer more variety and less duration, Challenges can change weekly.

Reward Effort

Challenges should be designed to reward effort and make it possible for as many people to succeed as possible. An example would be a company that had a month-long “Challenge to Not Drive to Work”. Employees earned one point for every trip to or from work that did not require them to drive a vehicle. A local bicycle retailer offered to provide a free bicycle tune up to any employee who accumulated over 30 points. During the month, many employees walked, rode a bike, took public transportation, or car-pooled to work. At the end of the month, a number of employees achieved over 30 points and enjoyed the free bicycle service. All the employees who participated in the Challenge enjoyed the unique experiences that it provided throughout the month. Additional benefits derived from the environmental awareness that the Challenge promoted throughout the company, and the community goodwill that was generated from including a local business as a sponsor of the contest.

Rewards for participating in Challenges are optional. Typically, they are simple and non-monetary. Sponsorships, like mentioned above, are a great incentive. Talk to local businesses about offering a product or service discount to the Challenge winners. A monthly “healthy” potluck lunch, that publicly recognizes participants, is an effective way to end each Challenge and introduce a new one.

Embedding small casual games within other activities

Casual games can have any type of gameplay, and fit in any genre. They are typically distinguished by their simple rules and lack of commitment required in contrast to more complex hardcore games. They require no long-term time commitment or special skills to play, and there are comparatively low production and distribution costs for the producer.

Demographics

An important consideration for businesses as they think about integrating games into their brand experiences is to know the demographics of gamers.

Statistics from the 2011 Los Angeles Games Conference revealed that:

“50% of gamers are reported as being female, 30% are over 45, and in the U.S. there are 40 million active social gamers (who play at least 1 hour a week), and there are over 200 million gamers on Facebook.”

Explorers (Bartle’s Type)

Nicholas Yee describes Explorers as being:

“Driven to find out as much as they can about the virtual construct—including mapping its geography and understanding the game mechanics.”

Flow Theory

Flow theory was proposed by Mihály Csíkszentmihályi, a Hungarian psychology professor who says that in flow, the emotions are not just contained and channeled, but positive, energized and aligned with the task at hand. Flow is also described as a deep focus on nothing but the activity—not even oneself or one’s emotions.

Csíkszentmihályi identifies **ten factors of flow**.

- Clear goals
- A high degree of concentration
- A loss of the feeling of self-consciousness
- Distorted sense of time, one’s subjective experience of time is altered
- Direct and immediate feedback
- Balance between ability level and challenge
- A sense of personal control over the situation or activity
- The activity is intrinsically rewarding
- A lack of awareness of bodily needs
- Absorption into the activity

Motivational Design

It’s essential to consider what motivates players when you think about creating an effective and successful design for a game.

Gabe Zichermann writes,

“Good gamification design seeks to understand and align an organization’s objectives with a player’s intrinsic motivation (an innate drive to do something, or your pursuit of activities that are rewarding in and of themselves). Then, through the use of extrinsic rewards and intrinsically satisfying design, move the player through their journey of mastery. This journey requires elements such as desire, incentive, challenge, reward and feedback to create engagement.”

Organizational Goals

We’ve already discussed game design from several perspectives, but as Jeroen van Bree suggests, games should appeal on three levels: personal, organizational and societal. From the organizational standpoint, games should contribute to an organization’s goals; e.g., getting foot traffic into a brick-and-mortar store, demonstrating the personality of your brand and demonstrating your core values. Thinking about the organizational goals of your game will make it a win-win for everyone involved.

Quantifiable Outcomes



We’ve established by now that a game can be both fun and serious business for an organization while adhering to organizational goals. But like any other strategy or tactic you might employ, you’ll also want to figure out ways to quantify the outcome. Through gamification analytics you’ll want to track things such as user participation, daily activities and users by achievement and levels. And ultimately, you’ll want to know if you have impacted the consumer’s relationship to your business in a positive way.

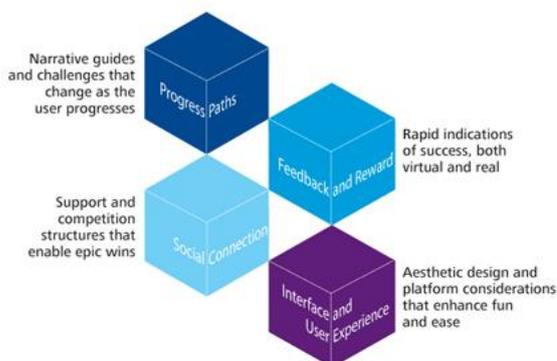
4. Elements and tools

As a game designer uses different strategies and tools to create a new game, so must leaders and managers use a toolkit to facilitate their process of gamification. Hundreds of separate game mechanics principles, behavioral economic theories, and current user experience design thinking can be distilled into four overarching elements, as noted below.

1. **Progress paths:** the use of challenges and evolving narratives to increase task completion. In games, the next desired action is usually clear. This clarity around objectives is usually not as explicit in real-world scenarios but is added when attaching progress paths to your processes and systems. The complexity of challenges in progress paths also increases over time. Where a novice is rewarded for more basic tasks, a more advanced user requires a challenge of greater difficulty to remain engaged with the system.
2. **Feedback and reward:** the use of rapid indications of success through virtual and monetary rewards. Games do not wait to reward you: buildings collapse and make noise, scores increase instantly, and virtual money may even change hands. In real-world scenarios, however, an individual's action may go totally unnoticed or unrewarded. Adding hyperfeedback to a process can provide the right reward at the right time. Designing the right reward, then, becomes the second part of the design challenge. Some users will be motivated by more traditional monetary-based rewards, while others will be rewarded differently, by increasing their ability to explore and master a system, for example, or to have some level of power, leadership or responsibility.
3. **Social connection:** leveraging social networks to create competition and provide support. Games have often provided reasons for friends to gather. With the Internet, social networks and now the ability to be social over mobile devices, processes and systems can provide instant access to friends and social connections at any time. This enhances the ability to have conversations and dialogs with other users that increase the level of interaction and engagement.
4. **Interface and user experience:** aesthetic design and cross-platform integration considerations to enhance fun. Due to improvements in video game graphics and Web page design, many users are increasingly sophisticated when it comes to expectations for technology services. This presents a challenge for businesses with limited design staff. It also presents an opportunity for organizations that are able to either rapidly

increase their design competency or network with firms who can fulfill that roll.

Figure 1. The elements and tools of gamification



The power of these four elements comes from a designer's and business's ability to blend them. No one game mechanic should ever be considered in isolation. Doing so could result in an intervention that achieves no result at all, or worse, actually has a reverse or negative affect on outcomes.

5. Applications

As of September 2010, gamification was used by marketers and website product managers as a tool for customer engagement, and encouraging desirable website usage behavior. Gamification is readily applicable to increasing engagement on sites built on social network services. One site, DevHub, increased the number of users who completed their online tasks from 10% to 80% after adding gamification elements.

Business applications for gamification are just beginning to appear as well. RedCritic Tracker incorporates gamification elements such as badges, rewards, leaderboards, and ribbons into project management.

