

White paper

Gamification Marketing- Generating Leads by Tapping into The Human Psychology



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Introduction

Gamification Marketing - The term sounds fun right, but what exactly is this innovative approach that everyone is so curious about? And what has gaming got to do with Marketing?

Digital Marketers are undergoing a huge dilemma: whether to keep increasing their marketing budget or come up with creative ways to generate leads. Luckily for brands, gamification marketing can be a great way to engage current customers and ensure they build a strong rapport with the brand.

According to the Shoppers Preference Report of 2022, around 50% users engage with gamification to win rewards and discounts, 22% do it to connect with communities and 22% simply to engage with the brand.

When customers come to the brand page and see fun activities, they are compelled to participate- either to win rewards or simply to beat an opponent. This helps generate leads and revenue, but more on that later.

90%

Prefer experience over price when buying something

80%

Would spend higher than their budget in order to get rewards

70%

Would enjoy gaming elements when shopping online

72%

Would spend longer on an app if they received points

What is Gamification in Marketing?

Gamification Marketing is an innovative and creative approach in digital marketing that involves applying game-like features to businesses in order to increase customer retention, generate leads and build loyal customers. By combining game principles and mechanics, marketers can tap into the creative and competitive side of their customers and compel them to stay on their brand pages a little longer.

The purpose is to build a connection between the brand and the customer to increase customer acquisition. The approach works because many well-established companies like KFC and Nike have used gamification marketing to increase their sales in recent years.

The Psychology behind Gamification Marketing

Kids are obsessed with games, but adults do not indulge in games as much. Ever wonder why there is such a stark difference here? Why is an activity that is so beloved by everyone as children end up becoming irrelevant to them as soon as they grow up. There is a simple explanation: adults do not get a chance to explore their competitive and fun side that often. Gamification Marketing taps into the human need of relatedness, autonomy and competence through interactive game-like features.

The psychology behind gamification marketing strategy is explained by one of the leading gamification gurus: Yu-Kai Chou. In his paper: *The Octalysis Framework for Gamification and Behavior Design*, He explains how the strategy works because it is devoid of mechanical function and efficiency and is related to the human experience: a concept often missing from marketing strategies. He further gives 8 stages of this framework that helps marketers understand why gamification marketing is so effective and popular.

8 stages of Octalysis Framework for Gamification and Behavior Design

Stage 1: Epic Meaning and Calling Where users feel like they stand out and are the chosen ones.

Stage 2: Development and Achievement Customers value the reward at the end because overcoming obstacles is one of their one of the core human drives

Stage 3: Empowerment of Creativity and Feedback Users get creative when they are trying to solve a problem.

Stage 4: Ownership and Possession Customers feel attached to the rewards they have accumulated and feel the need to acquire more.

Stage 5: Social Influence and Relatedness When scores are compared, users are compelled to beat the others.

Stage 6: Scarcity and Impatience Users are eager to 'level up' and achieve instant gratification.

Stage 7: Unpredictability and Curiosity Human beings are curious by nature. They will keep exploring the games because they want to know what is coming.

Stage 8: Loss and Avoidance Companies use 'push notifications' to tap into the users fear of losing the game, thereby compelling them to engage often.

Top 8 Benefits of Gamification in Marketing

In 2012, Nike integrated **NikePlus** in their app- a feature that tracks the users statistics and collects information about their location, the calories they burn everyday and the pace at which they walk. Through this strategy, Nike was able to enhance their brand awareness and tap into the competitive side of its consumers. Other companies have developed similar gamification strategies to generate leads. Here are some benefits that are associated with gamification in marketing.



1. Enhanced Customer Retention

Consumers are using ad blockers to block traditional ads, but they are less likely to do the same with gamification pop ups. Gamification in marketing is unique because it keeps the brain engaged and appeals to people's need to level up in competitions. For example, **M&M** introduced an eye spy online game where users had to find their newly launched pretzel-flavored sweet. Through this, M&M was able to build awareness and generate around 25000 social media likes, 10000 comments and 6000 shares.

