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## Unleash an Epic Incentive Program: Leveraging the Power of Game Design

This white paper will illustrate how properly designed incentive programs, just like games, tap into the psychology of key human needs and how they work to motivate people and change behavior.





## Introduction

The 2016 Society for Incentive Travel Excellence (SITE) Index survey found that 90 percent of CEOs now acknowledge the importance of incentives; however, less than 50 percent understand why they work.<sup>1</sup>

This white paper will illustrate how properly designed incentive programs, just like games, tap into the psychology of key human needs and how they work to motivate people and change behavior. It's no surprise that companies such as MLB, Adobe, NBC, Walgreens, Southwest, Panera and many more have launched major gamification projects to enhance learning, social collaboration and innovation in the last few years. The practice is growing because game design can help create desired business outcomes.

### What you'll learn:

- Why you should apply elements of game design to create successful incentive and recognition programs that will move your business forward.
- How to leverage strategic principles of gaming to maximize the effectiveness of incentive programs.

### Why the HALO Should I Care? **Warning: these facts may surprise you.**

A researcher at Carnegie Mellon University found that the average young person today in a country with a strong gaming culture will have spent 10,000 hours playing online games by the age of 21. To put that into perspective, for children in the United States, 10,080 hours is the exact amount of time spent in school, from fifth grade to high school graduation, given perfect attendance.

According to NewZoo, the \$99.6 billion gaming industry is expected to surpass two billion gamers in 2016. If employers are concerned about the ever-increasing millennial population in the workforce, it's important to note that the average gamer is 35 years old, and 73% are age 18 or older.

Although its popularity may have already peaked, the overnight mobile game sensation, Pokémon Go, put many businesses on the map, literally. A survey from Slant Marketing found that 51% of Pokémon Go players visited a business for the first time while playing the game, 48% of players who were lured to a business stayed 30 minutes or more, and on average, spent \$11.30 at the businesses they visited while playing.

Clearly, people put a lot of time, money and emotion into gaming. Not to mention, when was the last time you made an immense personal investment in what you were doing at work?



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**10 THOUSAND** hours spent gaming

**2 BILLION** gamers

**51%** POKEMON GO players visited a business for the first time

\*What’s an Easter Egg, you ask? It’s a hidden feature or item in a video game.

When playing a video game and you come across an “easter egg,” you’ve found something that the developers hid as an added bonus. Usually they’re a feature or item that’s a nod to another game or popular topic. For example, in the first BioShock game, the only time you get to see what your character looks like is when you go through Andrew Ryan’s office and look at the security camera photos laying around.

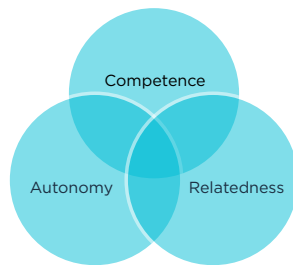
### Easter Eggs\*: Reveal the secrets of behavior change

User experience designer and researcher Sebastian Deterding says that the use of games beyond pure entertainment is nothing new. “One of the main reasons...it has become an important topic in recent years is due to the emergence of the experience economy, an economy where individuals value the maximization of self-expression and personal well-being over authority and economic achievement.”<sup>vii</sup>

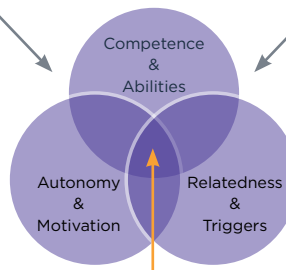
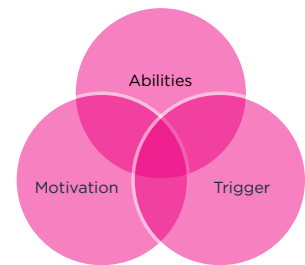
Similarly, the authors of the research paper *A Motivational Model of Video Game Engagement* explain the **Self Determination Theory** and propose that “both the appeal and well-being effects of video games are based in their potential to satisfy basic psychological needs for competence, autonomy, and relatedness.”<sup>viii</sup>

After analyzing over 20,000 video games in seven years, C. Scott Rigby and Richard Ryan (2011) also found that video games were most fun, engaging, popular and successful when they encouraged competence, autonomy and relatedness. It’s no coincidence that all three needs take center stage when analyzing engagement of people and creating behavior change in the workplace. According to Dr. BJ Fogg, three factors must converge in order for behavior change to take place: motivation, ability and trigger. Let’s take a look at both the Self-Determination Theory and Fogg’s Behavior Model side-by-side.

