

LOVE THE GAME

How gamification
inspires sales teams
to do more and
have fun

Average deal size
Second quarter

\$47,000



\$32,500



Highest sale total
By end of month

\$127,000



\$143,000





Have you ever gotten lost in a game of Candy Crush?
Pushed yourself harder to outpace a Peloton rival?
If so, you've been played—by gamification.

GAME ON,



It's no wonder. Games set off powerful response triggers in your brain. Racking up points, defeating opponents, and unlocking new levels stimulate psychological pleasure sensors that motivate you to level up your performance.

That's why businesses in almost every vertical widely embrace gaming elements to drive engagement. From social media to travel, from banking to fitness and news, companies are tapping into gamification to keep us engaged — and it's working like a charm—err, winner-takes-all digital trophy.

EVERY WHERE



People and businesses have long made a game of the tasks they most want completed. Parents give children gold stars for doing their chores. Cafes reward caffeine addicts with punches in their loyalty card. But in our digital world, gamification has become ubiquitous.

Maxwell Foxman, Assistant Professor of Media Studies & Game Studies, University of Oregon, points to a convergence of three cultural trends to explain its popularity.

The first, is the integration of “fun” into traditionally not fun contexts. “You can think of the rise of corporate campuses like Google’s where leisure activities—foosball tables and cereal bars—are built into campus life.”

The second is the advent of big data. Thanks to our smartphones and watches, nearly every aspect of our day-to-day lives can be quantified. To understand it, data visualization designers have pulled from the third cultural trend—video games.



“Digital games going back to the 1980s had leaderboards and other ways of trying to rank people as a way of engaging them and bringing them back,” Foxman said. What started in the early 70s with Pong and Space Invaders has grown into a multinational entertainment phenomenon.

Often miscast as the niche pursuit of lonesome teenage boys, video games have been a cultural staple for at least three generations and counting. In fact, four in five consumers have played a videogame in the past six months—and it’s not just young people. More than 50 million people over 50 play video games frequently, up 25% from 2016, according to AARP.

“The confluence of longstanding ways of trying to engage people plus technology that allows for easy quantification has led to gamification becoming ubiquitous,” said Maxwell Foxman, Assistant Professor of Media Studies & Game Studies, University of Oregon.

**MORE THAN 50 MILLION
PEOPLE OVER 50 PLAY
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UP 25% FROM 2016.**



Gamification:

gam·i·fi·ca·tion/ gāmifə'kāSHən/



The practice of adding game-like elements to non-gaming environments to improve engagement and performance. Gamification can be competitive – like a contest for salespeople. It can also be collaborative, like a group of software developers working together during a hackathon.

Here are just a few businesses gaming their way to success.



headspace

Headspace has built gamification right into its core functionality, including a personal stats dashboard that emphasizes a users "streak." Streaks tap into a powerful motivator called "loss aversion," the reluctance to cede ground.



Starbucks increased its loyal customer base by 25% through its Starbucks Rewards app. When the coffee giant experienced a \$2.65 billion revenue increase, it attributed most of the extra funds to the rewards program.



m&m's

M&M's created the Eye Spy Pretzel app, which challenged users to find a pretzel hidden among M&Ms. It helped the brand generate 25,000 new Facebook likes and 6,000 shares.



Duolingo built a user base of 500 million with a language-learning app rewarding users for correct responses.



WHY GAMIFICATION FEELS SO GOOD

Gamification affects brain chemistry. Rewards light up our brains, flooding our senses with feel-good chemicals.

Gamification works because it taps into primal instincts in a way that motivates hard work and builds habits. To start, most games offer recognition of incremental progress with status bar updates, badges and prizes.

Those shiny objects that call out our achievements light up our brains, flooding our senses with feel-good chemicals like dopamine and serotonin that we begin to crave. And, while external motivators get the wheels turning, the intrinsic motivation to exceed your personal best, demonstrate mastery and build self-esteem keep us coming back for more.

Most, importantly, the more incentives people earn and satisfaction they feel, the more likely they are to continue playing – even if it’s difficult. Powerful psychological and physiological motivators reinforce and build positive habits.

Intrinsic vs extrinsic motivation

Intrinsic motivation comes from within. People feel compelled to buckle down and complete hard tasks because they really want to. Think about your top salespeople. They don’t need much of a push to work hard because they are intrinsically motivated.

Extrinsic motivation is the act of being driven by external factors, like earning rewards or badges. Think about your middle-performing salespeople. When they are close to achieving a quota or goal, they will put in the extra work.

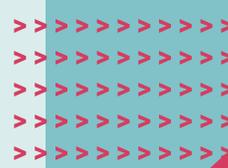


Dopamine

The brain’s “happy” chemical, dopamine, is released in anticipation of receiving a reward and keeps us motivated to work hard.

Oxytocin

Connecting with others (either in-person or online) during a shared task releases oxytocin, our trust and love hormone.



Serotonin:

Achievements like badges, points, and tokens release serotonin, a mood-regulating chemical triggered when you feel wanted, important, or proud.

Endorphins

Working hard to complete a project releases endorphins – the chemicals that relieve stress and pain, and boost your mood.