2. Greater Focus on the Messaging Content

It is a truth universally acknowledged that human beings pay more attention to the medium than the message itself. This is why content that is presented in the form of games, rewards and benefits is received well. The user does not feel that the company is repeatedly saying '**pick me, pick me**'. This makes them feel in control of the situation and believe that they have an active choice in the purchasing decisions they make.

3. Access to GDPR-compliant Smart Data

Data is the bedrock of all marketing strategies and through gamification, marketers can get access to smart data that helps enhance ROI. Since users have consented to engage in the activity, their data meets the criteria for **General Data Protection Regulation guideline** set by EU. Marketers can cut through the noise of big data and extract contextual, smart-data that includes user behavior, user motivation and demographics to create customized marketing strategies for their users.

4. Creating a loyal 'Brand Community'

When customers make purchasing decisions, what do they think about? In most cases, customers choose brands that they have a relationship with. Through gamification marketing strategy, brands are able to build a community around their brand: a large group of loyal and invested individuals that have positive associations with the brand and are willing to spend their money on repeat.

5. Targeting the right users

Gen Z, 16 to 24 year olds have one of the highest consumer potential. Since they have grown up with fast paced technology, they prefer online modes of shopping. However, this generation also has the shortest attention span and can get distracted easily. To increase customer retention and convert them into substantial leads, gamification marketing strategy can be quite effective. With its visually appealing and addictive play features, gen Z are sure to be hooked in no time.

6. Long Term and Sustainable User-Brand relationships

Most marketing strategies benefit the brand and not the user. Consumers of today are bombarded with so many options everyday that they will only choose brands that prioritizes them. In short, they have the ball in their court. When brands offer users the chance to have fun and explore their competitive side, they are creating a symbiotic relationship where the user gets something in return for investing in the brand. The loyalty programmes by **Starbucks** are a great example of this.

7. Changing a non-committal relationship to a committed Relationship

Consumers play games on brand sites, but this does not mean that they will always purchase from the brands, but that is okay because that is not the main purpose of strategy. Engagement through gamification helps brands increase their brand awareness. In time, this awareness leads to greater leads and increased ROI. For example, **Mcdonalds** monopoly games help users get the 'Mcdonald experience' without feeling the pressure to purchase from the brand.

8. Helps take the boredom out of feedback process

One thing that all customers hate unanimously is providing feedback, but it is the one thing that brands need the most. Through interactive games, brands can get free feedback on their products and services. They can now use this data to make adjustments and enhance user experience in the longer run. Many companies use positive reinforcements like rewards and discounts to incentivize users to submit feedback.



Disadvantages of Gamification Marketing

As effective and as exciting marketing gamification is, like other digital marketing strategies, it also comes with its fair share of complications. The strategy is costly to develop, may lose its value over time and may alienate the consumer if the games are poorly developed. Here is a detailed overview of these drawbacks.

1. Costly Development

Games intended to increase revenue and generate leads are different from games developed for non-marketing purposes. Designers need to be very creative and well-informed in order to create the content. For complex gamification campaigns like the ones developed by **Nike** or **Wendy's**, a huge amount of money and time is needed.

2. Reduction in Value over time

If users need to be engaged for a longer time, developers need to upgrade these games and come up with new strategies to keep the users invested. For instance, **Dorritos** may have spent a lot of time designing the campaign around Doritos roulette, but that game ceased to excite consumers after a few weeks.

3. Poorly Developed Games

Imagine you start a game thinking it will tap into the 'childish' side of you and it turns out to be a game that is actually a poorly masked quiz. Customers can get irritated and lose their interest in a brand when they get deceived like that. Most developers create games by keeping the brand, but not the consumer in mind. This turns out to have the opposite effect on user.

Most Effective Tools for Gamification Marketing

Even when people agree to the plethora of benefits associated with the strategy, many do not know what is gamification marketing? and how it is done. There can be a number of ways to create a successful gamification campaign, but most companies use a combination of these tools to create an effective gamification strategy.

Badges: Apps like Grammarly will reward users with badges like Goal Crusher if they use the service a lot. Users feel validated and excited when they receive these badges.

