GAME CHANGE

phd
PLAY WILL BE TO THE 21ST CENTURY WHAT WORK WAS TO THE INDUSTRIAL AGE - OUR DOMINANT WAY OF KNOWING, DOING AND CREATING VALUE.
A genre of role-playing video games or web browser based games in which a very large number of players interact with one another within a virtual game world.
Are you a gamer?

These days, most people are hesitant to answer “yes” to this question — even if they adore games. And who can blame them? As a society, we have so many biases about games: They’re a waste of time, they’re anti-social, they ruin your attention span. We just as often judge the people who play games — they’re sad or lonely, they can’t cope with reality, they are throwing away their real-life potential.

With so many biases about games, maybe we need a new term to describe someone who spends a lot of time playing them. Here’s what I propose we call them:

Super-Empowered Hopeful Individuals.

For more than a decade, I’ve been researching the impact of games on how we think, act, and solve problems in our real lives. And the most important thing I’ve learned is this: People who’ve grown up gaming have greater reserves of optimism, motivation, determination, and resilience in the face of failure than non-gamers. They are more likely to co-operate than compete. (It’s true! 3 out of 4 gaming hours today are spent in co-operative, rather than competitive, environments.) And they absolutely relish difficult challenges and hard work — as long as they feel capable of rising to the heroic occasion.

Of course, gamers don’t always display these super-empowered, hopeful traits in real life. They are most likely to flourish in carefully designed environments that provide clear goals, a strong sense of purpose and frequent, positive feedback. They also must feel in control: After all, it’s only play when you choose to tackle the tough obstacle. And although competition will motivate them in the short term, their strengths shine most when collaboration rules the day.

What does all this play mean for the workplace? Currently, an overwhelming 97 per cent of young adults in the U.K. and the U.S. play videogames, on average more than an hour a day. Perhaps more surprisingly, 92 per cent of two-year-olds are already gaming on their parents’ phones and tablets. Virtually everyone is growing up a gamer these days, which means a steady pipeline of super-empowered hopeful individuals into our workplaces over the next decade and beyond.

The fun, if daunting, task for today’s companies is to figure out how best to leverage the typical gamer’s superpowers for real work. Fortunately, companies like PHD are pioneering innovative systems like Source, which empowers employees to gamefully tackle the daily challenges within the organisation that excite and interest them most. Source is my favourite example of “gamification” at the workplace, because it creates an endless stream of opportunities for just-in-time collaboration - while helping employees identify and develop their individual strengths.

There’s an old bit of wisdom commonly attributed to the Greek philosopher Plato: “You can learn more about a person in an hour of play than in a year of conversation.” Perhaps it’s time to update this saying. In the next decade, we will be able to learn as much about a company by the games it plays, as by the work it produces.

Happy gaming!

JANE MCGONIGAL, PhD
Game developer and author of Reality is Broken: Why Games Make Us Better and How They Can Change the World
LEVEL 1
“Gamification”: Beyond the Buzzword
Game playing generates huge numbers – that’s pretty much universally understood these days. Jane McGonigal has few rivals when it comes to bringing those numbers to life. She’s also rather good at turning preconceptions on their head – as she proved yet again as a keynote speaker at a seminar held at the Cannes Lions festival in 2013.

One billion people – an astonishing one in seven of the world’s population – spend at least an hour a day playing computer and videogames. 300 million minutes a day (the aggregate equivalent of 400,000 years) are spent playing Angry Birds. 170 hours a year per player are devoted to Call of Duty. That’s the equivalent of signing off one month of full-time work every year to the game.

1 in 4 players called in sick to stay home and play Call of Duty Black Ops II on launch day in November 2012.

Some people still find these sorts of numbers rather scary and (especially when linked to stories of people taking time off work) believe they have worrying implications for the economy.

McGonigal’s message was that nothing could be further from the truth. Game playing, she said, “is good news for business, it’s good news for innovation, and it’s good news for anyone who wants to help solve the world’s most urgent challenges.”

It is, she argued, all part and parcel of what she termed the “Engagement Economy” and the Engagement Economy is a huge concept, not just in terms of the raw numbers but also in the structural challenges and opportunities it represents.

It’s driven by basic universal human impulses, such as the desire “to be challenged, to get better at something, to master new skills, to put those skills in service of something that really matters, to be connected to a larger community,” McGonigal explained.

And she added: “Decisions about where to work, what to spend money on, which brands to be loyal to, these decisions, will all be based on how well an organisation, or experience or product fulfills this urgent desire to engage wholeheartedly with meaningful challenges.”

In fact, the Cannes Lions advertising festival in June 2013 represented something of a new experience for Jane McGonigal. As a game designer, an acute commentator on all things gaming and a director of The Institute for the Future, she’s been making high profile presentations for years; and on many occasions, she’s addressed influential audiences of people from the marketing, media and advertising sectors.

But never before had she talked about games and “gamification” to an audience at an event that had itself been “gamified.” Delegates could collect Cannes “Pings” for completing tasks and attending events via a specially developed interactive mobile app. Ten per cent of the total delegation played the game – over 1,500 people competing on a live leaderboard.

McGonigal doesn’t exactly own the theory of “gamification” – she didn’t invent the term and, interestingly, she rarely uses it. But her TED presentation, posted in March 2010, was a landmark moment in the evolution of an Engagement Economy manifesto.

Her theme that day was a subject that everyone sort of knew about – the immersive power of some online game environments – but had never quite considered in the round. However, her speech wasn’t just an exploration of the immersive feelings routinely experienced by gamers. It went much further. The compelling aspect of her presentation was its passionate insistence that this sort of online engagement could (indeed should) have real world implications.

Online game players represent a hugely underestimated and much misunderstood resource and, viewed from a certain perspective, the game world is an archetype of a blissfully productive community working hard to achieve shared goals because they find the work inspiring. They’re also proof positive that the collective will, when harnessed in the right
ways, be awesome in action.

McGonigal built on the online buzz created by this TED talk by publishing in 2011 a book that has become one of the central texts in the “gamification” canon, the best-selling Reality Is Broken. It is a book outlining “why games make us better and how they can change the world.”

Right time, right place – McGonigal’s message was one that her audience was absolutely ready to hear. The book provided a catalyst around which all sorts of related ideas began to coalesce. Those determined to put theory into practice, in other words, to drive forward the engagement economy, began congregating under the “gamification” banner.

According to Google Trends, before July 2010 no-one was using “gamification” as a search term. Since then, usage has rocketed and the world’s pre-eminent management consultancy firms have been reporting that since 2011, the term has made it onto the agendas of almost all of the major multinational corporations.

The IT consultancy, Gartner, has forecast that, by 2015, 50 per cent of organisations that manage innovation processes will be “gamifying” those processes. And by 2014, 70 per cent of blue chip companies will have at least one “gamified” application.

So, what exactly does the term mean? Arguably, the author and consultant who has worked hardest to pin down a usable definition is Gabe Zichermann. “Gamification,” he writes in The Gamification Revolution, involves “implementing design concepts from games, loyalty programmes and behavioural economics to drive user engagement.” (See box for a fuller Zichermann definition.)

Perhaps predictably, though, this takes us straight into contentious territory. Some of this seems simple enough and in some respects it is. Most people are pretty clear about the “user engagement” goal here. Dissecting and classifying the relevant game-inspired design concepts is rather harder but not entirely daunting. The potentially contentious part of the definition (and one that, in many respects, is still really up for grabs) is the implementation part.
TOWARDS A WORKING DEFINITION OF “GAMIFICATION”

“When governments, businesses and organisations of all sizes and types embrace game thinking and mechanics, they are better able to engage their audiences, cut through the noise, drive innovations and ultimately increase their revenue.

The process of implementing these games and strategies into business is called “gamification” — and with it you can build experiences that will provide built-in meaning and trigger the motivation of employees and customers. “Gamified” design leverages the best of game design, loyalty programme design and behavioural economics to solve critical problems and drive engagement.”

GABE ZICHERMANN
The Gamification Revolution
Prizes that made household names of the likes of Charles Lindbergh and Amy Johnson in the first half of the 20th Century. Likewise, the “gamification” of companies and brands has past history too and, interestingly, media companies have long been at the forefront. The history of the newspaper medium in the 20th century is littered with playful promotions and incentives both for newspaper brands themselves and, by extension, for partner advertisers.

One such activity became engrained in British culture and was copied around the world. Newspapers in the inter-war years ran “Lobby Lud” promotional schemes whereby a representative of the paper (his picture would be featured in that day’s edition) would wander around a seaside town in high season, dispensing cash prizes to those who recognised him, provided they were carrying a copy of the right newspaper.

