

Games Retail People Play

Gamification is exploding for customer engagement and workplace learning

by M.V. GREENE

In the race to win new customers and keep existing ones, retailers are pulling out all the stops — refining engagement models, pushing innovative marketing strategies and leveraging emerging technologies.

One of the techniques at the forefront of many customer relationship management initiatives is “gamification,” where game design thinking is at the foundation of processes for driving customer engagement and motivation, loyalty, rewards and information gathering.

“You can incorporate and infuse some fun,” says HSN Vice President of Omnichannel Marketing Annemarie Frank. “Our customers love to have fun.”

At any one time, the St. Petersburg, Fla.-based omni-retailer, aggressively focused on interactive entertainment and lifestyle, is running gamification promotions on multiple platforms, including television, web and mobile.

“It’s a nice fit for our company, business and brand,” Frank says.

Growth in retailers’ use of gamification promotional techniques as a key component for identifying, engaging, analyzing and retaining customers is expected to be explosive, according to Boston Retail Partners’ 2015 CRM/Unified Commerce survey of North American retailers.

Within the next five years, 87 percent of retailers responding to the survey say they will be using gamification techniques, compared with 31 percent that implemented programs this year and 6 percent in 2014.

Gamification has much for ambitious retailers to like, says Perry Kramer, vice president and practice lead with Boston Retail Partners. “It’s any kind of promotion that’s interac-

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HSN It's fun here. Happy 38th Anniversary BIRTHDAY DEALS TODAY'S SPECIAL

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GAME NIGHT TRIVIA WHAT YEAR WAS HSN FOUNDED? **ANSWER NOW**

FRIDAY NIGHT **GAME** NIGHT

GAMES, PRIZES AND FUN EVERY FRIDAY STARTING AT 8PM ET

WHO WANTS TO PLAY?

EARN TICKETS IN THE ARCADE & ENTER TO BE AN ON-AIR CONTESTANT **PLAY NOW**

PLAY ALONG AT HOME Play any game in the Arcade, win tickets and redeem them for a chance to win exciting prizes in the Rewards Store. **TUNE IN EVERY FRIDAY 8-11 PM ET FOR LIVE TRIVIA**

“We know that once we get people interacting across more touchpoints, the better off it is from a loyalty and stickiness perspective.” — Annemarie Frank, HSN

tive where you have customers doing something that elicits a response or reward or increased discount for being one of those better customers who excels in the game,” Kramer says.

“Gamification is a much different alternative to [typical promotions]. You start driving promotions and discounts through things that are not happening every day,” he says. “They are a little less obvious as opposed to getting that coupon every month.”

It also affords retailers the opportu-

nity to capture valuable customer information for analytics purposes, since customers customarily will supply information such as email addresses, phone numbers and social media identifiers.

“Retailers always want to capture customer information. The earlier you can get it, the better you are able to engage the customer,” Kramer says. “If you don’t leverage the information, you have no ability to gauge your success and the value you are

GAMIFICATION EXAMPLES IN RETAIL

External: Customer Engagement

Victoria's Secret, "PINK Nation"

Victoria's Secret's PINK Nation, an ongoing promotion, seeks to take on competitors, lure new customers and retain loyal ones through a mobile user experience. Enticements like a social app-based scavenger hunt and games give users a chance to win prizes and earn freebies. Victoria's Secret parent L Brands reported that the promotion helped grow sales by 2 percent during spring break 2014.

Zumiez, "Stash"

With the Zumiez Stash game, contestants can earn points for reading emails, shopping, interacting on social media and attending events to receive opportunities for exclusive, limited-edition merchandise, unique shopping experiences and interactions with athletes, artists and musicians.

Old Navy, "Emoodji"

Old Navy debuted an emoji mobile site this summer that calculated the emojis that users employ most from their

social media sites. Participants could get a free pair of Old Navy flip flops for participating. The site guessed the user's mood based on the emoji she uses most and made recommendations for a dream vacation.

Gilt Group, "Gilt Insider"

Seeking to foster greater loyalty among its elite online shoppers, Gilt Groupe's Gilt Insider program offers shoppers early access to exclusive sales. Shoppers compete for a limited assortment of discounted and highly desired items based on time restrictions. Eligible members receive a special welcome package for signing up.

Internal: Workplace Engagement

Google, travel expenses

Google employed gamification techniques to encourage employees to submit travel expense information on time. Employees who didn't spend their entire travel allowances could select how the remaining dollars would be used — receiving the extra amount in their next paycheck, putting

the money toward a future company trip or donating the excess funds to charities. Google said its travel expense system achieved 100 percent compliance within six months.