Gamification is used on Stack Overflow, a question-and-answer site for programmers, and on all of its sister sites for other topics (including the non-Q&A career site Careers 2.0). Users receive points and/or badges for performing a variety of actions, including spreading links to questions and answers via Facebook and Twitter. A large number of different badges are available, and when a user's reputation points exceed various thresholds, he or she gains additional privileges, including at the higher end, the privilege of helping to moderate the site. Points and badges do not generally carry over between sister sites, because a user's expertise in one topic (such as programming) may be unrelated to their level of expertise, or lack thereof, in another topic. However, one exception is that a user gains 100 reputation points for linking their accounts on sister sites together, if they have at least 200 points on one of them.

In November 2011 Australian broadcast and online media partnership Yahoo! launched its Fango mobile app, which allows TV viewers to interact with shows via several gamification techniques like check-ins and badges. The app also offers integration with social networking sites and live viewer discussions, marking a significant strategic shift for parent company Seven West Media (known mainly for its traditional role as one of Australia's main free-to-air TV networks). As of February 2012, the app had been downloaded more than 200,000 times since its launch.

Applications like Fitocracy and QUENTIQ use gamification to encourage its users to exercise more effectively and improve their overall health. Users are awarded varying numbers of points for activities they perform in their workouts and gain levels based on points collected. Users can also complete quests (sets of related activities) and gain achievement badges for fitness milestones.

Some other applications of gamification include:

- Employee training programs
- Wellness and other personal activities
- Financial services websites
- Online and in-person shopping

- Primary education
- Extreme sports
- Project management
- Enhancing loyalty programs
- Science
- Social Networks
- Surveys
- Sustainability
- Call Center
- Market Research
- Competitive Intelligence

Experts anticipated that the technique would also be applied to health care, financial services, transportation, government, employee training, and other activities.

Alix Levine, an American security consultant, described as gamification some techniques that a number of extremist websites such as Stormfront and various terrorism-related sites used to build loyalty and participation. As an example, Levine mentioned reputation scores.

Microsoft announced plans to use gamification techniques for its Windows Phone 7 operating system design.

6. Tips for a Winning Gamification Strategy

- Map your goals with your user's interests.
- Prioritize the actions you want your users to take.
- Develop a point scale system based on the value of the action.
- Use levels to keep users coming back.
- Make visually appealing badges and trophies that impress.
- Add rewards and prevent users from gaming the system for them.
- Use real-time feedback on progress.
- Leverage groups and teams so folks collaborate and push one another.
- Post leaderboards.
- Integrate social media.
- Mobilize the effort.

7. Beyond Facebook: How social games terrify traditional game makers but will lead us to gaming everywhere

Facebook is truly shaking up the traditional video game market and the responses from the industry range from panic to visions of a new kind of gaming paradise for the world.

Jesse Schell, a game design professor at Carnegie Mellon University, generated a lot of chuckles this morning with his observations about that in his talk “Beyond Facebook” at the Dice Summit in Las Vegas.

At the conference aimed at the hardcore game developers, Schell said that traditional game developers were completely taken by surprise by the success of games such as FarmVille on Facebook in the past year. It is truly stunning to note that, at 79 million monthly active users, there are more FarmVille users than Twitter users.

“All I’ve heard this year is Facebook, Facebook, Facebook,” he began. “Everyone is asking me how we can make a knock-off of FarmVille. Facebook knocked us on our collective ass this year. A lot of us didn’t take it seriously.”

Schell, a longtime game designer who also runs the Schell Games studio with 60 game developers, said he was terrified when, on the same day last October, Electronic Arts said it would lay off 1,500 employees and also had purchased social game maker Playfish for \$300 million plus earnouts.

“WTF?” he said. “I don’t know if EA was in a state of panic, but I certainly was.”

Facebook games and others that use the “free to play” business model, where you can play a game for free and make money by selling virtual goods, hook their users via clever psychological tricks that convince you to buy things, either with real cash or by fulfilling some kind of special offer. These little incentives add up, creating a silly compulsion loop, forcing people to search for achievement points in everything they do. They keep playing because they get little rewards all of the time. Schell said that this trick will tie into other trends.

He noted that it is also interesting that Facebook pulls in your real friends, breaking through the fantasy of a game and pulling you back into reality. The real world is thus connected to your actions in the imaginary game, Schell said. And it’s also interesting to note that much of our real lives are going to be monitored by sensors. That will happen through 3-D gesture control systems such as Microsoft’s Project Natal, coming this fall. And it will come through the embedding of sensors in all things digital, from cell phones to our walking shoes. Everything in our lives will be measurable.

Facebook isn’t the only thing that has been surprisingly successful. The industry has been surprised by the big success of alternative kinds of games such as Wii Fit, which has generated a billion dollars in sales. The same goes for games such as Guitar Hero, Club

Penguin, and plush Webkinz toys with Internet personalities. These things are also connecting the real world with the imaginary, and they have been extraordinarily successful.

Where is this going? Schell says that the achievements and incentives that have wired us into playing Facebook games compulsively will soon be built into everything. Your toothbrush, for instance, will give you 10 achievement points for brushing your teeth in the morning, Schell said. Then it will give you more points for brushing for the right amount of time. Then it will give you points for brushing every morning in a week.

You may also get credit for eating your Corn Flakes. If you take the bus to work, your local government will give you 10 achievement points for reducing traffic. You will get credit for walking to work, as your digital shoes will testify. If your kid gets straight A's on a report card, he or she will get 2000 points. And the Obama administration will give you 5,000 points for being a good parent. These things are going to make Facebook games seem tiny and just the beginning of a giant wave of game-ification of the world.

“This stuff is all coming,” Schell concluded. “The question is who in this game is going to get us there.”

8. Gamification in business

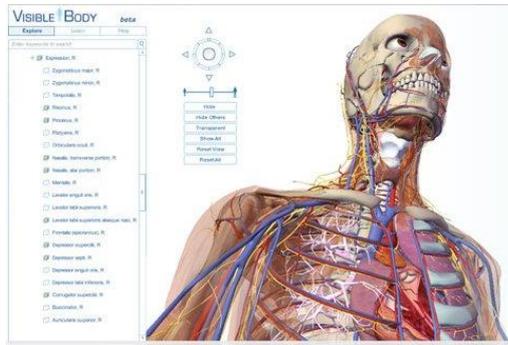
➤ *Gamification: Turning Work Into Play*

Last month, h+ covered the work of Professor Byron Reeves, who champions the adaptation of gaming technologies for the workplace. Around the same time, David Helgason of Unity, a company that produces game development tools for the Web, mobile phones, and the Wii announced “The Year of Gamification” on the Unity blog. For Helgason, gamification is the application of game technology and game design outside “gamespace” and the acceptance of games in non-gaming sectors. Usually, Helgason’s customers use his technology to create games like *Zombierville* for the iPhone. But lately, he’s noted an increase in customers using Unity to create employee training programs, among other things. h+ talked with Helgason to get a sense of the practical consequences of gamification.

h+: You’ve recently seen numerous non-game uses of Unity, one of which is Quartier Saint-Blaise, a model of Paris that allows people to navigate through proposed urban planning projects. What’s the story behind Saint-Blaise and what other non-gaming projects use Unity?

Helgason: I think it was basically a very high-res data set of Paris, taken from planes. You know... where you fly over a city and continuously photograph it and use some analysis technology to turn it into 3-D with textures and everything. I don’t know the amount of the data, but it’s massive. If you go on our website and walk around on our Island Demo, you get to walk around on this tropical island. It’s very lush and beautiful. That piece of terrain is a

couple of miles on the side. And those guys, I think, had a thousand of those sectors, a massive data set.