This may seem a relatively trivial example, but it demonstrates that astute companies have always recognised the drawing power of games, especially when attached to incentive schemes of some sort. Related activities (though they’re not quite games) include internal incentive structures (for instance, employee-of-the-month schemes) and more outward-facing initiatives like customer loyalty schemes.

In short, during the 20th Century, many aspects of games and game playing had become a serious business.

The internet, however, has taken game playing to a whole new level and the most important phenomenon for our purposes here is the rise of something we’ve just mentioned in passing, the massively multiplayer online role playing game. Also known for short as the MMORPG, it features huge numbers of players interacting with one another in a virtual game world.

The most popular and celebrated example is World of Warcraft (WoW), which launched in 2004 and now has more than 8 million subscribers. There are scores of others and though it’s true that few of them rival WoW in terms of popularity, the sum total of this sort of online gaming, in terms of raw screen time, is nothing short of remarkable.

We’ve already noted the astronomical numbers. As a planet, we’re spending 7 billion hours a week, fuelling our desire to be engaged with games. If you can replicate even a small slice of that engagement for your enterprise or your brand, then the payback must surely be substantial.

Indeed, this sort of number may even prove, in the long run, to be merely a start-point. WoW players, so the argument runs, aren’t quirky curiosities whose enthusiasms may provide loose templates for wider exploitation. They may represent, in point of fact, the future. They’re at the leading edge of a fundamental evolution in human psychology and behaviour. There may come a time when we all live the greater part of our productive lives like WoW players.

In fact the notion that play will be important to the future well-being of the human race is rather elegantly formulated in Pat Kane’s 2004 manifesto, The Play Ethic; a book that explores the pros and cons of a digital future structured around the values, mechanisms and creative potentials of game-play.

The book was, at least in part, written in the hope that “the play ethic can be a possible bridge between results-driven management and meaning-driven employees in the modern enterprise or organisation.”

And once you have established a universal ethic for play as a design for living, it’s not too big a leap to envisage a universal desire to “gamify” the economy.

Following the dotcom crash of 2008, we’ve all learned to live within narrower horizons. And yet the equation, at least in theory, surely remains as potent as it ever was. MMORPG’s are addictive. They generate astronomical levels of engagement and players find themselves acquiring impressive skill sets. If we can understand the mechanisms in play here, we can surely “gamify” other aspects of everyday life.

But how to proceed? How to put theory into practice? There’s an interesting spectrum of views out there. Can a brand become “gamified” just by sponsoring an online game? Well, yes it can, say some advertising agency advocates. Can an entity consider itself “gamified” if it merely adopts a more “playful” outlook? Yes again, say some.

Purists tend to disagree – and they argue that this is absolutely not a bolt-on option. It’s not about trying to co-opt any old game-related form of engagement. On the contrary, it’s about understanding the fine granularity of
game mechanisms and adopting them root and branch.

Hopefully, the following pages can contribute something further to that particular debate. We’ll be exploring some of the truly revolutionary initiatives we’ve already seen in this field and, along the way, we’ll attempt to unpick some of the compelling underlying mechanisms that make them so powerful.

We will start with the power of games in solving real world problems, followed by what (for many) will be the crux of this topic – how brands can leverage this phenomena for greater marketing results. We will then attempt to answer a question that has eluded human resources across many an organisation: Why do people seem to work harder in the world of MMORPGs than they ever seem to do in their day jobs?

- One billion gamers play for an aggregate 7 billion hours per week.
- Members of this “engagement community” are looking to be challenged, while being connected to a larger community.
- “Gamification” has the power to drive significant behavioural change for the greater good (Chapter 2). It can also be harnessed by brands for deeper engagement (Chapter 3). “Gamification” can also create radical improvements in employee engagement and output (Chapter 4).
LEVEL 2
For the Epic Win:
How Games Can Change the World in Extraordinary Ways
FOR THE EPIC WIN
HOW GAMES CAN CHANGE THE WORLD IN EXTRAORDINARY WAYS

WE HAVE ALWAYS KNOWN THAT HUMAN POTENTIAL IS VAST; BEYOND ANY HUMAN UNDERSTANDING. “GAMIFICATION,” AT ITS MOST AMBITIOUS LEVELS, IS ABOUT SEEKING WAYS TO TURN THAT EXCESS CREATIVE ENERGY TO THE GREATER GOOD.

“What the world needs now are more epic wins: opportunities for ordinary people to do extraordinary things – like saving someone’s life – every day.” So argues Jane McGonigal at the evangelical heart of her influential book, Reality is Broken.

In many ways, the heart of the “gamification” story is about the increasing confidence of game designers that they can offer more than a few tweaks to the human condition — they can re-order it entirely. And interestingly, their focus isn’t just on the immersive and addictive nature of online games but also on their epic quality.

Epic in two related ways: epic in the sense that, as in the World of Warcraft universe, participants are aware that they’re part of huge, intensely-committed community; and epic in the sense that they’ve signed up to a quest that they perceive as imaginatively and emotionally significant. In other words, as we’ll see, intrinsic rewards are vastly more important than extrinsic rewards.

And the fascinating thing about this part of the story is the way that it draws not just on a knowledge of game worlds but also on a parallel online phenomenon — crowd-sourcing and the “gamification” lessons that can be learned from initiatives like folding@home and its ultimate evolution into Foldit.

One of the most important aims of modern medical research is to derive a broader knowledge of the process in our bodies by which long strings of organic molecules become folded into the three-dimensional building blocks we know as proteins. The more we understand this process, the better we become at understanding the debilitating types of disease (for instance some cancers) caused by protein malfunction. In turn, that can help us combat those diseases.

However, there are almost limitless possible outcomes when you begin modelling folding processes — it’s a fiendishly complex analytical business that can soak up huge amounts of computer processing power. So, in 1999, Vijay Pande, director of the Pande Laboratory at Stanford University, began canvassing support in online chat rooms for a distributed intelligence network that might help share the load. Volunteers would agree to download software that would allow his team to “borrow” the processing power of their personal computers when they weren’t using them.

Right from the start, folding@home, as the initiative came to be known, was a success; but in March 2007 it really began to break new ground when Sony began working with the lab to allow owners of PS3 Play Station games consoles to join the scheme. The beauty of the PS3 console in this context is the hugely powerful graphics processing power it uses to create virtual 3D worlds — rather handy when you’re attempting to model the spatial structures of molecules in 3D.

The partnership became even more productive in September 2007, when folding@home was included as a branded channel on all new PS3 devices. During 2007, thanks to Sony’s help, folding@home became the world’s most powerful distributed computer network — essentially a supercomputer made up of thousands of modest home PCs and games consoles.

But this is only “gamification” at one remove — gamers were participating but they weren’t yet being called upon to play. A spirit of playful collaboration was undoubtedly a factor here; yet, essentially, the project involved the world of games only insofar as it borrowed its hardware.

Stage two involved co-opting the gamers themselves. In May 2008, David Baker, a protein research scientist at the University of Washington’s Department of Biochemistry, teamed up with Seth Cooper, head of the university’s Centre for Game Science, to create Foldit. Like folding@home, the aim was to create a vast network of distributed processing power — but this time an even-more important resource was the problem-solving brainpower of the game players themselves.

Software for the 3D manipulation of protein structure was simplified, made easy to access — and turned into a game. Experimental biochemical resource had just

FOR THE EPIC WIN

WE HAVE ALWAYS KNOWN THAT HUMAN POTENTIAL IS VAST; BEYOND ANY HUMAN UNDERSTANDING. “GAMIFICATION,” AT ITS MOST AMBITIOUS LEVELS, IS ABOUT SEEKING WAYS TO TURN THAT EXCESS CREATIVE ENERGY TO THE GREATER GOOD.
been crowd-sourced – and to a non-specialist audience at that.

As a player, when you manipulate a protein you’re given a score relating to how “well-folded” your structure is; and you can compare your performance to a leaderboard recording the outcome of previous attempts to solve this particular puzzle.

FOLDIT HAS RACKED UP A NUMBER OF TRULY SIGNIFICANT REAL WORLD SUCCESSES, NOTABLY IN MODELLING THE STRUCTURE OF A COMPONENT OF THE AIDS VIRUS

Foldit has racked up a number of truly significant real world successes, notably in modelling the structure of a component of the AIDS virus; and its proponents are confident that it can continue to bear fruit.

