

A photograph of three women sitting at a desk, looking intently at a computer monitor. The woman in the center has her hands clasped over her mouth in a surprised or shocked expression. The woman on the left is also looking with a focused expression, while the woman on the right has a slightly open-mouthed look. The scene is dimly lit, with the primary light source being the computer monitor, which is partially visible on the right side of the frame. The background is dark and out of focus.

Lithium

Is Gamification Dead?

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Lithium delivers awesome digital customer experiences at scale for the world's biggest brands.

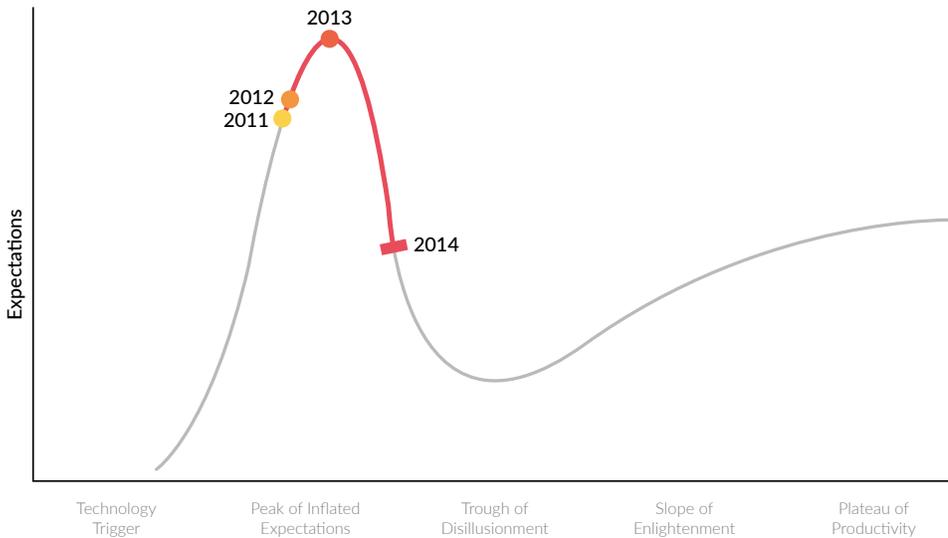
Comprising Social Media Management and Communities, the Lithium engagement platform enables brands to manage multiple digital touchpoints, facilitate millions of conversations, and drive smarter decisions through data—connecting customers, content and conversations at the right digital moment.

Signs of decay?

At a glance, gamification appears to be dying. Market growth has been slower than expected. Many bold predictions from the 2011 Gartner Hype Cycle report about the gamification industry simply did not materialize, even two years after the forecasted date. The term “gamification” has received much push back from more traditional businesses. To many, gamification is focused on game mechanics, instead of the

data and feedback that influence behavior. Busy executives who don't have the luxury to learn more about the science behind gamification have dismissed the discipline purely based on biased perceptions of the term. Consequently, Gartner removed gamification from their 2015 Gartner Hype Cycle report.

But does this mean gamification is dying? Let's take a closer look.



IN 2011 IT WAS PREDICTED THAT:

50% of orgs that manage innovation process will gamify those process by 2015

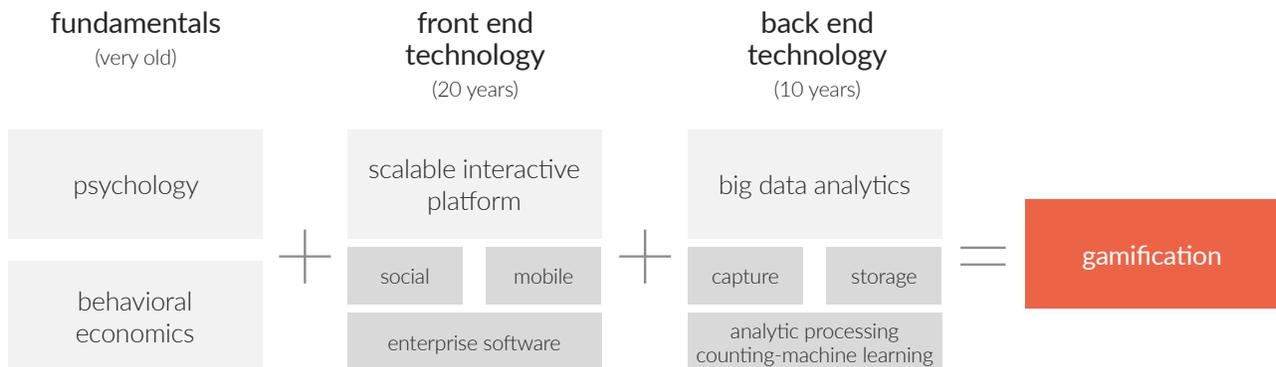
70% of global-2000 orgs will have at least 1 gamification application by 2014