Another example that is really cool is something called the Visible Body, which somebody has described as a Google Earth for the body. It's an amazing product, from a company out of New York (Argosy Publishing). They put a very high-res, detailed model of the body into Unity and very good tools to kind of peel off the layers and see different bones and nerves and blood vessels. They're licensing that as a tool for medical professionals.

h+: But it's not just the use of game technology that you see spreading to non-game sectors. The use of game design techniques is an important part of what you call 'gamification.'

Helgason: I've had a lot of good responses to that point, which is about the use of game design methodologies and making other products kind of game-like in the way you interact with them. Mint has done things in this direction, and somebody commented that there's a tax-planning tool like this. They're competing with TurboTax and building game design into the product. It's funny, because it has to be the most boring field, but I mean that's the point. You can make it slightly challenging and give people little reasons to sort of play these tax tools — beyond, you know, not going to prison!

h+: What elements of game design go into gamifying these products?

Helgason: Game design can be such a pure interaction. I mean, many games are just interaction. There's very little behind them. You're just in the flow of touching something and it moves. It gives you some pleasure and there's a little bit of frustration or stress and you want to overcome this thing. Not all games are like this, but many are. And that skill set... designing that and understanding it and optimizing it so that it feels really good... getting it right, where people have this pure pleasure from it... can be applied to a lot of things. We can see how powerful this iterative process is. I don't know if you get addicted to games, but I certainly have... and I know a lot of people who have.

You can... give people little reasons to sort of play these tax tools — beyond, you know, not going to prison!

The serious guys, the military and some of the really big companies like Unilever, have created training packages for some of their employees — and this is where they're coming from. Not necessarily just the 3-D rendering, the fancy, realistic, virtual world experiences, but also the built-in use of frustration and reward.

Training employees on a large scale, companies have often had this problem: how to standardize and roll out good training programs. So they were doing these experiments that I think were successful.

h+: I know I'd feel better about job training if it felt more like killing zombies, but how do non-gaming businesses react to the introduction of both game technology and actual games to the workplace? Is there resistance to this trend?

Helgason: I hear from people that it can be very all-over-the-map, from very positive to people not understanding what this is all about. Fear and all that.

I was on a panel a while ago, a virtual worlds forum, with a lot of people selling solutions, working with big enterprise, and they spoke of some resistance... but even on the panel, there was a sense that the resistance was going away or that there was less of it now than two years ago.

h+: In some places, you can even find the use of mass market games in corporate training or education. I know of a gaming lounge in New York that rented time on Ghost Recon Advanced Warfighter, a squad-shooter, to companies for team-building exercises.

Sim City. Yeah. I failed to mention this, but yeah, just using traditional games for various uses, that's obviously true as well.

They did some very large experiments teaching kids with Sim City and The Sims — just playing the games. But these games are extremely rich in knowledge and structural understanding. You can communicate an understanding of a society and how a society works. It was a research project sponsored by Electronic Arts. They rolled out these games and played them in schools, and someone ran around trying to figure out the kids' retention and how well they could apply this knowledge afterwards. The conclusion was that they taught them really well.

In education, you have these terms. One is what you can remember in a multiple choice test right after you learn, and then how much you remember a week after, a month later, and the third is how well you can apply this knowledge in a completely different area.

It turned out that retention was pretty good, but the application of this knowledge was very strong. I'm not an expert in this, but it makes sense to me. You're not actually reading the rules of the game; you're kind of feeling them and internalizing them. People are pretty good at that, and can pick them up quite quickly, even complex rules

➤ *Businesses needs to get in the game*

Matt Daniels, associate at consultancy Prophet, discusses the next frontier for brands and social gaming.

Over the past decade gaming has established itself as a central part of our everyday lives. Social gaming in particular has become a widespread activity across practically all demographics. According to AllFacebook.com there are now 200 million people playing games on Facebook every month, and 24 games have more than 10 million users per month.

It's a phenomenon that has inevitably been latched on to by marketers who have seen the potential benefits of tapping into the growing "gamification" of our lives. Airlines, hotels, and credit card companies all understand our desire to be rewarded and to achieve status and have recognised that gaming is just making it more of an adventure, and more social. The scale of the social gaming is such that, if TechCrunch is to be believed, Google has invested US\$100M in the social gaming behemoth Zynga, preparing to launch Google Games sometime at the end of the calendar year 2010.

So what is the next frontier for social gaming? And what opportunities will these future developments provide for brands? A recent article from Cy Wakeman at Fast Company highlights that retaining young talented staff means adapting the working environment to match the reality of their lives. That means making gaming, and the lessons that gaming teaches young people, part of the work place.

Staff who are loyal and who are willing to voluntarily promote the business they work for has long been a marketing holy grail, one that seemingly becomes more difficult to achieve with each passing year. Yet we have a generation arriving that, through gaming, has an ingrained culture of having clearly defined goals but maximum flexibility in how they achieve them. Even more importantly, they are also used to the honesty of being rewarded for results and of failing if they're not good enough.

Our belief is that recruiters, HR and marketing functions within large businesses will increasingly turn to social gaming to communicate with staff, increase productivity and loyalty, and ultimately drive brand value.

Social gaming in a business context will not only be an internal device. In the United States alone, Pew Internet Life has calculated that 53 per cent of adults regularly play video games of some kind, whether on a computer, on a gaming console, on a mobile phone or other handheld device, on a portable gaming device, or online.

Similar patterns are of course being replicated in the UK and across Europe presenting B2B brands with a new opportunity to engage with customers in way they enjoy while they are at work. Companies like www.wisestep.com (still in Beta) are also pushing the boundaries of traditional business networking sites like LinkedIn by adding a gaming element that encourages and rewards interaction.

It doesn't take a genius to understand that human beings like interacting with others but are competitive. They like being rewarded for achieving goals but don't like being bossed around. FMCG brands have taken this human behavior, which is one of the main drivers of the success of gaming, and used it to engage with consumers.

As Jesse Schell, CEO of Schell Games argued at the DICE 2010 conference adding reward and achievement to the conversation between brand and consumer delivers higher levels of engagement and more sales.

It is now up to companies to take this lesson to the next logical level and learn from the culture of gaming to improve productivity and innovation in the workplace and to drive B2B transactions. Smart businesses will get in the game.