Another example is Let’s Cure Cancer Finally – a Foldit puzzle with around 600 players. The University of Washington believes it is only a matter of time before the Foldit team, including its scores of volunteer players, is awarded a Nobel Prize.

In the UK, the best-known crowd-sourced research project for the public good wasn’t in the scientific world – it was in that zone of public life where politics meets journalism. In May 2009, the UK’s Daily Telegraph newspaper began running stories showing that many of the expenses claims filed by Members of Parliament were inappropriate or fraudulent.

The Telegraph had broken the story by publishing a relatively modest stream of leaked documents – but when the Government was shamed into answering legitimate public concerns about the issue, it responded (somewhat churlishly) by auctioning one of the biggest “data dumps” in the history of British public life.

On 18 June 2009, it released more than 700,000 digital documents – but, tellingly, they were in unhelpful formats, notably scans of paper documents that couldn’t be subjected to keyword searches. The Telegraph faltered at this point but its rival, The Guardian, saw an opportunity to pick up the running – and what it did next was inspired. It invited its readers to download a gamified app that would allow them to sift through the documents, note any irregularities and alert the Guardian’s editorial staff if there were nuggets of scandal hiding anywhere. And there were. Lots.

What followed was the most profound political scandal in a generation. Some MPs were sacked by their parties; others resigned their seats, some were prosecuted and a few were imprisoned for false accounting. The episode has helped redefine the relationship between voters and their representatives in Britain and redraw the parameters of politics.

It’s an incredible story. But the question, as ever, is what conclusions we can draw from it.
GAME CHANGERS

A list of major contributors to game (and “gamification”) theory, including, in no particular order:

- Richard Bartle, author of Designing Virtual Worlds and creator of the Bartle Test for categorising players of MMRPGs according to psychological types.
- Yu-Kai Chou, consultant and designer of the “Octalysis” gamification framework.
- Sebastian Deterding, game designer and researcher.
- Nicholas Dacre, lecturer and researcher.
- Mario Herger, lecturer and author.
- Pat Kane, musician, journalist and author of the groundbreaking The Play Ethic (2004).
- Nick Pelling, game designer and the man who claims to have coined the “gamification” term.
- Marigo Raftopoulos, enterprise innovation consultant.
- Will Wright, creator of SimCity, co-founder of games company Maxis and founder of an influential entertainment industry think tank.
- Gabe Zichermann, author of The Gamification Revolution, chief executive of Gamification Co and chairman of the GSummit.
There’s something viscerally impressive about the whole episode – and, yes, intimations of the epic win. But what, more broadly, did it prove? Were there fundamental lessons for us all to learn here? Or was this no more than a mildly-diverting one-off?

Likewise, Foldit, though widely emulated, is, in some respects, unique.

The main point to take away here is about the epic win. As we’ll see in the next couple of chapters, this is the core value that proponents of “the engagement economy” are striving to take into all aspects of public life.

The epic win, says Jane McGonigal, is a big (and usually surprising) success: a come-from-behind victory, an unorthodox strategy that works out spectacularly well, a team effort that goes much better than planned, a heroic effort from the most unlikely player. The label “epic” makes these kinds of wins sound rare or exceptional – but in the gamer world, they’re not. Discussion forums, she points out, are full of gamers sharing their most surprising and rewarding moments. And, she says, they come in many different forms.

We have always known that human potential is vast beyond any human understanding. “Gamification,” at its most ambitious levels, is about seeking ways to turn that excess creative energy to the greater good.

The broad insight that gamers have derived from the world of epic crowd-sourcing is that people are more likely to participate in a project if they believe it’s for the greater good – in other words, that it may result in an epic win. The epic sense also derives from feeling embedded in a super-sized community of like minds.

It almost goes without saying that these insights have implications for the whole area of corporate branding too. Just as some crowd-sourcing platforms have managed, rather carelessly, to disassociate themselves from any notion of the epic win, so some corporations (and their products), you could argue, are clearly not interested in their epic credentials. Not yet at any rate.

But the focus in this chapter has been on the crowd rather than the corporation. Gamers, argues McGonigal, “are super-empowered and hopeful individuals” – and their efforts, writ large, as part of larger groupings, can’t help but be impressive. So the future should be not just about harnessing those super-powers in existing gamers but in turning us all in super-empowered games too. She envisages leveraging “the power of games to reinvent everything from government, health care and education to traditional media, marketing and entrepreneurship – even world peace.”

Thus, she concludes: “To effectively harness the wisdom of crowds and to successfully leverage the participation of the many, organisations will need to become effective players in an emerging engagement economy. In the economy of engagement, it is less and less important to compete for attention and more and more important to compete for things like brain cycles and interactive bandwidth. Crowd-dependent projects must figure out how to capture the mental energy and the active effort it takes to make individual contributions to a larger whole.”

- Foldit - Online gamers deciphered the 3-D structure of an enzyme of an AIDS-like virus in just three weeks, a feat that had evaded researchers for 10 years.
- In a high profile UK political news story, The Guardian invited its readers to collaborate for a common goal – the exposition of a political scandal.
- People are more likely to participate in a project if they believe it’s for the greater good.
- McGonigal envisages leveraging “the power of games to reinvent everything from government, health care and education to traditional media, marketing and entrepreneurship – even world peace.”
LEVEL 3

Game on: “Gamification” for Brand Engagement and Customer Loyalty
All of which brings rather neatly to Nike+ and to what will be, for many, the heart of the matter — “gamification” for brand engagement and customer loyalty.

For many writers on “gamification,” Nike+ represents a near perfect conjunction of some of its most potent elements, allied to a peerlessly appropriate brand. Competitiveness has always been a fundamental part of the Nike brand story — and it has always been associated with (and endorsed by) sporting stars. As a subset of that you have the competitive aspects of personal fitness, particularly as applied to the running community. And the icing on the cake is the notion that an initiative like Nike+, in encouraging healthy lifestyles, can be presented as a big motivational project for the public good.

At the heart of Nike+ was the insight that people like to measure themselves against their personal bests — and, more broadly, against their peers. They even, at a fantasy level, measure themselves against celebrity athlete role models. Nike just took its alignments with competitive values a step or two further by “gamifying” the whole proposition, becoming, along the way (according to Gabe Zichermann), “the undisputed leader in socially-networked sports experiences.”

With Nike+ tracking technology incorporated into your trainers, when you went for a run, data on distance travelled, steps taken and calories burned could be recorded on your iPod and later downloaded onto your computer then shared via the Nike+ website and social media. Now, you could compare your performance with your competitive set worldwide. And the rewards were appropriated tailored — for instance, when you achieved a particular target or personal best, you might be sent a congratulatory video message from a renowned Olympic athlete.

And in 2012, Nike took the idea on a stage when it launched FuelBrand — a high tech wrist band that measures all aspects of your physical activity throughout the day — and links the data to a more holistic version of the Nike+ game, with new lifestyle targets above and beyond jogging. The NikeFuel site offers four channels: “View Your Progress” (activity rendered into graphs and charts); “Play With Friends” (comparing your performance with that of your chosen peer group); Get Extra Motivation (“the more you move, the more NikeFuel you earn”) and an overtly social-media-style channel, Share Your Success (“share your accomplishments with friends — and other Nike+ members. Get cheers and, since NikeFuel is a universal metric, challenge them to match it”).

In November 2012, Nike also unveiled a fitness programme in partnership with the Xbox game platform, majoring on use of the system’s Kinect motion sensor controller. This, you could argue, is the ultimate conjunction — a “gamified” brand associating itself closely with a game-playing platform.

It’s a unique example — but “gamification” theorists argue that it may soon seem unexceptional. In The Gamification Revolution, Gabe Zichermann argues that games will be an important avenue of exploration for advertisers seeking to move beyond the paid-for advertising model. It seems, he writes, “that the deck is stacked irretrievably against business as usual. Classic models of engagement will no longer scale in a world dominated by extreme multi-tasking and increasing numbers of game-like attractions. In this new environment, humans will come to expect heightened rewards, stimulation and feedback.”

Zichermann outlines six game types — Grand Public Challenges, Rapid Feedback Systems, Discovery/Education environments, loyalty-programme-style Status Marathons, Virtual Markets and Expressive games — and argues that some lend themselves more obviously to marketing structures than others. Advertisers have long been aware of the power of Status Marathons, for instance. Customer loyalty programmes have a rich history — and airlines, hotel chains and supermarkets are past masters at rewarding repeat business.
And, as an aside, there was a sense in which the phenomenon had come full circle in October 2012 when the UK supermarket chain, Tesco, rebranded its Clubcard scheme as Clubcard Play. Markets and auctions have a rich history too – and the regular Monopoly promotion from McDonald’s fits into this category. However, “Virtual Markets”) is that, though it was begun (in 1987) prior to the advent of the internet, it has survived in various forms, right up to the present day. Its 2013 variant was played in more than a dozen markets worldwide.