It’s why we push ourselves to compete against our classmates at Crossfit. Conversely, it’s also why we spend hours on the couch while our virtual avatars run errands in Animal Crossing.

We get lost in these worlds, achieving an almost Zen-like state called “flow,” where we perform at high levels without thinking about our actions or the world around us. The better we play, the more control we have over the outcome, the deeper our flow.

“There’s something very powerful about having that level of control. It’s one of the things that makes us enjoy games in place so much,” said Foxman. “That’s particularly powerful in times like these where so much of what has been going on in our lives is out of our control.”

GAMIFICATION TAPS INTO THESE

8 PRIMAL DRIVES TO GET RESULTS:

Positive reinforcement:

As people earn incentives and reap rewards, they enjoy the feeling and attempt to earn more.

Accomplishment: Progress makes people feel happy, especially when they overcome a challenge to achieve the reward, trophy, or leaderboard position.

Empowerment: Success in a game shows people that their efforts to figure things out are working, giving them a sense of authority.

Social influence: From bragging rights to fitting in to making people jealous, carrying clout over others is a powerful force.

Scarcity: You want what you can't have. That includes points or badges in a game.

Unpredictability: Not knowing what's next keeps you engaged.

Autonomy: Being in control feels good.

Mastery: The better you get at a game, the more you will attempt to uplevel your expertise.



WORK

& PLAY



GAMIFICATION AT WORK

It's a powerful tool to train, motivate and reward diverse teams across a wide variety of industries.

Employers are tapping into the power of gamification to motivate employees and improve performance. With gamification pulling on powerful psychological motivators and working across generational lines – it's a no brainer.

Sales teams typically have a monthly leaderboard and incentives for top performers. News organizations reward writers whose articles earn the highest number of pageviews. Manufacturing plants reward teams for reaching a certain number of consecutive days without an accident. In almost every industry, gamification can be applied.



of employees say gamification makes them feel more productive.

Gamification is an all ages tool

Every generation grew up with some kind of game – be it Monopoly or Mortal Kombat. That means certain elements of gameplay are intuitive. Everybody gets the idea of earning points, beating an opponent, and climbing to the top of a leaderboard. So don't believe the misconception when you hear that gamification won't work for senior team members.

KPMG Australia turned to gamification to help 5,000 employees improve their awareness of KPMG's service capabilities. The race-style competitions allowed users to answer questions in a rapid-fire format, the more quickly and accurately the users answered, the faster their avatar finished the race. Users progressed to higher levels with more difficult questions. KPMG also organized a worldwide tournament where users in different offices and regions could compete against each other. The results were consistent.

"Across all generations, 80% had fun playing. But here's the kicker: mature individuals were more responsive to gamification experiences than younger peers."

–KPMG Australia gamification study

Across all generations, 80% had fun playing, and it led to a 21% increase in awareness. But here's the kicker: mature individuals were more responsive to gamification experiences than younger peers – millennials dropped out of the game quickly and were harder to keep engaged.

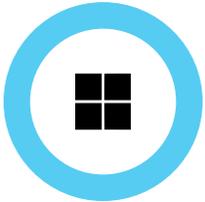
Still, certain flavors of gamification work better for certain generations, Foxman said. Gen Z, for example, grew up as digital natives with esports and ubiquitous technology. They tend to find rankings and avatars most compelling. The over-35 set was the first generation with video games in their homes. They might respond better to badges, prizes and leaderboards, he said. People over 55 came of age with clear lines between work and play – so reward systems that have financial benefits are most appealing.

But make no mistake – there is a flavor of gamification for everyone.





ALL THE COOL KIDS ARE DOING IT



Microsoft used gamification to teach agents about product offerings and motivate them to sell more. With short learning activities and the ability to earn badges and points that could be redeemed for rewards, the gamified system led to 2x more upsells, and employees who were 3.5x more engaged.



AstraZeneca developed a game to help salespeople get up to speed on a new drug. The pharmaceutical giant launched team competitions, rewards, and leaderboards. The game was a hit, with 95% of users completing each teaching session.



Google was having trouble getting employees to submit travel expenses in a timely manner. So they made a game out of it. Google allowed workers to allocate remaining travel allowances that didn't get spent – to themselves or to charity – as long as they submitted their reports on time. It resulted in 100% compliance within the first six months.

Gamification gone wrong

At the Disneyland Resort Hotel in California, there is a laundry team in charge of cleaning all the blankets, towels and comforters used by visitors everyday. In 2008, management decided to implement an electronic tracking system to learn how many linens each person washed, dried and folded – and took the extra step of displaying that information on leaderboards for all to see.

While the intent was to give workers a better understanding of their performance and a little push – it backfired. Workers described it as an “electronic whip” telling them to work harder and faster. Injuries increased. A once cordial atmosphere turned cold. People got competitive, skipped bathroom breaks and got frustrated with low performers. The moral of the story is simple: if your workplace gamification model degrades morale and leads to poor outcomes like injuries, it's not working.



There is a reason that gamification is so popular in the workplace – it works. Here are some popular benefits:

Improved productivity.