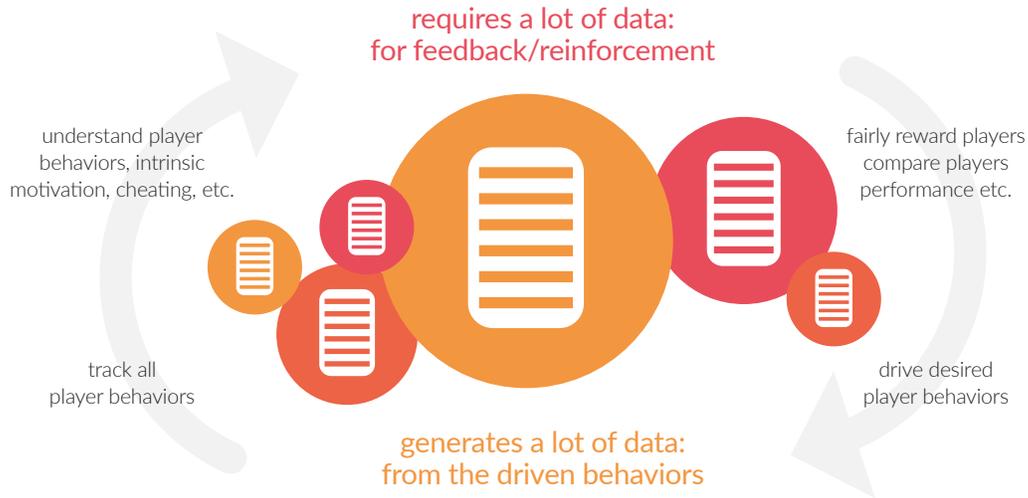
\$2.8B in direct spending on gamification by 2015

What gamification is really about

Most people think of gamification as just the points, badges and leaderboards that are used to motivate users to take certain actions or continue certain behaviors. This is the surface of the discipline. A deeper look reveals three ingredients that enable gamification.

- **Fundamentals of behavioral sciences.**
These are the roots of why gamification works and are based on psychology and behavioral sciences. Some of these are a hundred years old.
- **Front-end interactive systems.**
Developed within the last 20 years, these are the large scale interactive platforms (e.g. social platforms, mobile apps, enterprise software, and wearable devices) that provide feedback and rewards to users for their actions.
- **Back-end big data/analytics systems.**
Emerging within the last 10 years, these are the back-end systems that capture, store, process, and analyze behavior data so that feedback to the user is meaningful.





Many people look at the front-end systems of gamification (which are related to game design) and assume this is the entirety of the discipline. In actuality, gamification is more closely aligned with bio-feedback, a well-known discipline in the health sciences that measures bodily functions and provides visual feedback about certain aspects of health, such as heartrate. Bio-feedback allows people to monitor this feedback and use it to affect how their body works.

To really understand gamification, it must be seen primarily as a **big data discipline**, because it requires us to measure user behaviors before feedback can be provided to drive future actions.

Gamification also generates a ton of data. As certain behaviors are gamified, people exhibit more of those behaviors, which can in turn be measured and tracked. We track the data around those behaviors to inform our understanding of the user and to enhance future gamification efforts. This positive feedback loop generates a continual flow of data.