It is, as it has always been, a classic “collect the set to win prizes” game – when they purchase certain menu items, customers receive tokens corresponding to property locations on the McDonald’s version of Monopoly board. When you’ve managed to collect a “set” (as in the board game, a group of similarly-coloured locations) you trade them in for prizes; and some of the properties also offer one-off premium rewards – in the 2013 game, Boardwalk was worth $1 million in the US.

True, the game is essentially an offline phenomenon, but the arrival of the internet and (especially so) social media has changed its nature and its importance within the company’s marketing mix.

Film and TV producers have an enviable track record when it comes to cultivating playful relationships with their audiences. Take, for instance, Lost, NBC’s supernatural castaway series, which aired for six seasons between 2004 and 2010 – and, along the way, built an extraordinarily immersive online adjunct to the imaginative world of the TV show. Film advertisers routinely use sophisticated games and teasers to sell a movie to the public and “find” their audience. Batman, Inception and the Harry Potter and Lord of the Rings franchises have all made use of these techniques.

And of course the last five years or so have seen companies experimenting with more sophisticated forms of online gaming dynamics, principally in the loyalty category. Interestingly, media owners have played a lead role in this – and broadcasters have been particularly adept at using the second-screen phenomenon (a large chunk of the TV audience these days have half an eye on social media via their smart-phones and tablets) to create rich levels of “gamified” engagement.

One of the first and best examples came courtesy of NBC/Universal’s USA Network, which began a social loyalty and “gamified” rewards programme for the comedy detective series Psych in 2009. This worked on several levels.

For a start, the website featured lots of games – but it was also “gamified” at a more profound level. “Calling all Psych-oh,” read a message on the home page. “Join Club Psych today and start earning points and rewards for interacting on the Psych official web site.”

Fans could turn points into merchandise at the online store, but equally importantly, their score demonstrated their loyalty to the show. Web traffic almost doubled in the months after the scheme’s launch and almost certainly had an (quantifiable, sadly) impact on audience levels. That, in turn, ultimately impacted on the show’s longevity (its seventh season ran in 2013) in a highly competitive sector of the broadcast market.

In the last couple of years, some TV companies have been criticised for the (supposedly) unimaginative ways in which they’ve sought to replicate this Psych success story, with a core strategy reliant on “checking-in” as the main mode of interaction. This, say some critics, is not exactly a mechanism rich in imaginative content or laden with the promise of hard-earned achievement.

Others say the power of the simple check-in should not be underestimated. And of course the outfit that pioneered the concept is Foursquare, a social networking platform created in 2009. Users access a mobile app to alert friends when they’ve arrived at a participating venue and each check-in gains rewards in the form of points or badges.

Foursquare’s most famous advertiser tie-up was arguably with Chicago’s tourism office, Explore Chicago, back in 2011 – it challenged players to re-enact Ferris Bueller’s Day Off by visiting locations the hero visited in the classic 1986 feature film. Checking in at each
Here are just a few of the agencies and consultancies offering specialised services in the “gamification” sector:

**BADGEVILLE:** “The #1 Gamification Platform for Global Business Leaders”

**BIGDOOR:** “Let Us Power Your Gamified Rewards Program”

**BUNCHBALL:** “Learn how gamification generates lasting ROI with real business value”

**iACTIONABLE:** “We take the ideas and techniques around providing feedback to players from games and move them in to non-gaming applications”

**SPIGIT:** “Increase employee engagement and get meaningful customer insights”

**SCVNGR:** “A game about doing challenges at places”

**SUPERBETTER:** “Helps you achieve your health goals by increasing your personal resilience”
landmark unlocked an “On Location” badge in Foursquare.

The challenge, now, argue those at the cutting edge of “gamification,” is for advertisers to go beyond check-ins, points, badges and other collectibles — and commit to more immersive “gamification” strategies.

And if you want a quick glimpse at the sort of things that might be possible at the more aesthetically elegant end of the spectrum, look no further than the Guinness online treasure hunt that spearheaded its 2007 “Tipping Point” campaign. This, say some, is one of the sophisticated and immersive brand-orientated games ever devised.

Press ads backed by a viral email campaign alerted people to a trail of clues hidden in web content — and the prize for following the trail to its conclusion was a solid gold domino and the honour of unlocking the TV commercial for its first airing on YouTube. (The initiative has been archived at http://digital.amvbbdo.com/awards/guinnessstipping/).

And, yes, the Guinness example remains a rarity — but there are plenty of advertisers “gamifying” their marketing strategies by borrowing some of the simpler game mechanics outlined above.

Lauded work over the last couple of years has included Star Player from Heineken, in which you can compete against your friends on Facebook to predict the results of Champions League matches.

Then there’s Chromorama (win points by using the Transport for London network to plan your journey in the most efficient way); Dove’s joint venture with the Stardoll fashion site to develop a fanclub programme; Qwak Smack’s Blippar game for Cadbury; and Topshop’s tie-in with SCVNGR to develop an app that not only allows you to check in to lots of different locations but immediately sets you a challenge (like taking a certain sort of picture) when you do.

Meanwhile Mint.com’s Quest for Money, which makes money management fun for older children by setting simple budgeting tasks, has won plaudits for encouraging socially responsible attitudes.

Of course, some ad market observers argue that “gamification” will never be appropriate for all brands. Or, indeed, many brands. It’s relatively easy, they argue, for a brand already in the entertainment sector (like a TV company) to embrace a game mechanic. It’s less easy, they argue, to envisage more serious brands (like those in the financial services sector) to contemplate undermining aspects of that seriousness.

The Mint.com example clearly proves a compelling counterbalance to that assertion… but there are other question marks. There is, say some, a substantial gap here between theory and practice. The “gamification” initiatives of some advertisers can appear superficial and “samey” — involving little more than a commitment to handing out a few badges here and there to customers.

And after all, it’s fiendishly hard work producing something of the labyrinthine complexity of the Guinness Tipping Point treasure trail — and
even if you do, there a risk, obviously, that only a small fraction of your audience will fully engage with it.

But others believe that “gamification” of the advertiser-consumer relationship will gain irresistible momentum thanks to bigger-picture changes in the structure of marketing communications, as the sector continues to evolve beyond the broadcast model.

Broadcast brand communications strategies tend to presume that the consumer is, by and large, passive. The traditional role of the creative agency was to boil down brand propositions into simple messages that could be easily transmitted. It was then the role of the media agency to build awareness of that message through paid-for channels. The belief was that, if the message eventually hit home with sufficient force, it could help change behaviour.

In the interactive age, brands have to behave differently. Now the process has to be continuous and more experiential – and “gamification” techniques will, arguably, be an increasingly important part of the new toolkit. What better way to enrich the consumer experience of a brand?

And this, say some, will be especially true if “gamification” techniques are seamlessly integrated with social media strategies. As we’ve seen above, Gabe Zichermann certainly tends to that view. As does Tim Jones, strategy director at London ad agency, BBH. In his influential 2010 IPA Diploma paper, Jones argues that the era of the unique selling proposition is coming to an end.

In the future, increasingly, the creation of brands will be a two-way process and a more complex process, conditioned by “the creation of the experience that surrounds it”. In other words, interactive brands will invite their users to explore and discover a rich world at their own pace.

He concludes (and this is a pertinent summary for our chapter too): “The modern brand builder faces a difficult issue; communications theory is based on attitude change, and has limited implications for behaviour change. Games are characterised by interaction and behaviour rather than attitude, making the principles of gaming suited to brand building. I believe that games provide a practical template for brands that actively change behaviour.”

• In developing Nike+, Nike “gamified” the whole concept of personal fitness, becoming, along the way (according to Gabe Zichermann), “the undisputed leader in socially-networked sports experiences.”

• The greatest potential prizes in “gamification” are to do with the “Expressive”. This is the area where the audience might be called upon by advertisers to draw upon a wide range of skills and emotional needs, emulating the rich levels of engagement elicited by MMORPGs.

• The last five years or so have seen companies experimenting with more sophisticated forms of online gaming dynamics, principally in the loyalty category.

• The challenge is for the advertiser to go beyond check-ins, points, badges and other collectibles – and commit to more immersive “gamification” strategies.