#### Self-Determination Theory



#### Fogg Behavior Model



**BEHAVIOR CHANGE**



Gaming example:

### Competence and Abilities

Early coin-operated games such as Pong were structured so that challenges gradually increased in alignment with the player as they progressed through the game. This is important because underwhelmed players can become bored and overwhelmed players become frustrated.



**Competence and Abilities** – Players have the opportunity to develop their abilities and master levels or challenges throughout the game. They become optimally challenged when working toward achieving goals, and they build perceived self-efficacy upon receiving constant feedback. An individual must know they have the proper abilities, including resources, to accomplish the challenges set before them. In an incentive program, participants may feel discouraged or worse, may choose to defer from the program if they don't have the right resources or proper training on how to participate. In addition, people want to feel competent and encouraged they can achieve the challenges set before them. Offering tips and tricks encourages people, both in gaming and incentive program participation.



Gaming example:

### Autonomy and Motivation

Games like The Legend of Zelda provided a variety of choices when it came to game strategies and goals to achieve. Player decisions shaped the narrative of the game and the character they identified with.



**Autonomy and Motivation** – When gaming, the player is in charge. Their actions are based on their personal interests and not controlled by hierarchical decisions. In incentive program design, this can be referred to as motivation. A company's leadership team can't force behavior change on employees; rather employees must be intrinsically motivated to want to change their behavior in alignment with company goals. Business leaders have to appeal to the needs and wants of individuals to drive them to act in the best interest of the company. Working with employees to determine future goals, identifying non-sales objectives, and establishing personal development and growth options are all ways to foster an autonomous environment. When one has control of, and input into their job, higher levels of job satisfaction, commitment, involvement, performance and motivation were reported. On the flip side, low levels of control created emotional distress, role stress, absenteeism, intent to turnover and turnover. Incentive and recognition programs also help to promote alignment of employee's behaviors by offering motivating awards, both tangible and intangible.



Gaming example:

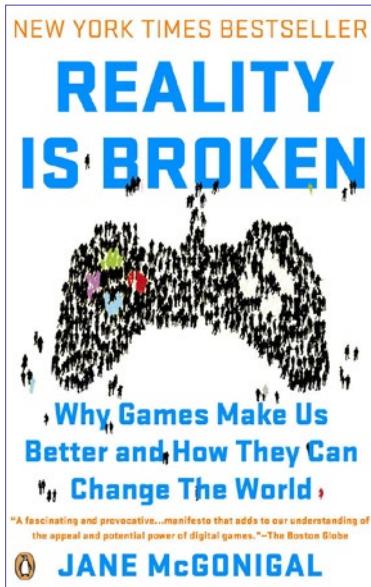
### Relatedness and Triggers

Multi-player games can foster competition or cooperation. In games like Clash of Clans, players are connected through the internet. They can work alone or assemble in armies to defeat enemies. Messages from your clan will incite you to take action to defend yourself in a battle.



**Relatedness and Triggers** – The importance of meaningful relationships, belonging and partnership is an intrinsic need that is met through the socializing opportunities gaming provides. Furthermore, these relationships can also serve as triggers to move people to action. In an incentive program, this can include communication like a call to action from the organizing company or a notification that a colleague has passed the participant on the leaderboard.

