Gamification in Ecommerce

Matthew N. O. Sadiku

Department of Electrical & Computer Engineering, Prairie View A&M University, Prairie View, TX USA

Uwakwe C. Chukwu

Department of Engineering Technology, South Carolina State University, Orangeburg, SC, USA

Janet O. Sadiku

Juliana King University, Houston, TX, USA

---***---

Abstract: By nature, gamification thrives in the context of competition to win. Autonomy, rewards, participation, contest, and absorption play an essential role in its success. Gamification is the most entertaining technique to consider in engaging customers in the ever-evolving world of e-commerce. Ecommerce gamification is the technique for integrating game elements into your marketing strategy with the intention of entertaining users and influencing their behavior. This strategy is changing the way we shop in ecommerce and has many advantages, both for the shoppers and the stores. This paper provides an overview on gamification ecommerce with examples.

Keywords: games, gamification, ecommerce, gamification ecommer.

INTRODUCTION

Love for games is universal. Regardless of our age, we all love a good challenge, gaming, and rewards. We like to shop and watch video games online. We all like to be connected. We like playing games because they fulfil our natural needs for competence, autonomy, rewards, accomplishment, and relatedness. Playing games brings lots of fun and entertainment to the participants. Different aspects of gaming are shown in Figure 1 [1].

Marketers have realized the power of using gaming-related elements in creating brand awareness and engagement. Gamification tends to enhance purchase intent if game dynamics meet the psychological needs of consumers. It engages customers in the brand and its products by offering them a gamified experience, which focuses on implementing rewards and achievements to keep users engaged. Although games and gamification have a lot in common, they are not exactly the same [2]. Gamification is implemented across all industries by adding game-like elements to the non-game processes for entertaining and engaging customers. The ultimate goal of gamification is entertaining, engaging, and educating an audience. By integrating gaming elements into their shopping delivery processes, they improve the shopping experience, making it more enjoyable.

One way of making sure that an e-commerce company continues to get customers' attention is gamification. Gamification ecommerce aims at making the shopping experience more entertaining by adding game-like features to your ecommerce app/website to boost sales in digital stores – either digital assets or physical items. It is designed to bring about increased engagement from existing customers and attract new customers to your brand. It will enhance your customer experience and help you earn customers' loyalty. If done right, referral programs can create an urge in your users to spread the word to get some rewards [3].

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 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.

Here are the typical elements of gameplay [5].

- ✓ Points - representing progress and accomplishment – often used to obtain rewards
- ✓ Badges- similar representation to points, often also representing a status
- ✓ Leader-boards - participant ranking
- ✓ Performance graphs - to measure individual user's performance over time
- ✓ Meaningful stories - narrative/context the user exists within
- ✓ Avatars - a visual representation of a user
- ✓ Teammates - others engaging in the game

GAMIFICATION ECOMMERCE

Gamification refers to the practice of combining gaming mechanics with a reward system to your website. Ecommerce gamification is the practice of incorporating gaming elements into your ecommerce marketing strategies, knowing well that it can distract customers. It is based on two psychological traits: curiosity and craving. Using gamification for e-commerce boosts user engagement and increase your average time on page. Gamification of ecommerce is implemented through small, habitual actions more playful. The most effective way to generate participation is to establish a points system. The consumer can be rewarded for inviting new online shoppers to the store. Players could collect various bonuses from the store in the form of high payouts, extra points, energy, and special collection items. The user receives a discount for each friend or customer that they bring to the online store.

Gamification consists of three components: challenge, instruction, and reward. These components must all be successful for gamification to work with an online shopper.

Adding gamification strategies to your ecommerce website will boost sales and increase web traffic [1]. Ecommerce websites can be gamified by creating loyalty program, offering rewards for achievements, implementing quizzes, and building virtual communities. A good way is to use a Wheel of Fortune with

different promo codes and discounts at stake. As shown in Figure 2, spin-the-wheel games are one of the most popular gaming elements [3].

There are four factors to consider when implementing gamification in your ecommerce marketing [6]:

✓ *The Motivator:* What hooks users and makes them want to engage?

✓ *The Effort*: How much time & effort is required?

✓ The Gameplay: What is the game strategy? How to play?

✓ *The Reward:* What is the incentive that keeps users entertained?

GAMIFICATION ECOMMERCE EXAMPLES

Gamification can be used in many aspects of life such as business, education, healthcare, and ecommerce. It can be used in many aspects of ecommerce. Ecommerce gamification applications have actively improved customer loyalty, increased conversions, and boosted sales. Some of the best real-life gamified ecommerce examples include the following [7]:

➢ eBay is a popular online market that allows users to buy and sell goods. It has used gamification to ease the process of bidding in e-auctions. When you buy something on eBay, you felt that you WON! On August 31, 2011, Best Buy became the first virtual branded retail store in CityVille.

➢ Starbucks is one of the best examples of a company that uses gamification to engage customers. In 2016, Starbucks invited their customers to create their own designs and share them on social media. Figure 3 shows how Starbucks gamifies buying experience [8].

➢ Spotify uses gamification Spotify Wrapped all year round. In 2020, it was reported that Spotify's mobile app download increased by 21% in the first week of December.

➢ Nike designed a game to create demand for its winter sportswear. As an athletics company, Nike knows that the lack of motivation is the biggest obstacle to regular exercise. The gamification elements helped Nike to increase the market share. In 2011, Nike created an online game which enabled players to help athletes stay warm while they trained outside in the winter cold.

➢ Zynga claims to have more than 230 million active users playing its line of games. Best Buy teamed up with Zynga to bring their stores to the virtual world of the popular Facebook game Cityville.

