

# Marketers turn to 'gamification' to encourage online interaction

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Phoenix marketing agencies are using new online advertising tools and marketing gimmicks that have the feel of video games to lure new customers.

The approach, known as "gamification," is gaining attention from local companies as they seek new ways to sell products and services in an increasingly competitive landscape.

In its simplest form, gamification might involve giving awards and rewards through social media platforms such as Foursquare, recognizing people for how many times they visit a business.



Steele

"Just based on the last year, it's kind of gone crazy for us," said Darren Steele, strategic director at Mindspace, a Tempe-based agency that specializes in gamification.

The approach is seen as a way to help businesses engage customers more interactively than previous advertising models. It takes its cues from video-game theory, which calls for making choices to drive people's involvement in a campaign.

Digital agencies are either looking at the space for certain customers or getting inquiries about how to use it in campaigns. Businesses, however, are looking to get even more customer involvement, said Steele, who previously worked for

Microsoft Corp. in the development of that company's Xbox game console.

"Some of (the businesses) have come to us and said, 'We've used badges and leaderboards, and we need something to kind of get on top of that,'" he said.

Many of those requests are coming from *Fortune* 500-type companies looking for the next best thing. Steele said in many respects what video game developers are doing to keep people interested is not new, but is being repurposed for a new medium.

"In a way, it's been around for a long time," he said. "In hospitality, points and miles are a form of gamification."

The goal for businesses is to create customer interaction, and gamification moves beyond a social medium and traditional passive advertising models that many companies rely on. It's increasingly important as younger generations weaned on video games and interactive entertainment are becoming a large part of the consumer base, said Eric Brandt, CEO of Defero USA, a Phoenix-based agency specializing in interactivity and

social media.

"Strategic gamification, which is a gaming strategy based on understanding the consumer as well as the brand principles with which the consumer most relates, does more than just give brands something to talk about or promote to its user base," he said. "If executed properly, it can give users a full-surround brand experience that can often strengthen the bond and loyalty between the individual consumer and the brand."

Marketers have tried this approach for years, but now have online video and other methods with which to deploy it that can show more direct results than efforts used in the past, Brandt said.

Chris Johnson, CEO of Terra-lever in Tempe, said it's more difficult to use gamification

in social media because of that medium's limitations, but the technique is becoming increasingly useful in other venues.

"When looking at more traditional display advertising, we're big fans of leveraging game mechanics and gaming in general to incite interest and drive engagement with ad units," he said. "We actually created units that leveraged embedded mini games as far back as



Johnson

2008, and we've seen great results from doing so."

Clients who have used the technique say they can see the results. Libby Cain, vice president and director of marketing for Mindspace client Extraco Banks in Waco, Texas, used a gamification approach to switch from free to fee-based checking accounts. She said the bank was able to track an increase in the number of conversions to different types of accounts through the ad campaign.

"What we were really focused on was to lead our customers through the change," she said.

Steele said while gamification is becoming more popular, business clients need to be careful how they use it.

"If you're selling coffee and you're doing a video game that has an element of running a coffee shop, it might not be that fun," he said.

Some businesses give away rewards for customers who check in regularly via Foursquare, illustrating one form of gamification.