Gamification improves performance. In fact, 89% of employees say gamification makes them feel more productive at work and 76% of people in a gamified situation finish tasks faster.

Social cohesion.

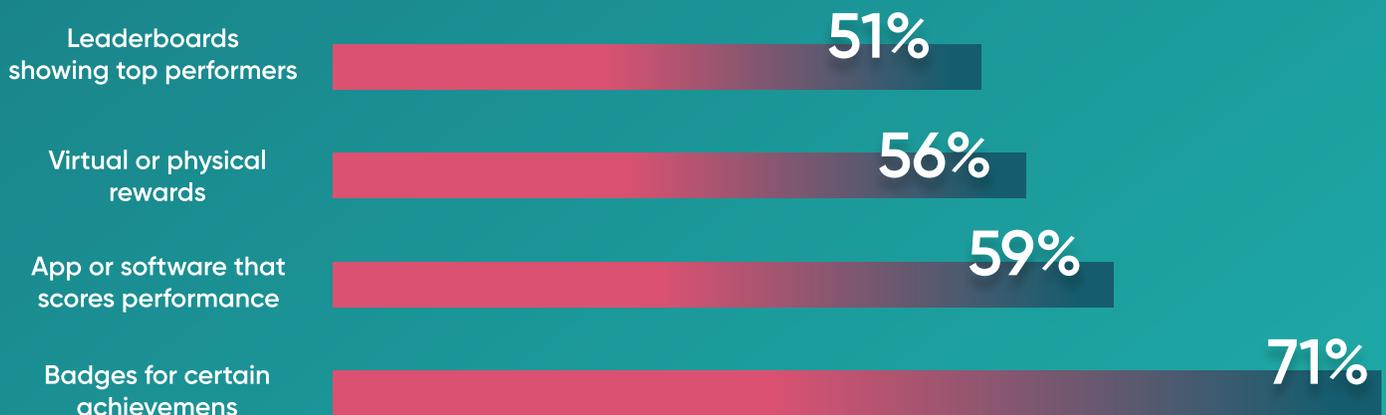
Collaborative gamification brings people together. 87% of employees say gamification provides a deeper sense of belonging and purpose, and 88% say it makes them happier at work.

Buy in.

You will never get 100% of the workforce to care about an initiative (sorry to burst your bubble!). But gamification can drastically improve buy-in. In fact, 83% of workers feel "motivated" by gamified training, while that number is just 28% for non-gamified training, according to research by TalentMLS. Almost half (49%) say non-gamified training left them feeling "bored." Plus, it's inspiring, as 72% of employees say gamification inspires them to work harder.



Most common gamification elements





DESIGN GAME SYSTEMS FOR YOUR SALES TEAM

Gamification is a natural fit for sales teams because it taps into their natural competitive streaks to drive peak performance. But beware: don't rely on one-on-one leaderboard style competitions every time. You'll want to add collaborative challenges too. A good coach will evaluate their team, learn what motivates them, and design games that people want to participate in and offer rewards that are compelling.

DEVELOP A PLAN



Know your team

Understanding whom you are trying to motivate is the first step to picking the right gamification strategy. Are they competitive or collaborative? Are they more likely to respond to positive reinforcement or to a difficult challenge? If you're not sure, survey them to find out. Knowing the answers can help develop activities and rewards that motivate your team, rather than discourage them.



Gamify for the right reasons

You should not be pulling the levers of gamification only to make your staff work harder. Sure, you want to give them an extra push, but if that's the sole reason, employees will see through it pretty quickly. Make sure you have a holistic group of goals in place – from boosting morale to increasing collaboration to amplifying creativity.



Know your goals

Do you want more productivity from your sales team? More cohesion and collaboration between teammates? Want them to have a deeper understanding of your product offerings? Setting the right goals in the beginning helps you develop the right gamification strategies.



Offer rewards they'll actually enjoy

Remember that sales managers tend to be white men over 40. While they may get motivated by the opportunity to win a round of golf at a country club, their sales reps may be more motivated by tickets to a basketball game or free drinks at a popular bar. Unsure what rewards will motivate your team? Send a quick survey to find out.

TAKE ACTION



Design your first game

Give it a shot. If your team is a competitive bunch, try an individual sales contest. If you're after collaboration, go for a full-team sales goal. If you want a bit of both, assign sales reps to teams and have them compete against one another.



Tap team influencers to get buy-in

You'll never get everyone to buy into your gamification methods. There will always be a few employees who see it as "forced fun." To achieve as much participation as possible, identify team influencers. They have social standing in your organization, and can bring people on board.



Switch it up

Sales is a competitive business. But it's important to remember that competition is only enjoyable for a short time. Once workers start consistently underperforming against their colleagues, it becomes less fun and can actually be counterproductive. So start with competitive gamification strategies like leaderboards and individual competitions, then switch it up to collaborative team-based projects. It keeps things fresh, and a higher percentage of your entire staff will be motivated.



Measure and iterate

After you gamify for a certain period of time, measure the results. Did you increase sales? Did morale fall? Do people seem more engaged? Are middle and low performers exceeding previous goals? Answer those questions and change your program accordingly.