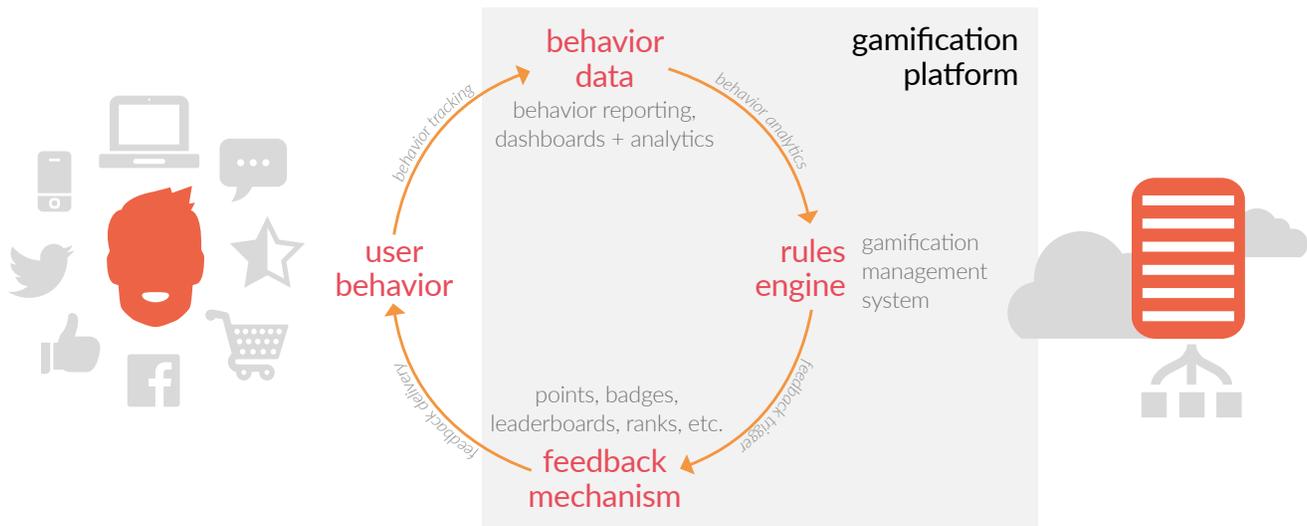
With this understanding of gamification, let's look at why it hasn't lived up to its promise.

Why gamification has failed on its promise

To understand why gamification has not lived up to its promise, we need to look one level deeper into the big data-behavior feedback loop. It consists of four components.

- **User behavior.** At the front end, there is the user interacting with the gamified system (whether it's a social platform, mobile app, wearable, or enterprise software) through their behavior. Since most of these gamified systems are digital, we can easily track the user's behaviors.

- **Behavior data.** The tracked behavior data is basically a digitized view of the user behaviors. It can be surfaced in reports and dashboards to provide deeper insight into the collective behavior of all the users interacting with the gamified system. This raw behavior data is analyzed through behavior analytics which then informs the rules engine.
- **Rules engine.** The rules engine looks at the results of the behavior analytics and decides whether to trigger a feedback to the user or not, and if so, what kind of



feedback and how. The rules engine is configured by the administrator of the gamified system. For example, an airline's frequent flyer program may require users to fly 25,000 miles and spend \$3000 to get a silver status. To get gold status, they would need to fly 50,000 miles and spend \$6000. These rules must be configured by the admin, so when a user's behavior has met the conditions specified by the rules, a feedback is triggered.

- **Feedback mechanism.** At last! Here we have the points, badges, and leaderboards that most people think of when they hear gamification. Once the feedback is triggered by the rules engine, the feedback mechanism delivers the feedback to the user to inform her of what she has achieved. A good feedback should also indirectly signal whether the user should do more or less of something to get to the next level. The goal of all feedback is, of course, to drive or change a certain behavior.

A complete gamification platform consists of three components of this feedback loop: behavior data, the rules engine, and the feedback mechanism, since we do not control the user's behavior. However, since user behavior is the last component of this feedback loop, if we manage the three components well, we can strongly influence it. That is what gamification is all about: influencing behavior with this feedback loop around the user behavior data.

Now that we understand how gamification works, why is it that it hasn't lived up to its promise?

To begin with, the entire industry has been fixated on the feedback mechanism (points, badges, leaderboards) and its delivery. Blindly applying the feedback mechanisms, whether it's badges or leaderboards, without having a sophisticated understanding of behavior science has proven ineffective.

Secondly, even with a good grasp of behavior science, too few people have focused on the rules engine and the behavior data. In fact, the entire industry has missed the huge part of the behavior feedback loop that involves big data and analytics. Most gamification systems were not built to include advanced analytics and, as such, often involve nothing more than simple counting.

So, without sophistication and maturity in behavior tracking, data, and analytics, we simply can't influence complex behaviors effectively. This is why gamification has failed to live up to its promise.

But is it dead?