Pep Boys, safety and loss prevention

Seeking to increase workplace safety and health and reduce inventory shrink, the automotive aftermarket retailer implemented a gamification platform that ensured daily reinforcement of monthly associate training. Associates answered quick, targeted questions for the chance to win cash prizes. The program had a voluntary participation rate of more than 95 percent.

Wal-Mart, associate training

Wal-Mart sought to improve the knowledge of associates about products and services in its stores. It began to offer a daily quiz with questions on product categories, such as on electronics and fresh produce. Wal-Mart also ran a similar daily quiz program at its distribution centers to improve workplace safety.

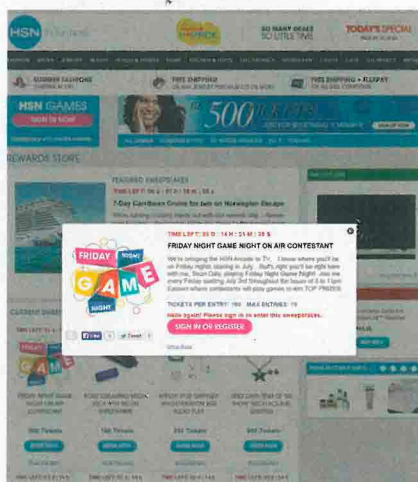
getting out of the gamification you are putting out there."

INTERACTING AND EDUCATING

HSN is unabashed in its strategic use of gamification; Frank says the point is to drive customer loyalty and entice customers to take "key actions" regarding the products and services it offers.

"We are trying to change customer behavior," she says. "We are trying to nudge them along to do certain things."

One recent promotion, "Friday Night Game Night," gives contestants the opportunity to play one of three trivia games live on air for the chance to win prizes, such as branded merchandise and Caribbean cruises. The three-hour



program seeks to tap into the various HSN platforms for participation.

"What we are trying to do is to get people to interact across not only the

TV and watch and play along and have fun with [the host], but also go back to [the HSN website] and mobile and then enter in the answer," Frank says.

The objective is to get HSN customers to tune in and remain engaged. "We know that once we get people interacting across more touchpoints, the better off it is from a loyalty and stickiness perspective," she says.

"Mine Find" is an ongoing promotion that aims to drive customers' loyalty to HSN's staple jewelry products. The show's host travels the world looking for the best gemstones; contestants go on a "mission" to HSN platforms and compete for the opportunity to win badges that elevate them to the position of "jewelry maven."

One aspect of “Mine Find” is to educate customers, a key measure for building loyalty, Frank says.

“Jewelry plays a really important role in our customer file at HSN — it really drives loyalty. We had a hypothesis that if they actually understood more of the craftsmanship that went into this jewelry, we could drive interest and consideration for the brand,” she says.

Technology consulting firm Gartner says gamification has also piqued the interest of organizations beyond retail, and principles are being developed to drive internal corporate engagement as well. A Gartner report predicted that by the end of 2014, some 70 percent of global organizations would deploy at least one gamified application as a means of motivating people and changing their behavior.

Gartner has said that some gamification programs are misplaced because

they lack one of three ingredients — motivation, momentum and meaning — running the risk of falling by the wayside once the novelty wears off.

CONSISTENT INFORMATION

As much as retailers are turning to gamification for customer engagement, many are also relying on it for training. With its focus on technology, gamification fits emerging training paradigms, says Carol Leaman, CEO of Axonify, which works with retailers and other organizations to deliver corporate learning.

“Training today in any work environment, retail included, is dramatically different than it used to be,” she says. “Instead of pulling people into a room to fire-hose them with a bunch of information, technology instead has given retail employers opportunities to deliver information consistently over time in a way that’s acceptable or di-

gestible to the employees.”

Axonify has constructed gamification training platforms for retailers including Bloomingdale’s, Wal-Mart, Pep Boys and Toys “R” Us Canada.

In addition to general training and learning, gamification is used in loss prevention training to reduce inventory shrink and as a means for reducing workplace injuries and illnesses. In some instances, organizations are realizing a 90 percent voluntary participation rate from gamification platforms, Leaman says.

“Because people are so used to playing games, and now on their phones or devices, by employing these game mechanics we kind of cross over the barrier to them wanting to do the learning,” she says. **STORES**

M.V. Greene is an independent writer and editor based in Owings Mills, Md., who covers business, technology and retail.