Points: Users receive points every time they win a game, reach a higher level or when they make a purchase. They can convert these points in exchange for discounts later. Papa Johns uses this gamification strategy to compel customers to make repeat purchases.

Levels: Imagine reaching the 27th level of a game on a brand site, will you want to leave at that and not aim for the 28th level? Certainly not. Consumers are the same—they are more likely to invest in game-like features that have multiple levels.

Brand Currency: This is not real money, but it is as effective as real money. Brands can increase their repeat customers by offering virtual money to repeat shoppers who can make future purchases.

Countdowns: These challenge users to finish a task in a said day and time. Users end up coming back for more thereby increasing traffic on a page.

Leaderboards: Everyone wants to win and brands can post the names and levels of players on their websites to engage them in further competition. This helps build brand loyalty.

Case Studies- Example of Successful Gamification Campaigns

A strategy can be appealing on paper, but useless in practice. This is true for many latest marketing strategies, but not Gamification as it almost always works. Companies opt for it because it is cheap, effective and sustainable. Here are some companies that have launched their gamification campaigns and generated good leads.

Ally Racer Game

Ally Financial used multiple gamification tools like points, leaderboards and levels to engage customers. Players earned bonus points by showing interest for Alex Bowman, Ally's sponsored NASCAR driver.

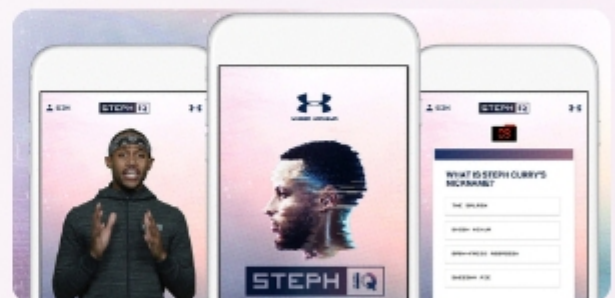


Wendy's Feast of Legends

Wendy's spends a hefty amount on traditional marketing, but since a couple of years, it has tapped into other areas as well. In 2019, it introduced Feast of Legends, a role playing game like Dungeons and Dragons. Through this, Wendy's was able to create massive brand engagement and generate hashtags like *#feastoflegends*.

Under Armour's Trivia Game

Not all companies create complicated games, some simply create fan trivia to increase engagement. The General Manager of Gamify reported that through this gamification campaign, Under Armour was not only able to increase the NBA's viewership, but was also able to increase their sales.





Starbucks for Life Gamification Campaign

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KFC Gaming

KFC has taken the gamification marketing strategy up a notch and created an entire community out of it. On its Twitter profile, it engages with around 270000 followers and collaborates with influencers to increase their reach. KFC also gives customers prizes when they win a game or beat a competition.

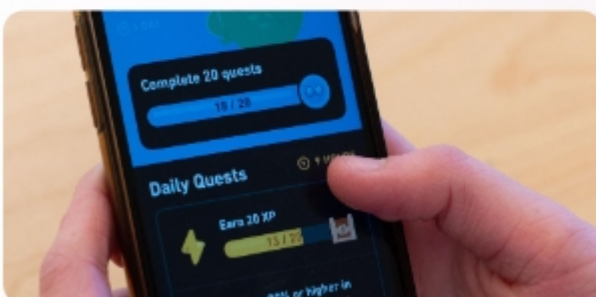


Doritos Roulette

Doritos launched their new chips where they combined their flavors so that the users were not sure whether they would get a sweet or a spicy chip on their next bite. Simultaneously, they created a game where the users could challenge their friends to try out the chips. Through creating intrigue and mystery, they were able to build a following around their new chips.

Nike's Fitness Competition

Nike sells wearable devices and has a fitness app that integrates gamification strategies to encourage repeat customers. Through its app, Nike users can share their fitness levels and goals and get validated for their 'good' behavior. This also allows Nike to become a part of the everyday life of users.