➤ ***Six Reasons Why “Gamification” Will Rule the Business World***

The new fall TV season marks a happy resurrection: The Pyramid, the most recent update of the 20th-Century classic game show the \$10,000 [\$25,000] [\$100,000] Pyramid, this version from Who Wants to be a Millionaire? creator Michael Davies and friends. It's a super fun revamp that will more than likely be a nice lift for the Game Show Network, which will start airing The Pyramid on Sept. 3 at 6 p.m. EST. But successful or not, this update of a tried-and-true idea offers a sidelong lesson about a next big entry in business speak: “gamification.” There is nothing new under the sun, they say, and so it is with gamification. The term, which has been around for a few years, refers to any number of ways in which businesses try to engage customers and/or employees using the core principles of well games. These are defined, according to a recent white paper, as “fun, play, transparency, design and challenge.” As with Pyramid, this is not exactly a new idea: From World's Finest Chocolate to S&H Green Stamps, companies and organizations have been using such principles to lure and motivate adults and kids, as any Scout worth his or her merit badges can tell you. Heck, higher education is nothing if not the gamification of learning, where the buying and selling of knowledge is made more engaging by dorm living, class ranking, badges masquerading as diplomas and status levels—a.k.a. higher degrees—you can hang on your wall or at the end of your name. Still, the most recent iteration of gamification is a strong contender for top-5 placement in next year's list of business cliches. Or at least the next version of Business Buzzword Bingo! Here are six reasons why:

1. Consultants are on the case. Almost as important as a memorable or catchy name is—“gamification” falls somewhere between “Six Sigma” and “crowdsourcing,” if you ask us—any business concept worth its salt needs evangelizers. That's no problem in this case. The aforementioned white paper was authored by Doug Plamer, Steve Lunceford and Aaron Patton of Deloitte, one of the larger consultancies to hop aboard the gamification bandwagon. It's worth reading if you're interested in the subject, but either way one line from the report stands out especially as a sign of gamification's coming ubiquity: “It's a trend that analysts claim will be in 25% of redesigned business processes by 2015, will grow to more than a \$2.8 billion business by 2016, and will have 70% of Global 2000 businesses managing at least one gamified application or system by 2014.” No wonder so many startups (including Badgeville, Bunchball and Seriousity) have formed in recent years with the aim of helping other companies gamify their customer interfaces, employee training processes and more.

2. Gamification exploits some very basic instincts. Essentially, gamification is any kind of engagement that melds competition, reward, easy-to-track progress and an enjoyable user experience. In other words: FarmVille! Okay, maybe not FarmVille exactly. But the very qualities that have turned video and casual gaming into multi-billion-dollar businesses are the core of the movement to gamify life: All things being equal, humans like to interact with other humans, challenge themselves while they're at it and receive some type of reward along the way. Frequent flyer programs, if you think about it, are an old-school example of business exploiting these tendencies, albeit with limits. For all the popularity of these and other reward programs, it's not especially easy to share accomplishments or status levels with others, and not many consumers go out of their way to do so. On the other hand, before Facebook or Twitter people generally didn't go out of their way to brag about how many friends or acolytes they had. But now most of us do just that very thing without really even trying, which leads us to.

3. Technology makes all things easier, especially competition. Whether you're trying to engage customers or employees - especially those from demographic cohorts adapted to video and casual gaming - there are few better ways to go about that task than allowing them to compete with their peers. And that's a lot easier to do when you can provide real-time data and awesome graphics to show consumers or workers how they're faring relative to friends, colleagues or others. Utilities are at the forefront of this trend, using any number of platforms and games to encourage customers to conserve energy, and rewarding them with actual prizes if they do. Likewise healthcare and insurance companies, as a way to help people take better care of themselves; and restaurants, as a way to both improve customer service and increase sales.

4. Boredom! If you've ever spent time on Hulu watching classic detective series from the 1970s—The Rockford Files comes to mind - it's hard not to notice the difference in pacing between those shows and their modern-day equivalents. Few people would accept such slow action in their current TV fare. Likewise, today's consumer and employees are increasingly inured to fast-paced, competitive interactions in all aspects of their lives. It's only natural that they would connect to UXs and UIs that offer similar feedback loops.

5. Money isn't everything. As successful as some conventional rewards programs have become, there's a growing body of research to suggest that people are not nearly as motivated by monetary rewards (or their equivalents) as free marketeers and uber-capitalists would have us believe. That's especially true at work, where so many other factors determine satisfaction and success. By engaging workers through purposeful games—as a way, for example, to improve always-dreaded training modules—firms are able to kill two birds with one app: increasing employee “learnings” while making work just generally more enjoyable.

6. Fantasy football! One would be hard-pressed to imagine a better strategy to engage serious and casual consumers than fantasy sports, which are essentially the gamification of sports fandom. (And no longer even limited to sports.) What started out as a friendly MLB-centered game among a dozen or so New York media types three decades ago has exploded into a multi-sport, multi-billion-dollar business. And why not? Fantasy sports perfectly captures the

basic principles of gamification: “fun, play, transparency, design and challenge,” not to mention “competition, reward, easy-to-track progress and an enjoyable user experience.” Ironically, the sports leagues themselves were slow to understand the vast potential of fantasy, which not only generates huge revenues for media companies like Yahoo! and ESPN but also deepens fan loyalties (albeit to player and leagues, rather than teams). This lesson has not been lost on others. Especially in regards to consumers, no company wants to miss out on the chance to gamify—and monetize—wherever they can. Because when gamification works, it often works spectacularly.

➤ **Enterprise gamification: Will it drive better business performance?**

Gamification has the potential to greatly optimize the way humans are connected to and go about their work. Like social media, and usually closely integrated with it, gamification is an emerging new field that's still difficult to broach in many management circles because of its perception that it's not an appropriate or serious enough business topic. Yet a growing number of impressive outcomes as well as a burgeoning set of supporting tools and technologies are making it increasingly likely that gamification will find its way into a workplace near you over the next couple of years.

In fact, as enterprise platforms -- particularly internal social networks -- open up to embedded third party applications (such as OpenSocial) and business applications themselves add gaming features, the decision point on whether to apply gamification strategically is approaching for many organizations.

On its face the case for gamification, which is defined here as adding game-like activities to improve non-game contexts, is a strong one and easy to state. Namely, if properly situated in business processes, the incorporation of game features in work activities can reward desired behavior, create more intensively participative processes, track group progress, establish feedback loops that reinforce and accelerate sought after business outcomes, and more. Why does gamification do this? The belief is that it taps directly into the cognitive and psychological predispositions of humans to engage in game-like behavior that they find interesting, engaging, and rewarding. And fun.

But fun isn't something that's generally regarded as very important in the workplace. However, meeting deadlines, accomplishing objectives, overcoming and solving important challenges are widely valued by businesses. Yet that's precisely where gamification and work

overlap. The reality is that a lot of modern careers, particularly those in the service industry and knowledge work, often consist of repetitive drudgery --



filled with seemingly endless routine tasks and rote processes -- that can sap the motivation of even the most well-intentioned employee. The premise then is what if such tasks, which are often at the very center of what a company needs in order to operate and compete, could be made more productive and efficient by making them more engaging to the humans that use them?

A combination of design thinking, which is rooted in empathy for the context of a problem, and user-centered design, a philosophy and process in which the wants, needs, and limitations of end users allow for the creation of more effective products, gamification has the potential to greatly optimize the way humans are connected to and go about their work. In other words, if you want work to get done in the best possible way, then it should be designed for the way humans actually work best.

So, in the consumer world, games have long been designed to enthrall and captivate their users for as long possible, providing loosely structured encouragement to reach new heights and achieve intensive, team-based cooperative objectives with a single-mindedness and purpose that all-too-often missing entirely in garden-variety business processes. We are just now fully beginning to realize it's now both 1) possible to achieve and 2) an increasingly well understood discipline to design business processes in the same way.

➤ *How Three Businesses Scored Big with Gamification*

Patrick Salyer, CEO of gamification platform Gigya, believes there are two keys to success with gamification. "One is making sure that all gamified elements are inherently social," he says. "That is, don't restrict engagement to the internal site community. Award points for activities that reach users' social networks to bring in referral traffic."

