Gamification in Business: An Introduction

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Abstract: Gamification is a transformation of something into a game. It is the process of incentivizing peoples' engagement and activities to drive results with game-like mechanics. It aims to bring elements of games into business processes, engage, and facilitate creativity and innovations. It does this by borrowing key concepts from the gaming industry. These concepts include competitiveness, mastery, sociability, achievement, and reward. This paper provides an overview on gamification in business and its applications.

Key words: games, gamification, business.

INTRODUCTION

In the contemporary world, managers and organizations always seek to implement new approaches to management. The use of digital games has demonstrable potential to improve many aspects of how businesses provide training to staff, operate, and communicate with consumers. Games are widely popular and entertaining. The games industry is one of the most lucrative industries due to the billion dollar sales of digital games. The global game marketplace includes video game console hardware and software and online, mobile, and PC games. Games are designed systematically, thoughtfully, and artistically for the purpose of creating fun and enjoyment. Figure 1 shows various uses of games. The difference between regular and "serious" games is that the latter promote "serious" purposes, such as learning and motivation.

Although games and gamification have a lot in common, they are not exactly the same [1,2]. Gamification, as opposed to serious gaming, is the process of applying the science and psychology of digital gaming (such video game elements) in a non-game environment. It is the craft of deriving all the fun in games and applying them to productive activities. It involves taking something that already exists and integrating game mechanics into it to motivate participation and increase engagement [3]. Like games, gamification includes goals, challenges, competition, and collaboration. For example, it is being employed to enhance user engagement by adding playfulness and fun to existing information systems.

WHAT IS GAMIFICATION?

The word "gamification" was coined in 2002 by Nick Pelling, a British inventor, but it did not gain popularity until 2010. The idea of gamification came from the fact that the gaming industry was the first to master human-focused design and we are now learning from games. Gamification is not a new concept, but it is deeply rooted in marketing endeavors, such as points cards, grades, and degrees, and workplace productivity [4]. Researchers became interested in gamification because the

concept could be implemented in different ways to motivate people. Gamification has become hugely popular in all walks of life, including education. The concept of gamification is illustrated in Figure 2 [5].

The gamification can be viewed in two ways: (1) adopting the act of playing a video game into everyday use, (2) the act of using game elements to make non-games more enjoyable. It is applied in education, business, sports, marketing, and finance. It is currently one of the largest trends in education. Traditional education has been found to be ineffective in motivating and engaging many students. Gamification is cutting-edge approach which is producing positive results in every region of the world.

Everyone loves games. Gamification just takes advantage of that innate desire. It can make practice fun. It can make the routine less droll. Online games have become bolder and more diverse. Gamification involves the introduction of gameplay to a traditionally non-game environment. Its goal is to encourage user engagement. There are several organizations that use gamification to engage users. These include US Army. Nile, Hilton Garden, McDonald, and Starbucks.

GAMIFICATION IN BUSINESS

Utilizing gamification for business is a great way to boost productivity and keep employees engaged. Gamification in business works because it helps everyone see how their work matters. It encourages the type of activity and data collection you need to make decisions. It can be used to support new hires by standardizing the process. It is the duty of the business owner to provide optimum working conditions for your employees. Adding gaming elements to mundane, boring processes makes the workday go by faster, resulting in higher efficiency and productivity. Gamification in business is largely used to [6]:

✓ Keep skills up to standard

✓ Improve overall knowledge

✓ Boost motivation

✓ Improve data retention

✓ Encourage self-directed learning

✓ Grow team skills

✓ Track and measure activities and behaviours

✓ Improve comfort with problem-solving

✓ Incentivize performance at the top

✓ Help those who are underperforming

✓ Give immediate feedback

Gamification for business takes mundane, everyday boring processes and makes them fun using game-like elements. Gamification business strategy may be regarded as the process of taking something that already exists and using gaming techniques to motivate consistent participation and long-term engagement. In most cases gamified business software uses the common game-style elements [7]:

✓ *Points*. A reward for performing certain tasks.

✓ *Progress indicators*. A status bar or percentage showing how much was done.

✓ *Badges*. Virtual achievement is designed to measure the activity of participants.

✓ *Levels.* The status which a participant reaches through his activity in a game.

✓ *Leaderboards and ratings*. Tables that determine leaders among participants.

✓ *Interactive elements*. Quizzes, surveys, contests, counters, animations, etc.

These elements can be combined in various ways to create diverse motivations and experiences.

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APPLICATIONS

Gamification has been widely applied in different areas such as education, business, marketing, workplace, healthcare, edutainment, information studies, human–computer interaction, financial services, transportation, engineering, computer science, manufacturing, medicine, cybersecurity, and military. Gamification has a lot of potential applications. We consider some of these applications [7-10].

