

DEFACTO
LOYALTY ENGINE



Gamification

Beyond points: How gamification in loyalty programs engages customers

The #1 Loyalty Solution in the
Salesforce Universe



BEYOND POINTS: HOW GAMIFICATION IN LOYALTY PROGRAMS ENGAGES CUSTOMERS

When thinking of Loyalty Programs, we see rewards, vouchers, points or tiers. Based on purchases to incentivise the customer to purchase more.

Achieving great uplifts over decades, transactional Loyalty Programs have long been thought of as a great way to loyalize customers.

With a downside: Customers were getting used to being rewarded for their purchases, and if not played well, were waiting to collect the reward before shopping. Especially in retail this often led to a decrease in margin.

Then came personalisation! The collected data is almost like a treasure and if used well, the margins grew again, based on clever recommendations for your next purchase. Even loyalised consumers through personalised customer service.

While especially technology still fights to tame these big amounts of data and make them actionable at the right time and place, one field of engagement has long been overlooked: **Gamification**

To assume gamifying an experience might be triggering customers to purchase more, we must look into what really makes us stick to a brand.

Ultimately there are many ways we become loyal. To some it will always be the price, or convenience. Yet the engagement with a brand has shown great results and gamification is the way to increase engagement.

Think beyond leaderboards:

Some are very motivated by being the first and best in something. Yet many are not. Also, assuming people love to win football games will lead to the same enthusiasm in something they might not care as strongly about is wrong. So think beyond leaderboards and into games logics that also work

Here are 7 examples how gamification tied into loyalty programs will increase customer engagement with your brand or company:

1 AN EPIC CALLING WILL IMPROVE YOUR CUSTOMERS ENGAGEMENT:

Wikipedia has shown the way, people do like to collaborate and work towards a greater good. Use this by making customers work towards meaning. This might be in your community in which customers help other customers out, leave a review or simply become brand advocates.

Tap into the greater calling driver to motivate customers to leave something behind, identify with the cause and brand and ultimately become ambassadors.

Combine this with a strong vision to go even further. Save the planet, the environment or the community around us? I am in! Use this measure right when onboarding a new client to let them know what their epic calling is. If they identify with the cause. They will be one of the tribe.

Many strong brands play that well. Apple: Buying it, because I am more of an apple person than an Android one.

2 OWNERSHIP EMPOWERS CUSTOMERS AND MOTIVATES

We all have heard about that, virtual crops and pigs that need urgent harvesting or feeding. Feeling ownership ultimately drives your engagement.

Your customers don't need to be part of the company to trigger them, but giving them a sense of ownership will be a great driver and it will increase the level of engagement drastically when done right.

Simply if customers spend some time on creating their profile in your community, they already feel a higher level of ownership towards it.

Or if they feel they have a say in the colors of the latest collection, it will ultimately drive their return to your brand and engagement.

"Focus on 2 main goals, make them numbers and work towards them."

3 NEW SECTION UNLOCKED: A CHALLENGE IS WORTH MORE THAN AN EASY TARGET

As the ultimate driver behind the well-known points, badges and leaderboards logic, accomplishment is a gamification measure that is often misunderstood.

So it does make sense to look into it in more detail to get the best of it.

What ultimately drives customers or users is the urge to get somewhere with their efforts. Brands often think it should be easy to achieve a next tier, reward or goal, yet what they rather should focus on is simplicity.

The logic of getting somewhere should be simple, but if there is some sort of challenge involved, it will ultimately be more rewarding to get there. And customers know that.

Introduce some sort of challenge in the leaderboard, badges, tiers or points logic, so that the goal is ultimately more attractive to reach the goal, like: The hidden tier customers need to find out how to reach it.

4 FOMO IS REAL

We have all been there: If something is rare, exclusive or unattainable, we want it. The fear of missing out (FOMO) is real.

Many apps play that well. Clubhouse just recently gained a lot of traction just by not allowing everybody in. This measure is not for every brand, and it can backfire, but also this measure can be taken on more lightly.

Ultimately, if you just delay, just like unnaturally reducing something, it will make customers think of it more. The limited edition, the highest rank, the reward that only 10 people will receive...

Why not delay a surprise voucher for a while to increase impatience.

5 NOSTALGIA AND RELATEDNESS: HOW THEY MINIMISE THE THRESHOLD TO BUY

We are naturally more drawn to places, people and things we feel we know. Hence if you do feel reminded of your childhood, nostalgia kicks in. We feel we do know this product, place or brand.

Use this feeling and customers are more likely to buy or share data. Not everything needs to be brand new to be engaging.

6 „WHAT IF I CLICK THIS?“ CURIOSITY AS A STRONG AND OFTEN OVERLOOKED DRIVE TO ENGAGEMENT

Usually, brands try to be as clear as possible in their communication. And it makes sense. We want customers to know what to expect from us.

Yet one driver in gamification that might often be overlooked is the intrinsic motivation, arising out of curiosity that lies in the unpredictable.

This drives us to hang on, just to see what happens next. It is the driver behind the series we have been binge watching over the weekend, pressing that button that said, don't press or simply play the lottery.

The simple examples often used and still working are fortune wheels or lotteries. But you can go further. Wonder what I am talking about and what an example might be? Why not add me on LinkedIn and I'll show you examples.

7

„ACT NOW!“ THE URGE TO AVOID LOSS IS REAL, USE IT!

This one comes as no surprise, none of us likes to lose things. Often played in Loyalty Programs when your points expire, we feel we need to do something about it. All the transactions for nothing, just because we don't do anything about it.

Visit us to save the reward from expiring. Or play this on a larger scale...You haven't really visited us, we might need to delete your account.

Definitely, not all drivers are suitable for every brand and every customer. They must be logical and communicated well. Yet thinking of what intrinsically motivates people will ultimately make you rethink the logic in your program and communication.

Want to go beyond and enter the next level? Let us know and we will send you the secret code to unlock it!

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