The other is to focus on rewarding activities that create value for your businesses. "For example, award points and badges for behaviors like subscribing to your company's newsletter, checking into your store or sending coupons to friends," Salyer says. "Gamification is not about haphazardly throwing badges across your site."

Companies should weigh a number of factors before deciding whether to get into the gamification game. To help you decide, here are three case studies of major companies that benefited from incorporating gaming techniques into their sites and the lessons they learned along the way.

1. Club Psych

NBC Universal's USA Network enlisted the help of gamification startup San Jose, Calif.-based Bunchball in July 2010 to increase engagement on the website for *Psych*, one of its TV shows. First, they launched a fan loyalty program called Club Psych that lets users win weekly prizes by completing different challenges.

To enhance Club Psych, USA launched Psych Vision, a mobile app that let users access behind-the-scenes videos, play trivia games to earn points and unlock prizes, and chat with

other fans, all while watching the show. With this tie-in, USA became one of the first marketers to offer a complete second screen experience, where fans could experience Psych on their TVs, as well as via mobile.



After seeing a 130 percent jump in page views and a 40 percent increase in return visits to the Psych website with the Club Psych integration, USA decided to expand and created a social media mystery game called #HashTagKiller, which engages fans with

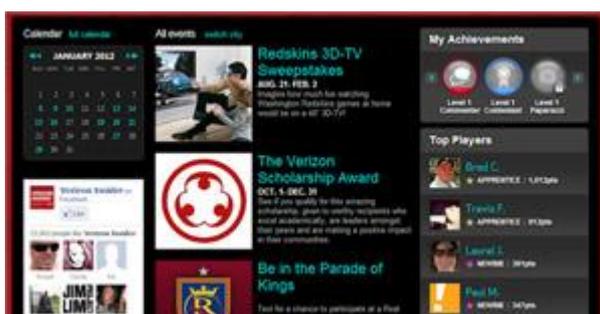
puzzles, clues and Facebook chats with the show's actors. Jesse Redniss, senior vice president of digital, says #HashTagKiller has driven more than 95 million page views from 300,000 unique users since its launch in September 2011.

Lesson learned: Turn visitors into brand ambassadors.

A gamified social experience such as Club Psych can turn engaged fans into valuable brand ambassadors. Redniss notes that, "288,000 shares on Facebook's platform have provided us with over 38 million exposures of the 'Psych' brand to our users' friends and families." To reward those ambassadors, USA Network has given away prizes such as Nintendo Wii systems, Psych DVDs and character bobbleheads.

2. Verizon Insider

Verizon Wireless wanted to increase the time users spend on its website and the amount of interaction with its content. In January, the company partnered with Gigya and digital agency Modal to develop a new version of its community hub Verizon Insider. Now, users can earn points and rewards for participating in contests, posting comments and promoting events.



Gamification can reward "behaviors consumers will naturally take on the site, such as sharing a blog that's relevant to their social networks or uploading a photo of themselves and their friends while attending a Verizon-sponsored concert," says Beth Tourek, Verizon's social media strategist. Verizon

Insider also can be customized to match a user's interests or location.

Verizon Insider seems to be paying off. "On average, users spend over 30 percent more time on-site with social login versus site login," Tourek says, "And the site has experienced more than 15 percent more page views."

Lesson learned: Make it personal.

Any gaming experience should aim to make users feel their experience is special. That's why Verizon Insider gives users customized badges to personalize their experience.

"The gamification element that excited us most was the opportunity to create customized badges for unique local programs," Tourek says. "For example, we're working on a 'Snow Bunny' badge for people who enter an upcoming sweepstakes to win a season pass at a Utah ski resort we sponsor."

3. Samsung Nation

Korean electronics giant Samsung launched its social loyalty program, Samsung Nation, in November to target the millions of fans who were already engaging with its corporate website. "We want to show them that we appreciate their loyalty and interest," says Esteban Contreras, social media marketing manager for Samsung Electronics America.



Samsung worked with Menlo Park, Calif.-based gamification company Badgeville to build Samsung Nation, where users earn badges for completing activities such as writing reviews, watching videos and participating in forums. Because Samsung.com already gets tens of millions of visits per year, the company didn't need to do much outside promotion. Instead, it has focused on explaining the benefits of its gaming program on its site.

One of Samsung's gamification goals was increasing engagement and the number of product reviews. So far, results have been encouraging, with user behavior such as product reviews increasing "hundreds of percent per month," according to Badgeville.

Lesson learned: Focus on engaged users.

Instead of trying to reach a new audience, Contreras encourages businesses to focus on the people already engaging with their brands and figure out whether those highly engaged and passionate customers would value a social loyalty program. For Samsung, that meant learning how fans of Samsung.com were already using the site and how it could be made even more appealing.

➤ *The Evolution of Gamification in the Workplace*

In a nutshell, gamification is the concept of applying engaging elements of game theory to non-game applications. An example would be to create a game to learn something new for work: While a lecture session could potentially turn off employees and prevent learning, a game that teaches the same skills could lead to an interested employee that is eager to learn.

Companies need to embrace the idea of blending games with work. And in order for that to happen, gamification needs to be perceived as a profession, not a frivolous activity. Proper gamification must have a minimum knowledge base and skill set about the given subject matter, as well as both theory and practical application of its core principles. Lastly, it must create a common vehicle for advocacy and ethics to maintain standards.

Mashable spoke with several gamification specialists — including Richard Taylor, senior vice president for communications and industry affairs at the Entertainment Software Association (ESA) — to uncover the history and direction of gamification.

How would you like to see gamification used in your office? Let us know in the comments.

Defining Gamification in the Workplace

According to a study by Parks Associates, the number of people playing video games in the U.S. has risen 241% since 2008. It's clear that games have become a facet of our everyday lives, and Taylor shared how games are making the transition into the business world:

“Today’s games drive technological and societal advancements that serve gamers and non-gamers alike. Teachers at all levels use games in the classroom to teach history and civics, build STEM skills and teach foreign languages. Healthcare providers use video games in physical therapy and treatment programs, and to educate patients about their conditions. Surgeons use video game simulations to help practice difficult procedures.”

Karl M. Kapp, professor of instructional technology at Bloomsburg University, sees an exciting trend toward implementing games to teach systems and relationships: “The commercial equivalent is something like *The Sims*, where the player has to weigh certain variables and make tradeoffs to keep his or her character healthy and happy.”

Why are so many organizations considering games? Taylor says it's all about the cost and results.

“UPS began using video games to train newly recruited drivers after finding that 30% of candidates failed the company’s traditional training program, and the Hilton Garden Inn worked with Virtual Heroes to develop *Ultimate Team Play*, an interactive game that places employees in a virtual hotel,” Taylor says. “Even the U.S. Department of Justice's National Institute of Justice has developed a training game, called *Incident Commander*, in which emergency responders practice coordinating disaster relief efforts.”

The Beginning: Connecting People and Computers

So, the first key ingredient in gamification success is that people must be open to connecting with technology and use the computer experience afterward in practical application. Otherwise, the learning doesn't take place.