• “Gamification” techniques will be seamlessly integrated with social media strategies, as part of the engaging brand’s marketing toolkit.

• “Games provide a practical template for brands that actively change behaviour.” – Tim Jones, BBH, 2010.
LEVEL 4
The Game Of Work: New Insights on Optimising Employee Engagement
One of the most important strands in the evolution of "gamification" theory arose out of business efficiency debate and the sea change it began to experience just after the dotcom bust.

Throughout the better part of the 20th Century, the focus of time-and-motion experts was on reducing employee distraction. However the arrival of pcs on every desk in the developed world during the 1990s was believed in human resources circles to bring more distraction; cancelling out the efficiencies of information technology.

Games were everywhere. Not just on games consoles at home but in the office too. Click games like Hearts and Minesweeper were now an integral part of the Microsoft Windows operating system. During the 1990s, the response of time-and-motion experts was to "outlaw" gaming during office hours.

Domestic games consoles also represented a new threat to workplace efficiency. They were not only offering more sophisticated gaming worlds but also connected players to a now-prevalent internet. These games were so absorbing that they were, surely, a terribly distraction, not just at home but presumably at work too. They were seen to be a bit like a heroin habit – as debilitating for the individual as for society as a whole.

Not only were these games addictive, they were probably pernicious in other ways too. Politicians, regulators and other guardians of public morals (often stung into action by media scare stories) decided that this merited thorough investigation. Researchers were asked to look at hard-core shoot ‘em up games and to seek evidence that depictions of in-game violence produced real-world after effects of violent or otherwise maladjusted behaviour.

The researchers failed. On the contrary, they realised they were encountering forms of immersive behaviour that they’d never really encountered before. It was, they began to realise, an immersive experience that generated tremendously positive attitudes and behaviours – and this was an insight that acquired extra resonance when they began exploring the mindsets of the hard core users of massively multiplayer online games (MMORPGs) like World of Warcraft.

Almost without exception, researchers came away with a new-found appreciation for how damned hard gamers were working for rewards that they (the researchers) barely understood.

Nick Yee, one of the earliest academics to study game culture (his Daedalus Project, still regarded as one of the most comprehensive surveys of gamer behaviour and psychology, ran between 2003 and 2009), concluded that MMORPGs are really "massively multiplayer work environments disguised as games."

And these were not low grade work environments either. The challenges involved were… well, quite challenging. People whose real world educational attainments and employment records were modest, to say the least, were routinely undertaking virtual-world projects involving skill-sets most commonly associated with the higher tiers of business management – putting together teams to tackle complex goals, assigning tasks, devising complex tapestries of tactic and strategy.

Might there not be lessons here for the business world? Some of the early researchers certainly thought so. As they set out along this diverting exploratory path, they met management consultants coming the other way.

This was destined to become a fruitful conjunction, because the language of work theory had started to accommodate a range of notions not from computer games but from their distant and (arguably) more primitive relatives, competitive sports.

For decades, management tomes had touched on aspects of this – and the book that really brought the notion into the sharpest focus was The Game of Work, written by Charles A Coonract and Lee Nelson, published in 1984.

In competitive sport, you’re powerfully rewarded every time you do something
right; by and large, as an employee, you only ever receive feedback when you’ve done something wrong. The Game of Work looks at ways in which the performance-enhancing and motivational mechanics of sport can be translated into business practice.

In many ways, it was a book ahead of its time and arguably it was still not fully appreciated when, after the dotcom crash, internet utopians like Pat Kane began arguing that the advent of the digital economy should involve a fundamental reappraisal of what we mean by work.

Non-utopians took a different tack. Indeed, early 21st century business books tend merely to put a new spin on the scare stories of a decade earlier. At its worst, the analysis was rather dystopian, hinting that the rise of the gamer generation was a bit like The Invasion of the Bodysnatchers.

The gamer tribe was no longer Generation X or even Generation Y but now its members were to be known as The Millennials, and the gospel according to some business manuals was “know your enemy.” Millennials, the argument ran, think differently – largely because they’ve grown up playing computer games. And, though their potential as workers might appear somewhat unpromising, if you didn’t at least try to understand them, you might lose them altogether.

So the breakthrough book where the “gamification” of work was concerned (though it doesn’t actually use the term “gamification”) was Total Engagement, published in 2009 by a co-authorship team of Harvard academic, Byron Reeves and an entrepreneur, J Leighton Read. The book’s subtitle is as revealing as it is wordy: “Using Games and Virtual Worlds to Change the Way People Work and Businesses Compete.”

“One hundred million Americans and many more around the world played a computer or a video game last week with levels of engagement and focus rarely seen at work,” it begins. And it continues: “For anyone convinced that engagement is a key ingredient of the future of work, games are the definitive model.”

“FOR ANYONE CONVINCED THAT ENGAGEMENT IS A KEY INGREDIENT OF THE FUTURE OF WORK, GAMES ARE THE DEFINITIVE MODEL.”

It points out that people apparently love the hard work that games demand of them – and will actually pay to play. In that context, the authors argued, most workplace jobs are actually games that are so bad that you have to pay people to play them. The conclusion was that game design might offer “an unprecedented tool for workflow engineering.”
STIMULUS-AND-REWARD MECHANISMS

The detailed stimulus-and-reward mechanisms that absolutely underpin the structures of good online games:

THE POWER OF CONSISTENT FEEDBACK
Indicating whether players are on the right track.

THE EMPHASIS ON REPUTATION AND RANK AS A PLAYER
Reflecting a record of achievement.

THE IMPORTANCE OF RULES THAT ARE EXPLICIT
Widely understood and enforced (because everyone needs to have a fundamental faith in the enduring worth of the game).

STRUCTURES
Enabling the ad hoc formation (and dissolution) of task-orientated teams.
And the book, though largely theoretical in approach, was forward-looking in its detailed assessment of the potential scope of the territory up for grabs. It looks at a catalogue of basic workplace tasks (one widely used by human resources departments in the US), which outlines 40 defined skills, running from “getting information” and “monitoring processes” to “staffing organisational units” and “overseeing the spending of money”. The book then establishes that MMORPGs contain perfect motivational structures to enable gamers to acquire almost all of these skills.

It then tries to understand these structures. Starting with the basics, it argues that avatars (held by many to be a childish and trivial aspect of online game-play) could actually be important in a corporate context, fostering as they do a sense of self (and self-image) that many real world corporations, whether by design or otherwise, effectively seek to erase.

It also looked at why a big-picture corporate narrative is important. It is, the authors suggest, the equivalent of the epic context from which the best online games derive their imaginative power. “Does your company have a story line?” it asks. “Most good ones do.”

And, perhaps most important of all, it describes the detailed stimulus-and-reward mechanisms that absolutely underpin the structures of good online games: the power of consistent feedback, indicating whether players are on the right track; the emphasis on reputation and rank as a player, reflecting a record of achievement; the importance of rules that are explicit, widely understood and enforced (because everyone needs to have a fundamental faith in the enduring worth of the game); and structures enabling the ad hoc formation (and dissolution) of task-orientated teams.

The book sets in motion a provocative clutch of ideas – but at this stage the balance is heavily theoretical. Practice, however, had clearly begun to catch up with theory by the time Gabe Zichermann and Joselin Linder published The Gamification Revolution in 2013 and, tellingly, while Total Engagement still feels like it’s proposing a top-down management rethink, Zichermann and Linder’s world view feels slightly more equitable.

The book advocates that companies should learn to go with the flow. Acknowledge, it urges, that gamers have already acquired complex skill sets. Realise that if you show them workflow structures that they’re already familiar with, they’ll take them with enthusiasm. And again, positive reinforcement is held to be a fundamentally important principal in “gamifying” the workplace.

The Gamification Revolution is a book brimming with good ideas and insights – and there’s plenty here for those who believe that work structures can be tailored to benefit the individual as well as the corporation. It looks, for instance, at the ethos of the consultancy, work.com, which advises on the use of “gamification” techniques (notably the use of feedback loops) to deliver better revenues for the likes of Amazon and Facebook.

Then there’s Deloitte, which has been using “gamification” structures to make its training programmes more effective (though, let’s face it, there’s never been any excuse for running a training programme that isn’t inherently fun and engaging.)

Several companies have used “gamified” reward programmes to encourage employees to go to the gym and lead healthier lifestyles. Spotify and LivingSocial have both instigated schemes whereby employees can opt to replace their annual review framework with a “gamified” system of continual online assessment – and both companies have reported majorities of staffers switching to the new systems.