The future of gamification

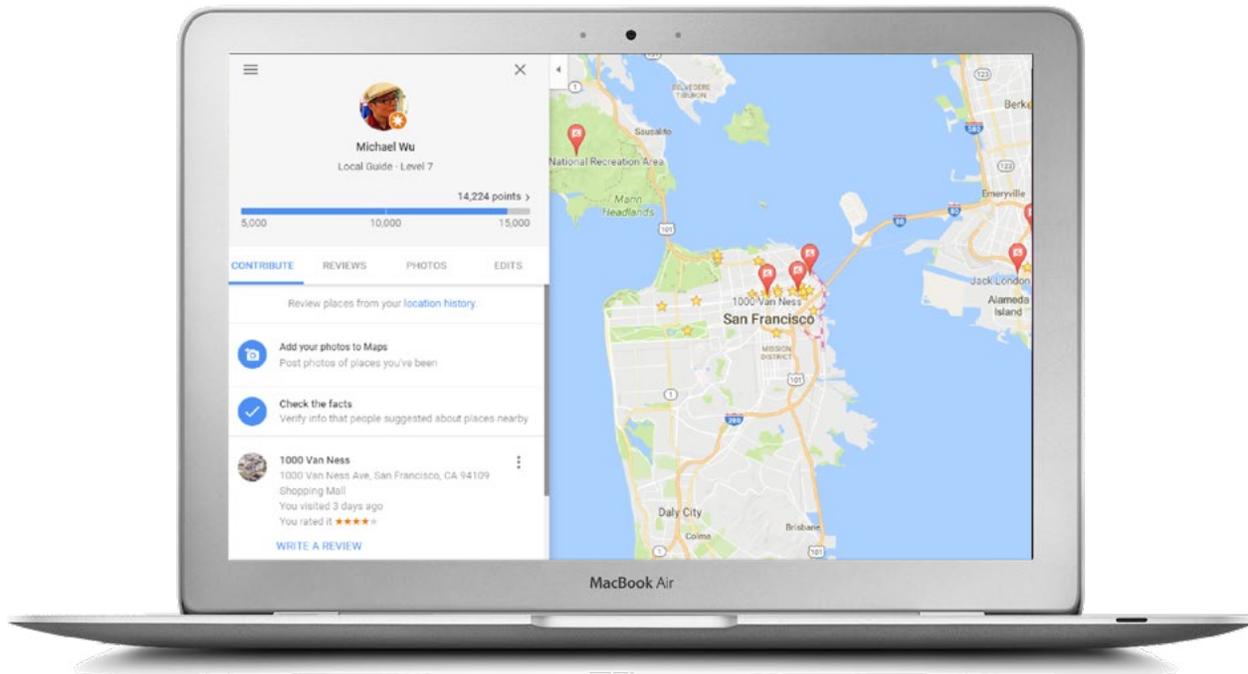
While it has failed to achieve its potential so far, gamification is certainly not dead. It is being reborn. To realize gamification's full potential and move the industry forward, gamification practitioners are learning to be more data savvy. We are becoming data analysts and data scientists in addition to behavior scientists and game designers.

It has become clear that every effective gamification platform of the future will also be a big data and analytics platform. People are starting to realize that you simply cannot change a behavior you can't measure. There are two trends in the industry that indicate this shift:

Moving from bolt-on gamification to native gamification.

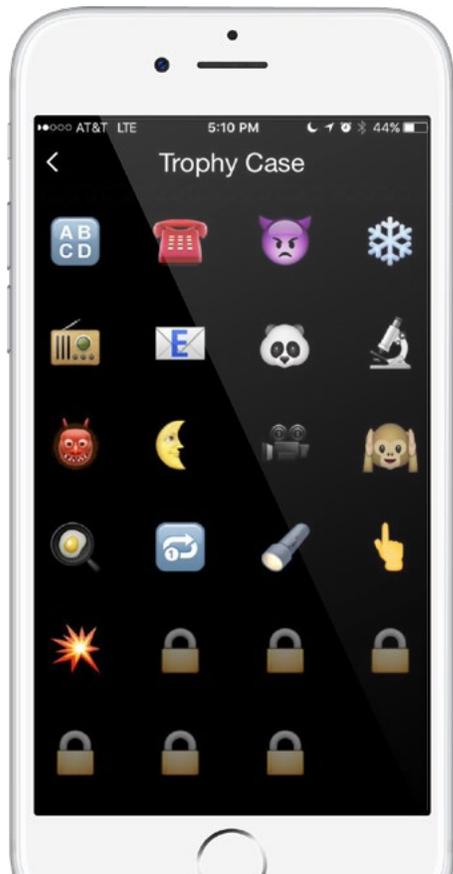
Because gamification of complex behaviors requires deep behavior data from many different individuals, many platforms find it unfeasible and not worthwhile to integrate their front-end interactive system (where the behavior data are captured) with stand-alone gamification platforms.

Instead, it's easier to build the rules engine and feedback mechanisms natively on top of their own interactive platform where all the user's behavior data and their contextual metadata are easily accessible. For example, Google Maps is



beginning to gamify people to contribute content to their geo-information systems by answering questions about venues, rate and review restaurants, contribute photos, validate location facts, etc.