Kapp discovered a similar connection — except his was a personal experience. When Kapp began his first internship after he graduated from college, he volunteered to play a paper-based game that was intended to teach people negotiation skills. He says the paper game helped him feel comfortable with those skills and led to him applying them in a more adept way.

"I realized that certain elements of games could be applied to traditional e-learning and classroom instructional design," Kapp says. "I started to play with some ideas when I came across the term 'gamification' which I immediately thought to myself, 'Yes, that's what I want to do.' I don't really want to create a full-scale Halo-type game, but I do want elements from Halo-like, characters, challenge, story, feedback in my instruction."

Enterprise Applications: Recognizing a Business Need for Games

Rajat Paharia, founder and CPO of gamification company Bunchball, saw the potential for games in a business context. "After having a lot of success in motivating customers on public sites, we realized that gamification, when properly designed, could be of huge use in enterprise applications," Paharia says. "Helping onboard software users through step-by-step challenges, rewarding participation in communities and encouraging product mastery through regular training and quizzing can have significant impact on productivity and performance."

Bunchball shipped its first gamification solution back in 2007 and currently works with some of the largest consumer and B2B companies in the world, including Warner Bros., Comcast, NBC Universal, Adobe, and Hasbro. Paharia shared how gamification has evolved over the past few years and why businesses are becoming more open to it:

"I think five years ago, most organizations were reluctant to embrace gamification because of the 'games' concept. Since then, more organizations are learning that gamification and games aren't the same thing — in fact they're somewhat orthogonal. Gamification applies game mechanics to non-game experiences, but the goal isn't gameplay, its ongoing engagement. Organizations are now realizing that gamification doesn't make business more 'fun,' it just helps change the way people perceives their work in a positive way."

Gaming as a Career Choice and Profession

With gamification taking hold in business, an infrastructure must be built to support it. Part of that foundation includes defining jobs within the industry and identifying the requisite knowledge and experience necessary for those positions. "The huge popularity of video games has increased the number of computer science and video game academic programs," says Kapp. "Games are now technically easier to develop than in the past, which has led to a widespread adoption of games within corporations."

Taylor says that according to research they commissioned in 2008, 70% of major employers utilize interactive software and games to train employees. Additionally, more than 75% of organizations not utilizing this technology said they are likely to offer it by next year.

➤ *Not a trivial pursuit—real results and real money*

In the summer of 2011, Facebook announced it would use the social performance platform Rypple (now part of Salesforce.com) for internal reviews and communications. Rypple allows employees to create and compete in challenges, receive recognition from colleagues, see what others are working on, and find where needed skills may exist within an organization. But Rypple is not a game. It doesn't even look like a game. It was designed, however, with several game design principles in mind.

“We wanted to provide a platform that emphasized intrinsic motivation,” says Nick Stein, director of Content and Media at Rypple. Rypple users can award badges to other users in a show of thanks for a job well done or for completing a task. A badge is simply a seal similar to what military personnel receive for accomplishing objectives or receiving a promotion. “The key is to tie it to a real accomplishment, and then it has significant meaning and purpose.”

Stein's portrayal represents a modern perspective on gamification: that it can enhance an existing business process, system or customer experience—in this case, employee performance management. This type of improvement of a business's internal process systems and procedures (training, innovation management and more) has been called gamification of the enterprise and is emerging in organizations large and small. Software maker SAP has taken up numerous game-like initiatives in critical business functions such as accounts payable; Cisco used gaming strategies to enhance its virtual global sales meeting; and call center company LiveOps used extremely timely performance feedback as part of a larger gamification initiative that allowed some agents to reduce call time by 15 percent, and improve sales by between 8 percent and 12 percent.

In addition to use in the enterprise, there is a growing list of marketplace examples where gaming design, principles or mechanics are used for organizations both large and small.

Double viewer engagement: In the world of media and entertainment, a major cable network found it could double the engagement on a show website by incorporating game mechanics such as challenges and leaderboards to encourage fans to interact with the site. During a presentation at the 2011 Gamification Summit, a network executive revealed that the program generated a 130 percent increase in page views for the network's show and a 40 percent increase in return visits.

Increase restaurant sales: In 2010, a Colorado restaurant implemented a gamification-based employee program with the goal of motivating waiters and waitresses to increase sales of specific menu items. Participating staff were awarded chances to play online “random-point-yielding games when they sold a fresh-squeezed orange juice or a 4-pack of cinnamon rolls.” Points were redeemable by staff for a branded debit card. One case study estimated that the restaurant realized an ROI of 66.2 percent due to an increase in sales of the targeted menu items.”

Improve health: Health care has also gravitated toward the use of gamification principles, with many efforts centered on personal wellness. Aetna recently adopted Mindbloom's Life Game platform to help customers and employees adopt healthy life habits. Members using the site visit nearly four times per week with an average engagement time of 14 minutes, 41 seconds per visit. “A significant amount of total health care costs stems from lifestyle choices

such as lack of exercise, failing to eat properly and smoking,” said Dan Brostek, head of member and consumer engagement at Aetna. “Mindbloom can help users manage specific physical conditions and can also help them monitor areas often correlated to health outcomes, but considered ‘unmentionables’ in the current health care system such as stress related to jobs or caregiving, relationship conflicts, unhealthy sex life or financial issues.”

9. Is Gamification Right for Your Business? 7 Things to Consider

This year has lent itself to a slew of new buzzwords, and gamification is easily one of the most buzzed about in the marketing industry.

Businesses clamored this year to understand the concept of gamification and apply it to their digital and mobile products, offering badges and points galore but how many of them actually understand the point of gamifying or if it's even useful for their business goals?

Dustin DiTommaso, the experience design director at design studio Mad*Pow, recently spoke about designing meaningful interactions through game design thinking during his presentation at Geekend 2011, a techie conference presented by BFG Communications.

DiTommaso explained his framework for gamification and dished out seven essential steps for approaching the subject. Read on for a thorough encounter of DiTommaso's model for creating more meaningful interactions and successful business goals, and let us know your thoughts on his method in the comments below.

- *Consider Why You Want to Gamify*

Yes, gamification is a sexy word. No, it isn't right for every business.

DiTommaso recommends that businesses looking to gamify their products or services ask themselves three critical questions before moving on:

- What is the reason for gamifying your product or service?
- How does it benefit the user?
- Will they enjoy it?

If you can answer these questions with confidence, if gamification seems like a good fit for your business' product or service and if the users enjoy it, then move on to exploring your business goals. DiTommaso recommends exploring the following three questions:

- What are your business goals?
- How do get the users to fulfill those business goals?
- What actions do you want users to take?

If this exploratory phase yields positive feedback, your business is ready to move into user research.

- ***Identify Your Users***

It isn't enough to understand your business goals when considering gamification — you also need to understand your users and what motivates them. Research your users before you begin designing your gamified product, focusing on how they use your software, what they want and what motivates them.

DiTommaso laid out a number of questions to help businesses achieve research-inspired design:

- Who are your users?
- What are their needs and goals? Why are they playing?
- What's holding them back from achieving their potential? Is it lack of volition (belief that completing the task at hand is valuable) or lack of faculty (ability to complete the task)?
- What is their primary playing style (solo, competitive, cooperative)?
- Who are they playing with?
- What social actions do they find enjoyable, and why?
- What metrics do they care about?