Mention must also be made of MindTickle, which took top prize in the Human Resources category in the 2013 G Awards at the Gamification Summit held in San Francisco in April 2013. The company essentially helps businesses to transform their existing online training content into an interactive learning experience, making learning “efficient, effective and delightful” through a combination of game mechanics (points, medals, badges and leaderboards) and social tools (profiles, comments, chat and walls).

The case history literature in this sector tends also to draw heavily on an example from 2009 – a special project by Microsoft, which used a system of internal incentives to oversee quality control on user-experience aspects of Windows 7 prior to its launch.

That was something, again, of a one-off; but the internal Microsoft division that handled this, 42Projects, looks like producing (and inspiring) work of more enduring value.

Run by Ross Smith, a project director at Microsoft, it has evolved into a public ideas hub (“an experiment using trust as a fundamental element in improving the lives of the managed”) and is credited not merely with inspiring a number of projects within individual companies but also getting mainstream business schools (notably Wharton) to put “gamification” on the syllabus.

And indeed, arguably, the most effective way to “supercharge staff performance” and “ignite employee innovation” (as Zichermann and Linder put it) is not, in the long run, through bolt-on, one-off “gamification” projects – but through a determination to push a whole company toward a different mindset.

There’s evidence that this is happening. At the simplest level, training schemes at the world’s large corporations encourage trainee managers to be prepared to show imagination in addressing the most routine of tasks. Not only that – they’re more actively encouraged these days to draw out the latent potential of the people they manage.

A decade ago, in The Play Ethic, Pat Kane asked: “How much ‘imagination’ should the managers of large organisations, for example, allow their staff to exercise, at their own level? Can too much initiative, exercised by too many people, turn an ordered business strategy into chaos?”

Despite the downturn, it’s informative that most progressive managers in the business world are predisposed (in theory at least) to refrain from a knee-jerk reaction to the second question.
In this context, the Gartner estimates quoted in chapter one are certainly worth repeating. Noting the success not just of Work Street but also schemes like Evoke, sponsored by the World Bank, it has argued that, by 2015, more than half of all multinational corporations will be using “gamification” to manage innovation processes.

Brian Burke, an analyst at Gartner, concluded: “Enterprise architects, chief information officers and IT planners must be aware of, and lead, the business trend of “gamification,” educate their business counterparts and collaborate in the evaluation of opportunities within the organisation.”

- Game playing satisfies the need for constant feedback — a virtuous practice more commonly found in competitive sports than in the work environment.
- “For anyone convinced that engagement is a key ingredient of the future of work, games are the definitive model.” Total Engagement 2009, Byron Reeves.
- MMORPGs contain perfect motivational structures to enable gamers to acquire many skills such as getting information, monitoring processes, staffing organisational units, and overseeing the spending of money.
- MMORPGs are really “massively multiplayer work environments disguised as games” Nick Yee, Daedalus Project, 2009.
- Spotify and LivingSocial have both instigated schemes whereby employees can opt to replace their annual review framework with a “gamified” system of continual online assessment.
- Gartner has argued that, by 2015, more than half of all multinational corporations will be using “gamification” to manage innovation processes.
LEVEL 5
Play the Game:
Building a “Gamified” Enterprise System
If you’re contemplating a “gamification” project it almost goes without saying that you need some sort of understanding of game mechanics. What is it that makes a good game so successful? What is it that makes some games such immersive, imaginatively satisfying and ultimately addictive phenomena?

If you understand the basic building blocks, you’re clearly going to be better placed to build a structure of your own that works. This, however, is by no means a settled subject area – all sorts of issues are still up for grabs and there’s a growing appreciation that even the simplest of designs involve just as much art as science.

And of course, in constructing a game system, you need an ordered appreciation of hierarchical structures and progression pathways (the sorts of structures that are, as it happens, the bread and butter of software engineers).

But it also demands something wholly new – a feel for the imperatives of narrative, both at a macro and a granular level. There’s a lot to have to grasp.

As Will Wright, the creator of SimCity, has put it: “The design and production of games involves aspects of cognitive psychology, computer science, environmental design and storytelling – just to name a few.”

Indeed, there are those in the game business who argue that we’re witnessing the evolution of a whole new art form – and that, as with any artistic endeavour, any attempts to analyse its mechanisms are doomed to failure. In fact, they continue, we’re moving ever deeper into terra incognita. Games aren’t just art – they give us all that art can give us, yet take us at least one step beyond.

A good game experience should leave us with a sense of achievement. The experience should be something we carry away with us. Raph Koster, a former chief creative officer at Sony Online Entertainment and author of the influential A Theory of Fun for Game Designers, has a simple start point – games are about having fun, but fun with a purpose.

Koster’s book is at its most insightful when it urges game designers to think about the educative aspect of games. In fact, he argues, art and games (or, more broadly, play) have this in common – they’re both fundamentally important in teaching us to understand (and appreciate) the world around us. In other words, even at their most fantastical, MMORPGs impact upon the real world.

Koster argues that learning is addictive – as long as it is the right form of learning. The brain, he explains, is always casting around for new information, new challenges. Solving puzzles, completing tasks... if structured in the right way, they add up to learning as an addictive drug.

But it’s about pitching puzzles and tasks at the right level or mixing up or disguising them or offering a succession of levels of complexity. Make things too easy and your players will quickly become bored; but make things too hard and they’ll disengage.

And that is the fundamental element games have that reality doesn’t: their ability to remain just a bit better than you, even as you keep improving.

Koster has some interesting things to say about how game design is currently evolving as a “discipline” – the implication being that it’s mutating into a mainstream profession like engineering or architecture. It’s a profession that will require people with a blend of skill sets such as psychology, story-telling and software design. In a sense, good game design is about creating mini-realities.

As difficult as this sounds, it is actually easy building a new reality where there are no pre-existing restraints. The hard thing is building a game layer that is attached to the real world.

So how, at a more pragmatic level, do we seek to bridge the gap between the abstracted world of games and the real world? How, in a nutshell, do we apply these mechanisms to the enterprise economy?

One of the most influential writers in
this respect is the US academic, Edward Castronova. His book Synthetic Worlds is a constitution for a new type of state.

Castronova’s new economy, played as an online game, will include mechanics of consumption and acquisition. It will guarantee fair returns for work and skills. It will give people a mission and a purpose and underwrite frameworks for robust competition between individuals under equal-opportunity rules. But interestingly, it will involve liberal tolerance not just for flights of imaginative fancy and role-playing but will also allow for mischief and flirtations with disaster.

This new state will, he further explains, acknowledge the joy of creation — the creation of things and “of the self”. As such, it will indulge the darker sides of our natures (the desire, for instance, to commit crime) and it will embed all this within a bigger-picture historical narrative, including “major events and epochs at a macro level”. Ideally, he adds, this narrative will be given a scary economic edge if there’s provision made for the creation of the odd recession.

The crucial element is that the game-layer experience must be immersive. The players must, even if for a few moments, be able to lose themselves within it. We believe that this complete immersion is not just a property of a game experience, it is the defining property. It’s a phenomenon that has been studied separate from gaming, as it can come about in other areas of life — in sport, writing, drawing, for instance — and it’s defined as a state where time doesn’t exist and there is a blurring of the ego boundaries, so all there is, is the action. US psychologist Mihaly Csikszentmihalyi called it Flow, and he described it as a “satisfying, exhilarating feeling of creative accomplishment and heightening functioning.”

In other words, flow should be the design brief at the heart of every game-design project — and therefore it’s something worth understanding in all its facets. According to Csikszentmihalyi, there are ten factors that accompany the experience of flow. While many of these components may be present, it is not necessary to experience all of them for flow to occur:

- Clear goals that, while challenging, are still attainable.
- Strong concentration and focused attention.
- The activity is intrinsically rewarding.
- Feelings of serenity; a loss of feelings of self-consciousness.
- Timelessness; a distorted sense of time; feeling so focused on the present that you lose track of time passing.
- Immediate feedback.
- Knowing that the task is do-able; a balance between skill level and the challenge presented.
- Feelings of personal control over the situation and the outcome.

And this is the important point about Flow: Flow is such an enjoyable experience that it’s ultimately its own intrinsic reward. The lesson here is that the best designers tend not to focus on weak-extrinsic motivations like prizes. Instead they seek to build game environments that optimise for the Flow state.

And there’s one more important ingredient to
All successful games, suggests Raph Koster in *A Theory of Fun*, tend to incorporate the following elements:

1. Preparation stages. Before taking on a given challenge, a player should get the opportunity to make some choices that affect the odds of success.