This may explain why many stand-alone gamification vendors have not performed as well as hoped, because they can only gamify relatively simple behavior using a cookie-cutter approach. That said, however, they do have a valid and needed place in the market because not every business application requires gamification of complex behaviors.



Becoming an integral part of standard design process.

Designers of interactive platforms, mobile apps, and wearables are now including gamification elements as standard parts of their designs.

For example, Snapchat (the popular photo/video sharing app) is filled with gamification throughout the app. It has the most basic gamification, which tracks the number of snaps you create, save, sent, received, and virtually everything you do in the app. Upon reaching certain milestones for doing different activities, trophies that **reflect** your proficiency with different aspects of the app can be unlocked.

Snapchat also leverages several important game mechanics throughout the app. For example, **the loss avoidance mechanic** is built into the core of the app. This is most apparent in a unique feature of Snapchat where shared snaps disappear after being viewed. Another is the breaking of a “Streak” of engagements with friends. These mechanics encourage steady behaviors over time rather than just a spike of activities. The creative usage of the collection dynamic with their Stickers also empowers expression and experimentation, which are powerful motivators.

Ultimately, Snapchat embeds a lot of sophisticated gamification deep within their platform that leverages people’s inner creativity with their use of the camera. There are endless possibilities in creating photo and video snaps, which can be challenging and time-consuming. The design of such a creative process that makes it playful and fun is crucial to its success. The result is an amazingly engaging app with over 100 million daily active users.

Whether it an app, a software, a digital device, or any electronic gadget, today's designers understand that they must design for engagement in addition to functions. This is needed to capture the fleeting attention of users and create stickiness.

The future is hopeful.

Not only is gamification not dead, some might say it is so alive that it is becoming a part of everything we do and soon people won't think of it as something separate at all. In fact, the term gamification may drop out of our lexicon, just as most people have dropped the word "smart" from "smartphone" – because nearly every phone today is well, smart. So, while gamification may be subsumed into every aspect of design, the science and best practice behind it will continue to evolve. Advanced analytics must be developed to track and understand complex behaviors, sequences of behaviors, and even long-term behaviors that are very difficult to track. The rules engine must be equipped with a powerful management system to help the gamification admin manage the hundreds and thousands of rules that accumulate over time.

What can you do to realize the full potential of gamification today?



Realizing the full power of gamification

To realize gamification's full potential, we must first understand that it is a serious big data discipline. Don't take a box of game elements and look for every opportunity to apply them to drive business outcomes. You must be strategic and intentional in how you leverage gamification.

Here are four steps to help you realize the power of gamification:

1. **Identify what you are trying to gamify.** These are the behaviors you want, NOT the game elements. For example, to drive community participation you may want to drive behaviors such as: visiting the community, reading community posts, kudoing posts, sharing content, asking questions, answering questions, etc.
2. Determine if you have analytics to measure all the behaviors you want to gamify. Data is crucial to all gamification. In fact, I've made data one of **the tenets of successful gamification** – you cannot gamify any behavior that you can't accurately measure.
3. Understand your users and what motivates them. You cannot leave this to guesswork. You must dive deep into understanding who your target users are and what matters to them.
4. Design your program around your users to drive their behavior. Once you know your users, pick game elements that most effectively deliver the feedback to them. This includes everything from what you call the points in your gamification, to the design of your badges, to the gradations, ranks, and the names of ranks. Also, include the other feedback you want to give users to guide their next behaviors.



Take the next step

As we have seen, gamification may appear to be dying, but in reality, it is being reborn as gamification practitioners realize the importance of data and analytics in this discipline. Gamification has the power to influence your customers and drive the desired behaviors you want, but only when you take the time to dive deep into the big data behind those points, badges, and leaderboards.

To learn more about how gamification can work for you, visit [Dr. Wu's blog](#) or contact [Lithium](#).



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The Lithium platform is the leading solution for digital customer care and engagement. Lithium offers Community, Social Media Management and Messaging to help Fortune 1000 companies listen, respond and act on digital conversations – creating deep customer relationships and fostering brand advocacy. With over 15 years of expertise, Lithium has a massive digital footprint of approximately 500 million digital interactions analyzed daily and 50 million digital interactions powered monthly. Learn more at lithium.com, join our community at community.lithium.com, or follow us on Twitter [@LithiumTech](https://twitter.com/LithiumTech). Lithium is based in San Francisco.

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