Game designers must also understand what motivates users to play their games. There are a number of motivational drivers, but DiTommaso recommends simplifying to four key factors. Decide if your users are motivated by:

- Achievement of goals *or* enjoyment of experience
- Structure and guidance *or* freedom to explore
- Control of others *or* connecting with others
- Self-interest in actions *or* social interest in actions

Knowing these details about users and their motivations will assist game designers in determining how the game should be laid out, how much autonomy to allow, what the users' goals should be and so on. Let's explore exactly what comes next in the designing process.

- ***Frame Goals and Objectives***

The user's path to mastery should entail "a journey up, with a quick little dip for relaxation — where you have either a break or a new challenge to master, like crossing a log — and then one, final, arduous climb to the top," says DiTommaso.

Once you understand your business goals and your users, you can begin to design goals and objectives while thinking about long-term and short-term user goals.

DiTommaso advises, "Figure out a way to make long-term and short-term goals as exciting and aspirational as possible." Users want to be heroes — design their gaming experience so that they can achieve that.

The long-term goal must be compelling and fairly difficult to achieve, says DiTommaso. This can be framed as the mastery of a new skill or habit, or the acquisition of an achievement or title. In the end, though, it is important that the long-term goal signify a "pinnacle of personal growth," says DiTommaso.

Once you figure out a long-term mission for users, break it up into small milestones that take users along a path to success. These "discrete and satisfying challenges" should motivate users to continue on and help them improve along the way.

- ***Identify Necessary Skills and Actions***

Make a list of all of the abilities that are necessary to win your game. DiTommaso breaks these skills into three categories for easy brainstorming:

- **Physical Skills:** walking typing, using a chef's knife
- **Mental Skills:** pattern recognition, memory, spatial logic
- **Social Skills:** presentation, conversation, meeting new people

DiTommaso advises that game designers choose skills that take time to master, can be developed over time and can be broken into smaller "skill-chains."

It is important to determine if and how the skills you are considering can be measured, so that you can track a user's advancement. Determine whether there is existing technology that can help you monitor and track progress of certain essential skills.

- ***Consider Various Lenses of Interest***

In "The Art of Game Design: A Book of Lenses," Jesse Schell outlines the psychological lenses that are key to making top-notch games. Lenses help game designers view their games from many different perspectives, or *lenses*.

While Schell's book identifies 100 lenses, DiTommaso pointed out 10 particular lenses to focus on for starters:

- **Competition Type:** Player vs. player, player vs. system, self-directed
- **Time Pressure:** Relaxed, exploratory play or brash-tactics-get-things-done play
- **Scarcity:** Scarcity can add a level of challenge and strategic gameplay
- **Puzzles:** Puzzles are problems that promise the existence of a solution
- **Novelty:** Change presents a new set of challenges and patterns to master
- **Levels:** Graph progress, ability and access and provide a roadmap of progress

- **Social Pressure / Proof:** Show users how others are excelling in the system — via a leaderboard, for example
- **Teamwork:** Teamwork can also act as resistance when users need to work with others
- **Currency:** Anything that can be exchanged for something of value will be sought
- **Renewals and Power-Ups:** Renewals and power-ups help "unstuck" players and redirect them from dead-ends

Framing problems, core objectives and actions in your games using these tenets will often yield a better gaming experience for users.

- ***Outline Desired Outcomes***

Think about the types of rewards and punishments that will result from a user's actions — this should create a feedback loop that motivates users to improve.

Positive feedback could include rewards, such as moving up a level, unlocking a badge or earning points — and negative feedback might entail starting a challenge over, for example.

"Outcomes can be contingent or schedules," says DiTommaso. "Players can trigger an outcome based on specific actions they take or based on a time frame within the game."

No matter the time frame, though, players should always see their progress towards the "ultimate objective," which DiTommaso also calls the "Epic Win!" Incremental success and failure will guide them along.

- ***Play and Polish***

"Platforms are never done," says DiTommaso. Once you have the game built, test and polish it. Here is a framework DiTommaso suggests for analyzing the game:

- What's working and what isn't?
- What have you not considered?
- Is the game personal enough for your users?
- Do they feel that it's tailored to their own unique personality and desires?
- Are you tapping into the player experience needs of competence, autonomy and mastery?
- What's going to keep it interesting in 10 weeks? In 8 months?
- When a player reaches the Epic Win!, it's time to go back to the drawing board.

DiTommaso recommends that game developers not spend *too much* time testing games, though. "Get it out there and let your users be the testers," he says. Users expect iterations and software updates, so don't be afraid to release and iterate, he says.

This seven-step framework for approaching gamification is a very thorough resource from Dustin DiTommaso. If you still have questions, though, view DiTommaso's entire Geekend presentation slideshow embedded below and ask further questions in the comments below.

10. 2013: The Year of Gamification

Over the past year, gamification has clearly evolved from an untrusted and misunderstood “cool new thing” to become a staple of any serious business success strategy. If recent news and analyst insight is any indication, 2013 is shaping up to be The Year of Gamification, as desire for this now must-have business component reaches a fevered pitch among companies and penetrates our everyday experience.

As companies of all types examine ways to incorporate gamification into both their internal and external operations, it's a perfect time to peer into the gamification crystal ball to see where the industry is headed in the coming year. In 2013, expect the following trends to emerge.

Gamification will be the Big Data App for Business.

Gamification generates a wealth of behavior data, allowing organizations to gain valuable insights into specific customer and employee activities across their digital touch points, including their website, mobile app and more. Companies will use this data to determine what content and experiences are high-value versus those that are not, and see how customer actions correlate with business success. With gamification, they'll be able to clearly see the behaviors employees perform across applications and truly understand what motivates them, with a closed-loop process to further incentivize the most valuable behaviors with engagement mechanics.

Poor design will sink many Gamification initiatives.

In November 2012, Gartner announced that, although they expect 70 percent of Global 2000 organizations to add at least one gamified solution by 2015, they see 80 percent of gamification applications failing to meet business objectives by 2014.

The reason? Poor design.

The fact is that getting the technology right is a small piece of the puzzle. Understanding loyalty, behavioral psychology, employee productivity and business process management is critical to designing an effective, sustainable gamification program.

And, that's still only part of the equation — an organization must also have a crystal-clear understanding of the pain points their gamification program must address and clearly defined metrics to determine whether it's measuring up. Once a program launches, it needs proper support to focus its growth and ensure continued success. With gamification programs scaling so rapidly, it's no surprise that the ones built on wobbly underpinnings will begin to collapse.

Gamification will become a core part of system integrators' transformation programs.

“Serious businesses cannot ignore the transformative possibilities of gamification across their enterprise,” says Carter Lusher of Ovum Research. Why not? Gamification is, at its heart, about transforming behavior. And behavioral change, according to new research from Capgemini Consulting and the MIT Center for Digital Business, is key to accelerating large-scale digital transformation.

The Digital Advantage: How digital leaders outperform their peers in every industry details how digital leaders invest significantly in the soft side of digital transformation, building and sharing a digital vision, engaging the workforce in understanding that vision and ensuring ownership and accountability of the transformation.

Many top system integrators have already begun partnering with leading gamification vendors to expand gamification across the Global 1000. Accenture, Deloitte and other firms already have their own gamification practices in place. Capgemini, one of the largest consulting agencies in the world, recently announced a partnership with Badgeville to accelerate gamification use in their digital transformation practice.