2. A sense of space. This might be the landscape of a war game or a more abstract perception of the network of relationships between players.

3. A solid core mechanic. Basically, the puzzle or puzzles you need to solve.


5. A range of abilities required to solve encounters. If all you have is a hammer and you can only do one thing with it, then the game is going to be dull.

6. A structure in which good judgement is rewarded. Failure must also have a cost.

7. A variable feedback system. The results of encounters should not entirely be predictable.

8. A structure whereby high level players are excluded from accruing big benefits from easy encounters.
consider. Jane McGonigal introduced a new psychological state into the mix, to complement Flow. She called it Fiero – a word, borrowed from Italian, which is related to the concept of the “epic win” discussed in an earlier chapter. “Fiero is what we feel when we triumph over adversity,” she explains. “You know it when you feel it – and when you see it. That’s because we almost all express Fiero in exactly the same way: we throw our arms over our head and yell.”

There are also pragmatic structural and management issues to be considered too, when contemplating a design task. Gabe Zichermann, for instance, has suggested that companies that have succeeded with “gamification” strategies are those that have decided to orientate their businesses around the sorts of structures you need to consider. Jane McGonigal introduced a new old-fashioned loyalty scheme. Ideally, they say, “gamification” should be about something more than the rewarding of routine forms of engagement, like (with all due deference to Four Square) “checking-in”.

In other words, there’s a widespread consensus that the big prizes in gamification will be won by those who strike the right forms of balance between intrinsic and extrinsic rewards as they seek to adapt the full gamut of online game mechanisms to the wider economy.

Zichermann recognises this when he states that mechanisms need to “satisfy an emotional gratification in addition to – and sometimes instead of – the need for cash prizes.” And he adds: “Gamification is a process, not a product – and it requires long-term care and feeding.”

And, where workplace platforms as concerned, the goal should be to create something more textured (and satisfying, in narrative terms) than a one-off crowd-sourcing competition.

So, let’s assume that we can agree on the elements required – a hierarchy of problem solving challenges that ladder up to an inspirational higher-purpose, one that correlates with a real world impact.

How, then do you go about the practical process of design? As it happens, we at PHD have direct experience of wrestling with this very question. Back in 2011, inspired in part by Jane McGonigal’s book, Reality is Broken, the agency decided that it would build a “gamified” layer into our new planning system, Source.

There are over 2,500 people working at PHD, spread out across the world. We wanted to tap into this collective mind to help innovation for our clients. We wanted to be able to say to any client that you don’t have two people working on your business you have over 2,000.

And we felt there was the potential to make it attractive to PHD employees as well. Across the network there are many talented people that don’t always get to exhaust their creative energies in their day-to-day roles. For example, one of our offices recently recruited ten new super creative grads – they may only get a brief that allows for creativity every few weeks, leaving so much capacity for creative input unfulfilled.

It felt like there was a real opportunity to solve this global cognitive-imbalance. So, working with fellow Omnicom-owned creative technology agency, Code, to build our new global planning system, we decided to turn the new system into a game. After 18 months of design we shaped our new planning system to function as a game – the better the campaign you plan, the higher you move up in the game. Source functions as the heart of the agency’s strategy development process, offering planners easy access to strategic thinking frameworks and optimisation software tools. At its core is a collaboration platform that allows employees from more than 75 countries around the PHD network to work on campaign ideas for other clients – and this is where the big points are to be won.

Fundamentally the system is geared for altruism – those that are talented and collaborative will rise to the top. You receive “Pings” for building your own campaigns and suggesting ideas for others – and your accumulated “Ping” score is shown on a real-time global leaderboard.

The interface is designed to be something that users want to touch, feel, sense and play with. And the leaderboard isn’t just displayed on the system’s homepage; it’s up there for all to see on large screens in the reception areas of PHD offices.

Source was launched in January 2013 – and we followed this up with an announcement that, in partnership with the event’s organisers, we were going to “gamify” aspects of the Cannes Lions Festival. The objective was to create interest and awareness in Source.

The first step was to identify which aspects of the festival could be included – and it was decided to award “Pings” (as we’ve already indicated, this is the currency used in Source) for attending seminars, saving seminar content and networking as well as commenting and posting on social media. We then enlisted an app development company to design a system to capture the data and translate it into a leaderboard showing the delegates’ names, country and points.

The app also featured a specially-designed “Pings” icon so that players had a visual reference of where points could be collected around the festival by scanning certain things via the app. “Epic” Pings could be scored for specific activities.

At the event, 1,572 delegates took part, vying for the top prize to be a Cannes Lions 2014 VIP delegate. During the course of the
week, the game saw a different daily winner each day, each of which received a prize courtesy of Microsoft — and they represented a superb cross-section of the job functions and nationalities present at the festival.

In order to “gamify” the festival at Cannes we needed fast adoption, therefore we leveraged extrinsic motivation — we focused on a leaderboard and daily prizes.

With Source however, we rely on a lower but sustainable level of engagement. In other words, Source is built around the principle of intrinsic motivation — a narrative of working together to create a new agency model. In Source, there is a leaderboard but for the 99 per cent of people that are not in the top ten, the reward system is the flow state of working through different stages to build a campaign; the feeling of helping others and the Fiero feeling of receiving an “Amazing” for a suggestion.

So, that is the decision that needs to be made — if you need a quick level of engagement then focus on extrinsic. Or, if you need long-term engagement, focus on intrinsic.

The brain is always casting around for new information and new challenges. Solving puzzles, completing tasks, if structured in the right way, add up to learning as an addictive drug — Koster.

Creating “gamification” strategies will require people with a blend of skill sets such as psychology, story-telling and software design.

Extrinsic motivation for fast engagement and intrinsic motivation for sustained engagement.

Good “gamification” needs to go further than weak-extrinsic motivations like prizes, instead build a game environment that optimises for “Flow” (Csikszentmihalyi) and “Fiero” (McGonigal).
LEVEL 6

Summary: Towards a More Playful Future
It would be remiss of us, at this stage, not to acknowledge the existence of sceptical voices out there. Even the most enthusiastic proponents of the power of games – and their potential power to effect real world change – are prone now and then to moments of introspection.

Even the ever-optimistic Pat Kane admits that he has succumbed to scepticism and doubt about the role of games in the enterprise economy. He writes in particular of one initiative, whose blushes we’ll save by refraining from identifying it (and in any case it came from the era before “gamification” had properly hit its stride). But the project, Kane recalls, seemed rather forlorn: “It felt patronising, creaky, a dam erected by a corporation to generate power from flows of play it could never understand.”

Indeed, many critics of early “gamification” initiatives (there was a steady stream of sceptical articles in high-end business journals two or three years ago) have tended to argue that problems almost always stem from attitudes of “short-termism”. Some brands and companies, said one analyst back in 2012, have clearly believed that “gamification” amounts to little more than “force-feeding” rewards to consumers in return for their attention.

And the business press has, on occasion, been particularly scathing about the whole notion of “gamifying” the workplace. In 2012, for instance, one Economist leader thundered: “Trying to enliven boring, unskilled work is risky; presenting cutey badges to call-centre staff can easily come across as patronising rather than motivating. Workers already toil for reward – money – and will be suspicious of attempts to introduce a new form of compensation that costs their bosses nothing.”

Perhaps (from some perspectives) the most disappointing rebuke of all came courtesy of Richard Bartle, the author of Designing Virtual Worlds, and the creator of “The Bartle Test” to help categorise different personality types among the players of MMORPGs. In May 2011, he famously dismissed “gamification” as a fad, saying: “It’s basically bribery – rewarding someone for doing something that you want them to do. It’s an acknowledgement that your content isn’t compelling.”

What’s more, some commentators (and this is particularly prevalent in the advertising trade press) have argued that, even if “gamification” schemes succeed in changing behaviour, they do so only superficially. And indeed, they further argue, this behaviour change may actually be counter-productive in the long term. There’s a danger that, when people engage with “gamified” mechanisms, they become “meta” players – in other words, “playing the game” becomes just another facet of “playing the corporate game.”

Interestingly, some marketing and ad agency innovators have chosen to ignore or dismiss these sceptics altogether, implying along the way that the nay-sayers are, by definition, retrograde thinkers. Others, however, have engaged with the debate – and indeed have welcomed it.

They argue that, for as long as this debate exists, it rather proves that there’s something worth exploring here. And in any case, pioneers and early adopters are bound to make the odd mistake: and, in fact, learn more by doing so.