Duolingo's Gamified Education

Duolingo encourages users to sign in to the app everyday and take their sessions regularly through the company's official mascot. Not just that, but Duolingo also has minigames that help users learn languages in an interactive way. There are also other short and exciting games that improve users' pronunciation and articulation.

How does Gamification in Marketing help Generate Leads?

When it comes to the marketing space, there is a lot of hustle and bustle. Brands need to cut through this noise if they want to stand out. A great way to do this is by using gamification marketing campaigns that are used to increase customer engagement, develop customer loyalty and incentivize repeat customers.

By giving users a good experience on the website or page, brands can create a positive association between the brand and the user. Users remember this association everytime they have to make a purchasing decision. This is one of the reasons why Starbucks for Life had such a monumental impact on the behavior of consumers.

Another way gamification in marketing generates lead is by collecting **smart data** that helps brands create customized and targeted strategies for different users. Through quizzes, interactive games, trivias, brands can collect valuable information like consumer preferences and needs and use this data to make adjustments to their marketing campaigns.

Lastly, gamification marketing is a relatively superior way of generating leads than bulk emailing or cold calling. Users are more prone to respond positively to gaming experiences because they feel like they have an **active choice** when it comes to their consumer behavior.

How to Create a Successful Gamification Marketing campaign?

It is not all fun and games when it comes to creating a successful and long term gamification marketing strategy. It involves detailed planning, collaboration, execution and evaluation at every stage. Here is how brands can develop a great gamification marketing strategy.

Carefully define your objectives: Are you interested in higher leads, greater outreach, more customer engagement or greater brand awareness. It is important to have an end goal in mind before you start planning.

Conduct Stakeholder Analysis: Different departments of the marketing team need to be on page, only then will you be able to build game features that represent the brand. It is important to spend time discussing each aspect of the game.

Develop the Game: The next step is to decide which tools of gamification marketing you need in your campaign. You can do this by creating quizzes, leaderboards, trivias. After game mechanics, decide the graphics and visuals that align most with your brand.

Integrate the game in your Marketing Campaign: Remember that there has to be alignment between your game and your broader marketing campaign. One should compliment the other.

Collect Smart Data: Data-driven gamification is the key to driving good leads. Through your games, collect information about your user, their needs and their preferences. Next, analyze and evaluate this data to improve your future strategy.

Give Rewards to Users: If you want users to develop a long term relationship, you need to reward them generously. Do this in the form of points that they can redeem for discounts, badges or names on leaderboards- anything that helps offer them the right validation.

Market Pro: Create Gamification Campaigns that guarantee Sustainable Leads

Designing a game and creating a successful gamification campaign are two different things. Even if you create the perfect hook for your customers, you still need to integrate it into your broad marketing campaign. Market Pro helps brands build an innovative, sustainable and creative campaign that enhances customer engagement, increases ROI and generates long-term leads.

1. Market Pro offers a plethora of gamification marketing services that help target the right customers and **generate sustainable leads**. It combines elements of content writing, branding, PPC and marketing to get the perfect result.
2. By using **targeted advertising platforms** like facebook, Instagram, LinkedIn and Google ads, Marketpro can help create a community around your game-features thus helping you increase your outreach.
3. It also helps brands create **favorable and long-term partnerships and PR relations** to target diverse consumers. Additionally, Marketpro helps create the buzz for your brand.
4. Gamification campaigns are specific and precise. Marketpro focuses on understanding **the unique selling points** of brands in order to create brand awareness and customer engagement.

Conclusion

Gamification is not a marketing gimmick, it works. But there are still many brands that fail to make the most use of this strategy. This is because the strategy requires careful planning and execution, but more importantly, it needs to be built with the right intent. If brands are only building quizzes that are masked as games and used to fool customers into sharing their information, users will be irritated and the whole strategy will fall short of achieving anything.

The right gamification marketing strategy will tap into human psychology, offer a fun and interactive experience to the user while also helping brands increase customer engagement and generate leads.

Are you ready to adopt the most innovative and creative Gamification marketing strategy for your brand?

Contact us today and get in touch with Marketpro's industry leading marketeers who will help you develop the most exciting gamification campaigns for your next launch.