Gamification will help collaboration tools achieve their promise.

At the end of 2011, Forrester reported that, despite investments in social collaboration software over the previous five years, only 12 percent of workers were actually using it (via ZDNet). Expect 2013 to be the year that social collaboration software investments will finally pay off, thanks to gamification layered on top of these installations to boost their adoption, engage users and influence, analyze and reward behavior on these apps.

Software providers will turn to Gamification to reduce customer churn.

Software giants continue to move toward cloud distribution and away from traditional software licensing. In fact, Goldman Sachs predicts a 20+ percent compound annual growth rate in the SaaS market from 2011-2016 versus just 7 percent for on-premise software. As a result, software revenue models are becoming more dependent on customer renewals, while also more susceptible to customer churn: if customers don't use software, they won't renew it.

And the stakes are high: according to a recent Goldman report, just a 2 percent increase in customer retention results in a 28 percent increase in revenue and a 20 percent higher valuation. That means a public SaaS company with \$100 million in revenue and \$500 million valuation would see a \$100 million increase in its valuation with just a 2 percent increase in customer renewals.

Gamification has been proven to neutralize churn and boost retention. By encouraging and incentivizing software use by engaging users, gamification will become the loyalty application for SaaS providers. Software companies that care about usage and renewals will have to incorporate gamification into their products in order to compete.

Internal Gamification will improve employee productivity and retention.

The increased use of gamification within organizations to influence and reward employee behavior will drive operational efficiency and employee retention as a result. Employees will have a single environment that aggregates and showcases their achievements, like hitting sales goals, satisfying customers with superior service, completing training programs, becoming mentors, achieving tenure milestones and more.

By publicly acknowledging and rewarding employees for their achievements and showcasing those rewards, gamification will also help improve employee morale and, subsequently, retention. Plus, by surfacing real-time behavior information, gamification speeds up positive feedback loops between managers and direct reports. Managers will be able to more effectively give immediate feedback instead of having to wait for end-of-quarter reviews.

The CMO will increase focus on Gamification for loyalty and engagement.

Today's hyper-connected, media-rich world offers unique challenges to marketers. CMOs are kept awake at night by the burning question: "When so many sites, devices and apps compete for audience attention, how do I keep customers from abandoning me?"

In truth, many brands don't: more than 60 percent of customers take their business to a competitor after completing a business relationship with a brand (KISSmetrics). Another 72 percent of customers never log in to interact with user-generated content tools, according to a November 2011 Gartner report ("Top 10 Issues With Proprietary Web Communities"). Facebook itself admits that only 16 percent of fans ever see posts from a Facebook brand page. Perceptive CMOs realize engagement is critical, yet it's becoming increasingly difficult to rise above the noise through standard means.

Gamification has become a powerful engagement tool to cut through the clutter, boosting engagement in multiple venues, such as a 124 percent jump in votes in a customer community (Marketo), a 215 percent uptick in weekly retention and 120 percent increase in top-user participation (Everyday Health), and a 3000 percent rise in buy clicks (sneakpeek).

The media landscape is not getting any less cluttered; in fact, it's getting worse. Marketers will turn increasingly to gamification to counteract the static.

Gamification will "cross the chasm."

Gamification has gained the attention of leading organizations worldwide because it has proven to be a genuine driver of business metrics where those objectives rely on human behavior. In 2013 gamification will "cross the chasm," as Geoffrey Moore calls it, making the leap from being the province of early adopters, enthusiasts and visionaries, to being standard operating procedure in the plans of pragmatists in the general business population.

From industry leaders in financial services, media and entertainment, education, healthcare, retail, technology, hospitality and big oil, there won't be an industry or audience that gamification doesn't touch in 2013.

There's little doubt that 2013 will be the year that gamification goes mainstream. Successful strategies will hinge upon formulating a complete plan (for both launch and ongoing management), understanding the key metrics to be addressed, setting realistic expectations and developing the platform or partnering with a provider whose capabilities and expertise align with business objectives. Whether aimed at internal or external audiences, gamification can be the loyalty and engagement engine that drives business growth in 2013.

11. Gamification course

About the Course

Gamification is the application of digital game design techniques to non-game problems, such as business and social impact challenges. Video games are the dominant entertainment form of our time because they are powerful tools for motivating behavior. Effective games leverage both psychology and technology, in ways that can be applied outside the immersive environments of games themselves. Gamification as a business practice has exploded over the past two years. Organizations are applying it in areas such as marketing, human resources, productivity enhancement, sustainability, training, health and wellness, innovation, and customer engagement. Game thinking means more than just dropping in badges and leaderboards; it requires a thoughtful understanding of motivation and design techniques. This course examines the mechanisms of gamification and provides an understanding of its effective use.

About the Instructor(s)



Kevin Werbach is a leading expert on the legal, business, and public policy aspects of the Network Age. He is an Associate Professor of Legal Studies at The Wharton School, University of Pennsylvania, and the founder of Supernova Group, a technology consulting firm. He was a member of the Obama Administration's Presidential Transition Team, and served as an expert advisor to the U.S. Federal Communications Commission and the National

Telecommunications and Information Administration. For nine years he organized Supernova, a leading executive technology conference. Werbach was previously the Editor of Release 1.0: Esther Dyson's Monthly Report, and served as Counsel for New Technology Policy at the FCC during the Clinton Administration, where he helped develop the U.S. Government's Internet and e-commerce policies.

Werbach is a leader in the emerging field of gamification, and was named Wharton's first Iron Prof for his presentation, "All I Really Needed to Know I Learned in World of Warcraft." The co-organizer of the first-ever business school gamification course, Werbach is

also the co-author (with Dan Hunter) of *For the Win*, a guide to gamification as a business practice.

Course Syllabus

The course is divided into 12 units.

1. What is Gamification?
2. Games
3. Game Thinking
4. Game Elements
5. Psychology and Motivation (I)
6. Psychology and Motivation (II)
7. Gamification Design Framework
8. Design Choices
9. Enterprise Gamification
10. Social Good and Behavior Change
11. Critiques and Risks
12. Beyond the Basics

Recommended Background

This course is designed as an introduction to gamification as a business practice. No particular technical knowledge or prior coursework are required.

Course Format

The class will consist of video lectures, which are between 7 and 12 minutes in length. Many of them contain integrated quiz questions. Two units of lectures will be posted each week; you can watch them any time after that. There are also standalone multiple-choice homework assignments for most weeks of the course (5-10 questions per week), and three short peer-graded written assignments involving realistic gamification scenarios. The course ends with a multiple-choice final exam.

12. Examples

Examples of 15 brands using gamification and the specific mechanisms they use to engage users:

- Xbox Live—achievements, leaderboards
- Foursquare—badges, rewards
- Gowalla—badges, pins
- GetGlue—rewards
- LinkedIn—progress bar
- Salesforce—leaderboard, achievements, leveling
- Mint—achievements, progress bar
- CheckPoints—virtual currency, rewards
- ShopKick—virtual currency, rewards, contests
- Hallmark—Facebook credits, virtual goods, gifting, sharing
- Starbucks—leveling, rewards
- Nike—achievements, badges, challenges, rewards
- Buffalo Wild Wings—trivia, challenges
- Microsoft—achievements, contests
- American Airlines—progress bar

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