August 26, 2015

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# How Gamification Can Transform Business Processes

Posted: 08/26/2015 5:12 pm EDT   |   Updated: 2 hours ago



Cheers erupt from the living room where half a dozen teenaged boys are gathered in front of the TV. "Yes! What a goal! That was sweet!" Poking my head in, I ask, "Did the Canucks just make the playoffs?" They laugh. "Mom, it's NHL 15, a video game," my son explains. Only a game, yet the energy, the excitement and the emotions are very real.

It's not just teenagers that are playing. According to the Entertainment Software Association of Canada, the average age of Canadian gamers is 33 years old, and 54 per cent of Canadians surveyed admitted to having played a video or computer game in the past four weeks. There's no doubt that the gaming industry is big business -- a $2.3-billion industry in Canada alone -- and the revenues can be astounding -- Call of Duty: Modern Warfare 3 raked in $775 million in its first five days alone.

What organization, in any industry, wouldn't want to generate that degree of devotion with its own customers or employees? Perhaps by studying what makes games so compelling, and applying those concepts, they can. "Gamification," the term for this process emerged around 2010. Dr. Ian McCarthy, Associate Dean with Simon Fraser University's Beedie School of Business explains,

> "It's not about creating games, its about learning from the world of games, and the psychology and behavior that go in there and why they get such fantastic levels of engagement. It's about gamifying, non-gaming situations and processes that happen in various industries."

Businesses have successfully used game-like experiences to increase loyalty and engagement long before the term gamification was coined, for example, frequent flyer programs. However, the rapid rise of gamification, according to McCarthy, can be attributed to several factors: the quest to get a reaction, the pervasiveness of social media, web-based and mobile technologies, and the growth of the video game industry. The initial buzz was such that Brian Burke of Gartner Inc., an American information technology research and advisory firm, predicted that by 2015 forty per cent of Global 1000 organizations would use gamification to transform business processes.

There have been notable successes. One example, as described by McCarthy, was the marketing campaign for rapper Jay Z's book *Decoded*. Advertising agency Droga5, in conjunction with Microsoft's search engine Bing, turned the book launch into an online and on-the-street scavenger hunt. The players, Jay-Z fans, set out to find all 320 pages of *Decoded*, in various sizes, in unexpected places including at the bottom of a pool in Miami, on cheeseburger wrappers in one of Jay-Z's favourite restaurants in New York city, and painted on a car parked on a street corner in his old neighbourhood. During the book launch Jay-Z's Facebook friend base increased by over one million, *Decoded* spent 18 weeks on the New York Time's best-seller list, and Bing's search traffic increased by 12 per cent.

Initial predictions on the success of gamification, however, appear to have fallen short with Burke later stating,

> "We predict by 2014 eighty per cent of current gamified applications will fail to meet business objectives, primarily due to poor design."

Burke remained optimistic, adding that in the longer term gamification would have a significant business impact. McCarthy suggests that for gamification to be more widely and successfully adopted by managers it needs to be broken down into simpler steps, and that to date there has been very little research in this regard. A team of researchers from the Beedie School, including McCarthy, aims to change that. One of the early stages of their research was to develop a conceptual framework of the gamification process. They identified three principles that they tagged with the acronym MDE: the mechanics, or set-up and rules; the dynamics, or player behaviour; and the emotions.

> "If you get the MDE right then you get powerful games where people are motivated to spend lots of time and money engaging," said McCarthy.

Next they focused on understanding and defining various types of players, and how to create engaging experiences for each type. For some the thrill of the game is in competing against other players; for others, learning new skills, achieving a personal best, socializing, or a mix of each. I asked my son why he plays NHL 15:

> "To have fun with my friends," he said.
> "Do you ever play it on your own?"
> "Yes, to get better by playing against the game."
> The attraction clearly more than just "fun."

While The Beedie School research presents a useful framework and set of recommendations, it still needs to be tested and refined to show how it can be used successfully in various business processes. McCarthy sees the development of the framework as a foundation to build upon, not just for themselves, but also for others who might undertake similar research.

I'm in the minority of Canadians and not a gamer, yet when McCarthy concluded a recent talk on gamification with a game to test how well we'd paid attention, I sat up straight, all ears, finger poised above the answer tab on the just-installed app on my cellphone, eager to win five seconds of fame. It was not to be -- now if only I'd had my in-house expert with me.

*Also on the Beedie School research team are faculty Jan Kietzmann and Leyland Pitt, current PhD students Karen Robson, and Kirk Plangger. McCarthy's full presentation on gamification can be accessed here*

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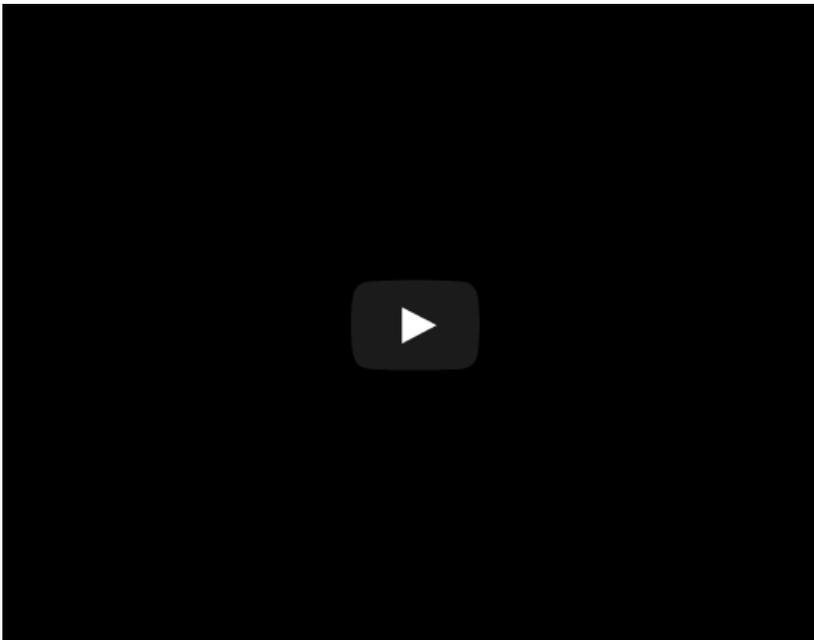
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