➢ *Workplace:* A lot of people are naturally competitive with their colleagues for a variety of social and monetary reasons. Such competition can motivate employees, make them achieve more results, and be productive. Gamification in the workplace creates a simple way for employees to view their own progress and build continued engagement within the company. It is a low-cost way to motivate employees. When done properly, gamification in the workplace can help improve business results in various ways. Gamification should bring more meaning and fun into the workplace. It should promote retention of employees and increase their knowledge sharing. In a gamified workplace, each employee receives notifications on results of his work in a form of badges, scores, and can track the results of colleagues. Since gamification is data-driven, businesses can monitor the performance of gamification initiatives among the employees. Figure 3 shows how gamification can engage and motivate employees [11].

➢ *Ecommerce:* Gamification opens limitless possibilities to providing a unique and memorable shopping experience. It has become a powerful tool in the fight for online shoppers' preferences. Gamifying the shopping process makes it more entertaining and motivates people to visit your website more often. In ecommerce, gamification helps to turn a one-time buyer into a regular customer.

➢ *Healthcare:* Gamification initiatives flourish in healthcare and medicine. There are loads of websites and applications that help to improve health and wellness. Healthcare organizations use gaming technologies to improve relations with patients, make medical treatment and rehabilitation more effective. Adding gamification elements to your healthcare practitioners' days can be a great way to make the day go faster and less stressful.

➢ *Marketing:* Gamification can be used in marketing strategies. It is used in marketing to drive consumer engagement. Many organizations gamify marketing strategies to boost customer engagement and loyalty, and consequently generate greater profits. Applying gamification in your marketing can help to improve user engagement, drive more conversions, increases the odds a consumer will be motivated long enough to buy, and win you more sales. Several companies have used gamification to enhance their employees' training, conduct surveys with their audience, etc. For example, the fast-food giant McDonald offered cash prizes in the millions for customers who held the relevant game pieces. Digital badge is perhaps the most common type of gamification in digital marketing.

➢ *Business Education:* The idea of gamification has become most popular among the youths, who are also known as digital natives. Digital natives think and learn differently. Gamification is a merger of technology and psychology that makes learning fun and engaging. It is the art and science of taking the mundane, in a business learning environment, and turning it into fun. Most successful gamification ideas for training use small chunks of gaming activity to deliver maximum amount of behavioral modification impact. Using gamified learning in business training creates environments that motivate and engage employees into greater participation. It may help reshape the behavior of billions of workers worldwide.

BENEFITS

Gamification has become a popular and effective technique for increasing the productivity of employees and to promote a business. Its main benefit is increased user engagement. Another benefit of having gamification on your site is to collect data on the users. Few business tools are revered as passionately as gamification. Organizations that implement gamification strategies are seven times more profitable than those that do not use them. Gamification in business can boost customer loyalty

by higher levels of engagement. Loyal customers in turn refer more people and bring in more business.

Gamification in business is gaining popularity as more companies struggle to retain staff in a competitive marketplace and keep customers loyal. Gamification techniques can be employed to make daily work more exciting. They can help to discover true talents. By introducing games, businesses establish ongoing relationships with their customers and get the maximum results. Since gamification implies statistics gathering, it helps to collect information on behavior and preferences of consumers as well as their feedback.

CHALLENGES

Although there are a lot of benefits to gamification in business, there are also pitfalls. Gamification faces limits as different innovators try to gamify classrooms and business. Employees can misuse gamification; they may cheat to obtain better results or may not take gamified tasks seriously. No matter how interesting and exciting the game can be, it gets boring to the participants after some time. Some critics even say that gamification efforts have learned the wrong lesson from game design by overemphasizing points, badges, and levels as rewards to motivate employees.

Gamification faces the same risks that all games possess. The consumers can become addicted and exploit the game at the expense of others. Gamification can also feed a toxic work culture. Gamification that rewarded bankers for making high-risk loans led to a mortgage meltdown and financial crisis in 2008. In gamification, there cannot be winners without losers. Invariably, some consumers will associate the game with a negative experience. In spite of these challenges, gamification has been actively and successfully implemented in a variety of industries for more than a decade.

CONCLUSION

Gamification is changing our world. It is experiencing a rise in interest from many industries that showed no interest before. Gamification ideas should be used to add more fun and efficiency to our work and business. Engagement and performance are at the top of the list of priorities for growing businesses. Engaging and motivating employees increases performance and generates more value.

The concept of gamification has raised a great deal of interest in both industry and academia. When gamification is done right, it can work wonders for a business. For more information about gamification in business, one should consult the books in [12-16].

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Figure 1. Different uses of games.

Figure 2. The concept of gamification [5].

Figure 3. Gamification can engage and motivate employees [11].