## Games Can Change the World and Incentive Programs Can Change Your Business



A well-known game designer and author, Jane McGonigal, has dedicated her career to encouraging real-life collaboration like that demonstrated in mobile and digital technology. According to the Harvard Business Review, “Technologies like virtual reality, multi-user environments, and real-time gameplay are immersing gamers in war zones or distant planets today, but will be used by organizations to build a more collaborative workforce tomorrow.”<sup>xii</sup> In her book, *Reality Is Broken*, McGonigal said “The truth is this: in today’s society, computer and video games are fulfilling genuine human needs that the real world is currently unable to satisfy. Games are providing rewards that reality is not. They are teaching and inspiring and engaging us in ways that reality is not. They are bringing us together in ways that reality is not.” McGonigal further advocates that game worlds produce “super empowered hopeful individuals” and therefore, along with the immense amount of time people spend gaming, have the ability to CHANGE THE WORLD if designed and used properly.

Leveraging the idea that games engage and motivate people, game design strategies can be applied to incentive and recognition programs to change behaviors in the workplace. Incentive and recognition programs can be the ideal application of a gaming world in real life (or IRL in game-speak). Key human needs are met with well-designed and thoughtful programs. Organizations that take the time to establish quality programs reap the benefits of “super empowered productive and engaged employees and partners.” And those people in return are reaping the many benefits of participating, namely the rewards.

## The Quest for Continual Engagement

Next, let's explore the four components that McGonigal believes make games so compelling:

- Urgent Optimism
- Social Fabric
- Blissful Productivity
- Epic Meaning

Similarly, we suggest well-designed and engaging incentive programs contain the same elements.



### Urgent Optimism

In gaming, there is a task at hand, and the player is extremely motivated to complete the mission/s as quickly and efficiently as possible to reach the next phase. With the proper incentive design - depending on the targeted behaviors you are trying to encourage or change - the timescale and rewards offered will make a difference. With the proper communication, both short- and long-term goals can be achieved by cutting through the clutter and creating urgency around the earning opportunity. For example, if you are trying to encourage participation in a spurt program for short-term results, points or badges might be an equitable reward. Alternately, an incentive travel award to an exotic destination would serve as a significant motivator to conclude a year-long sales competition. Either way, peppering in short-term wins helps reinforce progress toward larger goals to maintain engagement.

### Success Story

#### Challenge:

A food-service home delivery provider aimed to:

- Increase route driver sales
- Improve safety
- Meet customer service metrics

#### Solution:

Drivers do not have access to company email, so creative communications included program posters and floor decals at food depots, themed air fresheners and window decals keeping the objectives top of mind

#### Outcome:

Corporate target goals were exceeded for sales, safety and customer service.

Want to learn more? [Click here.](#)





## Success Story

### Challenge:

A world-wide gaming, hotel and resort company looked to:

- Drive incremental sales
- Increase training participation
- Create collaboration among a geographically widespread team

### Solution:

An interactive, mobile and social platform was created to deliver real-time data and leaderboard updates. Features included:

- Social sharing of e-cards, comments, photos and “likes”
- Participants earned monetary and non monetary rewards for sales-focused initiatives

### Outcome:

- Regional teams collaborated to exceed joint sales goals by 20-40%
- Training participation increased to 92% (typically 60%)
- Number one reason for visiting platform was for participants to interact socially with colleagues

Want to learn more? [Click here.](#)

## Social Fabric

In gaming, avatars or characters are immediately willing to trust each other and collaborate, creating a social bond. People also like to see how they are doing compared to others, so it's important to leverage social psychology here. In addition, studies have shown that likeability and trust increase when people play games together – even for the people who lose the game. Building communities among players or participants will be the key to creating effective behavior change. The social aspect of incentive and recognition programs is equally important. When fostering collaboration and generating competition, it provides another motivational component above and beyond the actual reward. Knowing one's competitors makes getting to the next level more meaningful by inflating the status value. A quasi-public display of recognition, whether posted on a company intranet, on a leaderboard or at an award ceremony, enhances a person's perceived status. Many platforms make social sharing easy and immediate, keeping it top of mind and relevant.