But, from a marketing perspective, if you have any doubts whatsoever about what can be achieved, look no further than Nike+, an elegant programme that was effective on just about every level imaginable. It offered a beautifully structured matrix of challenges, delivered through an inspired use of technology; it helped people fulfil personal goals while demonstrably making the world a better place; and, along the way, it helped shift some sportswear too.

What’s more, there’s a school of thought maintaining that, even if you don’t get the structures and mechanisms right first time, there are huge benefits to be had even from putting this on the agenda.

Because it’s a cultural thing. At its simplest level, even thinking about “gamification” projects means that you’re well on the way to acquiring new corporate attitudes,
almost by osmosis.

Others, clearly, are more intolerant — and there are those, as we’ve already touched on in an earlier chapter, who argue that there are all sorts of sectors of public and business life (banking and finance, for instance) where the application, for whatever ends, of game mechanics may just never be appropriate. However, even these preconceptions are being challenged by brands such as “Simple,” an American bank ripping up the rule book and “gamifying” savings in an engaging way; or energy companies that “gamify” the amount of energy saved (thereby saving the consumer money while appealing to a global philanthropic cause).

One counter-balance to the argument that “gamification” is not appropriate to all industries is that major corporations, across all sectors of the economy, are actively pursuing initiatives in this sphere.

There is the notion, still being floated by management consultants, that major corporations, across all sectors of the economy, are actively pursuing initiatives in this sphere. Gartner, the technology research company, for instance, continues to produce a steady stream of reports on “gamification” trends.

And culture just has to be an important factor. In their book, For The Win, Kevin Warbach and Dan Hunter argue that the world would be a better place if more people just learned to think like game designers. And indeed, in some respects, the first lesson of “gamification” may well be that, in all sorts of situations, it can pay to adopt a playful mindset. When looked at in a certain light, “gamification” is (at an entry level) no more than a potent new take on an older and wider discipline — motivational design.

So the forward-facing view has to be that, on balance, the potential reach of “gamification” is nothing to do with sector and everything to do with mindset. And you could also advance the proposition that, if the business world wants to drive forward the “engagement economy,” it should do more to adopt the sorts of big-picture corporate narratives that can engender positive forms of engagement. It must emulate, in other words, the altruistic mindsets most commonly found in some branches of government or charitable foundations or NGOs.

Going forward, if “gamification” is about anything, it’s about future-facing corporations aligning themselves with more philanthropic ideals. The ideals, for instance, of Race to the Top, a $4.35 billion United States Department of Education contest created to spur innovation and reforms in state and local district education.

Instituted as a central pillar of the American Recovery and Reinvestment Act brought forward by President Barack Obama and his Secretary of Education, Arne Duncan, it awards points to individual US States for satisfying certain educational policies and reaching performance targets.

Or, to take another celebrated instance, the ideals of Sweden’s speed camera lottery. Most speed camera networks are set up in order to identify and punish drivers who break the law. In Sweden, the system was reconfigured to record the details of those complying with speed limits too. Bad drivers are fined and the
cash rolled up into a lottery fund, with good drivers automatically qualifying for a ticket and a chance to scoop each month’s fund. It has had an astonishing impact on driving habits.

Or, at a more intimate level, the ideals of Jane McGonigal’s “alternative reality” projects. Her programme is centred on “games that are designed to improve real lives or solve real problems” by tackling challenges at a planetary scale (hunger, poverty, climate change, global peace) or at a more human level (getting people to dance more or be kinder to strangers).

Her latest game, SuperBetter, is designed to build up your real-life resilience by packaging everyday occurrences into elements of a super-hero story, allowing players to combat health challenges like depression, anxiety, insomnia, chronic pain and traumatic brain injury.

This is clearly an altruistic and philanthropic project – and yet it’s not entirely dissimilar to a programme devised by GE Healthcare, which utilises social media and apps featuring game mechanisms to promote healthier lifestyles.

It’s a classic example of social responsibility developing hand-in-hand with the potential benefits of “gamification” strategies. Neither is it an accident, you might surmise, that social media tends to be a prominent part of the mix here too.

As social media commands increasing amounts of people’s media time, brands of all sorts will become more focused on social strategies – and game mechanics will almost inevitably contribute to this in a major way. And not just any old game mechanics.

If you believe that the construction of a social media infrastructure amounts to an inherently progressive and humanitarian project (and many do) then, by implication, we’ll see a growing emphasis on the communitarian aspects of game playing.

Indeed, you can argue that the two phenomena – “gamification” and social media – will merge and become indistinguishable. As SCVNGR founder Seth Priebatsch puts it: “It feels like the next natural evolution of human-technological interaction. As we complete the social layer, we’ll begin in earnest on the game layer.”

In this context, McGonigal and others are also fond of quoting the manifesto advanced by Don Tapscott and Anthony Williams in their 2006 book, Wikinomics. “We must collaborate or perish – across borders, cultures, disciplines and firms and increasingly with masses of people at one time.”

So… is “gamification” important? Absolutely. It’s part and parcel of something rather exciting and revolutionary – even at this early stage of its development. The stakes are high and the prizes may be greater than anyone has really yet grasped.

In other words, say the super-optimists at the forefront of the creation of a new digital economy, it’s almost inevitable that we’ll all have more leisure time – and games will help us use that time beneficially. Social media and “gamification,” as two sides of the same coin, will continue to drive human connectivity. A “gamified” social media layer will help us save the world while saving our sanity.

In 2013, Google executive chairman Eric Schmidt and his co-author, Jared Cohen, published The New Digital Age, a book about connectivity and the new forms of social contract that will underpin a new type of civilisation – a civilisation that will be part physical and part virtual.

“We cannot eliminate inequality or abuse of power, but through technological inclusion we can help transfer power into the hands of individual people and trust that they will take it from there. It won’t be easy but it will be worth it.”

The gamut that is named within these pages as “gamification” is clearly still in debate. The debate rages around definition, application and potential results.

By definition, we assert that “gamification” is a term to describe the insertion of intrinsic or extrinsic rewards to a system or process, which people enter in to voluntarily. We also assert that good “gamification” is where the people who enter in to voluntarily. We also assert that good “gamification” is where the potential results.

And of course, how we get there is still very much up for grabs. The book concludes: “When given the access, the people will do the rest. They already know what they need and what they want to build and they’ll find ways to innovate with even the [most meagre of tool sets]. Anyone passionate about economic prosperity, human rights, social justice, education or self-determination should consider how connectivity can help us reach these goals and even move beyond them.

“The best thing anyone can do to improve the quality of life around the world,” the book suggests, “is to drive connectivity and technological opportunity.”

We suspect that the debate around the application of “gamification” will continue to...
have advocates and critics as each individual case is evaluated. Only history will tell us which applications were the most successful or influential. What we can know in the present day though, is that we will see many forms of “gamification” being applied to innovation systems, employee practices, real world problems and marketing campaigns with mixed success. And where one attempt fails, it will not debunk the theory; it will serve to solidify the accepted norms and help refine our collective view of how to “pull it off”. Just as social media practices have been scrutinised, with some being summarily dropped and some replicated, we will see a similar pattern with games.

The potential results are therefore unpredictable, but vast. We enter the “gamification” paradigm, unaware of where it will take us. Perhaps to a world where no-one works and only plays, or to a world unified by collective endeavours for the greater good. Even without reaching the end-game of either of these potential utopian ideals, the benefit that can be achieved by brands or organisations through innovative uses of collaborative game play is far reaching. Clearly the success already achieved by certain brands or organisations discussed in these chapters show that actual behavioural change on a mass scale can be a very real outcome of “gamification”. And this, after all, is that allusive objective sought by so many brands and organisations alike.

• “Gamification” is still very much at the beginning of its journey.

• Social media and “gamification” will continue to drive human connectivity.

• The full opportunity for brands is still to be developed, but the size of the prize may be greater than anyone has really grasped.
BIBLIOGRAPHY


IN EVERY JOB THAT MUST BE DONE, THERE IS AN ELEMENT OF FUN. YOU FIND THE FUN, AND - SNAP - THE JOB’S A GAME! AND EVERY JOB YOU UNDERTAKE BECOMES A PIECE OF CAKE.
When researchers first began to explore how people could become so utterly immersed in virtual-world computer games, they were mystified. How is it that people put more effort into these games than they put into their day jobs and personal relationships? Why, when they’re playing, are they content to work so hard for so long without pay?

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FOREWORD BY JANE MCGONIGAL

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