### Success Story

#### Challenge:

An international manufacturer looked to drive parts sales with independent distributors

#### Solution:

- Reward given for achieving a specific volume threshold
- Spurt programs with clear objectives kept the focus on sales initiatives

#### Outcome:

- Increase in parts sales
- Growth in distributor participation
- Rise in distributor market share
- Increase in cost savings
- Escalation in rewards issued

Want to learn more? Click [here](#).

### Blissful Productivity

In gaming, the player is optimized as a human being. With every move they make, they receive constant, overt feedback on clear goals. McGonigal says that we are actually happier working hard at games than when relaxing or hanging out. In general, productivity is elevated when honest feedback is given on clearly defined goals. When designing incentive programs, rule structure will help to determine and clearly define the goals that lead to the desired business behaviors. When implementing an incentive program, a clear outline of SMART goals allows for better visibility for those who achieve the goals and those who fall short. Constant feedback and authentic recognition for a job well done, along with visual representations of progress (leaderboards, etc.) will motivate participants and keep them informed. The program will also serve as an example to others. An emphasis on progress is important here. Creating opportunities to build substantial progress over time can be achieved by offering bite-sized goals throughout the incentive timeline.



## Success Story

### Challenge:

New leadership at an alarm system company brought ambitious sales goals and fresh initiatives at a time when trust in the company mission and engagement was low

### Solution:

- A communication plan tailored to the company's mission and culture
- Sales managers recognized and rewarded for hitting goals
- Service teams recognized and rewarded based on customer satisfaction results

### Outcome:

- Company sales tripled and trust was reinstated leading to increased engagement and decreased turnover
- Increase in cost savings
- Escalation in rewards issued

Want to learn more? Click [here](#).

## Epic Meaning

In gaming, players have the opportunity to partake in meaningful storylines and awe-inspiring missions. Large corporations are well-known for establishing audacious goals and seemingly unsolvable challenges. With the help of incentive programs, these demanding tasks will be welcomed and even conquered. Similarly, reaching important milestones - such as anniversaries, safety goals and customer service metrics - are most meaningful when they are complemented and reinforced by company goals. Looking at the big picture, those goals should also support an awe-inspiring social mission. According to J. Walter Thompson, "Having a social mission is like having Wi-Fi. It's no longer a bonus, but a core expectation." And not just any mission, but a relevant one.



## “Level-Up” Your Incentive Programs

We’ve given you the basics behind key behavior drivers and ideas to structure your incentive program. The intangible rewards derived from game-designed programs appeal to the intrinsic motivators that engage people and drive them to your desired outcomes.

If you are looking for ways to “level-up” your incentive program, consider adding tangible rewards to the mix. According to the Incentive Federation’s Incentive Marketplace Estimate Research Study – 84% of U.S. businesses use non-cash rewards to recognize and reward key audiences in the form of award points, gift cards, incentive travel and merchandise.

Game-designed incentive programs provide the perfect opportunity to fulfill key human needs. They teach, inspire and engage participants, and bring them together. They have proven to be an effective vehicle to drive the behavior change needed to meet your organizational goals.

## Let Creative Group Help

We can unleash the potential of your people, connect your team to your objectives and grow your business. Creative Group creates lasting experiences that help you connect with your audience to effectively deliver your message and build your brand.

Our approach is focused on creating the most engaging and personalized participant experience. Our global programs and experiences reward excellence and inspire people to reach their full potential – we call it Thrivability – the art and science of reaching for the stars and nurturing individual greatness. For more information, contact Creative Group.

**Click on the behavior you are trying to change and let the games begin...**



Engage  
Employees



Motivate  
Performance



Retain  
Talent

## Sources

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- <sup>viii</sup> <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.465.9080&rep=rep1&type=pdf>
- <sup>ix</sup> (photo cred. By Axel Tregoning (axeldeviaje) ; bayo (work on the image) (I PONG U PONG WE ALL PONG) [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0/>)], via Wikimedia Commons)
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