➢ The Arcade employs standard games elements such as badges and leaderboards to create a distinctive shopping experience.

➢ At Zappos, the world's largest online shoe store, company culture and core values are the keys to its phenomenal success. This "culture of play" at Zappos has proven to work in getting people to unite and stay together in pursuit of a common goal, especially

➢ The Booking.com virtual roulette wheel asks shoppers to spin it, revealing an automatic reward in the form of a discount on future travel. As shown in Figure 4, the Wheel of Fortune is a gamification method that attracts new customers while keeping old ones engaged [9]. Roulette wheels offer prizes that might be in the form of a discount, coins, freebies, etc., which encourage buying.

➢ The fast food chain Burger King uses Whopper Detour to generate 1.5 million downloads. Figure 5 depicts how Burger King is driving user engagement and loyalty through gamification [10].

➢ Florist Teleflora gamified their store with a loyalty program that offers points for comments, user reviews, posting on social media, and answering questions. Teleflora's referral traffic increased by 105%. It's a win-win for everyone involved.

BENEFITS

The benefits of gamification for ecommerce are many and measurable. Gamification is very crucial to customer motivation. It creates invaluable customer insights. It helps to reduce bounce rate and advertisement fatigue. It also helps your websites and platforms stand out among the crowd. It gives online businesses the opportunities to connect with users in an entertaining manner. The game-like elements in an ecommerce website service engage users and improve customers' experience.

Ecommerce gamification has many benefits when properly implemented. It is a good strategy for solving some of the most common yet daunting marketing dilemmas. Gamifying your visitors' experience on your website can boost the conversion rate, reduce cart abandonment, uplift your sales, retain churned visitors, engage customers in new and exciting ways, and even convert them into loyal customers.

Other benefits include [9,11]:

✓ Gamification is a great solution to increase sales

✓ It can help marketers increase customer engagement by making shopping more interactive

✓ It can make shopping more fun for customers

✓ It can help you increase customers

✓ It keeps customers engaged, loyal, and can bring you new leads.

✓ It can help you reach new customers and improve brand awareness

✓ It is a powerful tool for increasing engagement and driving revenue.

✓ E-commerce gamification actually increases sales when used correctly.

✓ It reduces cart abandonment rate

CHALLENGES

Gamification ecommerce for all its effectiveness does have some challenges. In e-commerce, the primary challenge is how to retain customers through gamification.

Gamification faces some challenges such as abandoned carts and acquiring loyalty. Implementing gamification on your website is no easy feat; it costs you money and time. Some complain that online shopping is boring.

A major challenge of running a store online is getting the attention of the shoppers. Another challenge which faces online customers is that they have more options than ever. Having a lot of options and information overload are counterproductive. Since the average attention span of web users is shrinking, you have a severely limited time to convince prospective customers. Enticing customers to keep coming back for repeat purchases is challenging. Shopper want to use Squid Game that asks too much and pays too little in return. This could result in a loss in customers.

CONCLUSION

Gamification is the use of game principles like challenges and rewards in non-game contexts like education and shopping. It is the process of using a sense of reward and achievement to encourage someone to take a desired action. It is increasingly becoming the new normal for the online shopping. Although gamification is a relatively new to ecommerce, it is quickly gaining popularity and being adopted by many brands. Gamification has been an effective marketing tactic in terms of attracting, engaging and retaining customers in the long term. Ecommerce businesses have been employing gamification techniques to generate sales and improve customer loyalty. Gamified commerce is an alternate approach in which retailers are competing for a customers leisure time. Gamification is here to stay as an ecommerce trend. It has already found its way in a wide variety of industries such as business, healthcare, and education.

REFERENCES

1. J. Boudinet, "5 Examples of eCommerce gamification," January 2017,

   https://ambition.com/blog/entry/2017-01-12-5-examples-ecommerce-gamification/

2. M. N. O. Sadiku, S.M. Musa, and R. Nelatury, "Digital games," *International Journal of Research and Allied Sciences*, vol. 1, no. 10, Dec. 2016, pp. 1,2.

3. S. A. Jabbar, "Top eCommerce gamification strategies to revolutionize the shopping experience," November 2021, https://www.upshot.ai/blog/top-ecommerce-gamification-strategies-to-boost-the-shopping-experience/

4. K. Seaborn and D. I. Fels, "Gamification in theory and action: A survey," *International Journal of Human-Computer Studies*, vol. 74, 2015, pp. 14–31.

5. V. V. Abraham, "Gamification: A digital marketing strategy in the beauty industry," October 2020,

   https://www.linkedin.com/pulse/gamification-digital-marketing-strategy-beauty-industry-abraham

6. "What is e-commerce gamification? Top ideas & examples,"

   https://popupsmart.com/blog/ecommerce-gamification

7. "Top 10 eCommerce and shopping examples that use gamification (2023),"

   https://yukaichou.com/gamification-examples/top-10-ecommerce-gamification-examples-revolutionize-shopping/

8. "Starbucks rewards,"

   https://7shopg.top/ProductDetail.aspx?iid=745133340&pr=48.88

9. "Gamification guide for ecommerce: Online store gamification examples,"

   https://wooninjas.com/ecommerce-gamification/

10. "How burger king is driving user engagement and loyalty through gamification,"

    https://www.braze.com/customers/burger-king-case-study

11. "Best ecommerce gamification ideas to boost sales,"

    https://ecomsutra.com/blog/ecommerce-gamification/

Figure 1. Different aspects of gaming [1].

Figure 2. Spin-the-wheel games are one of the most popular gaming elements [3].
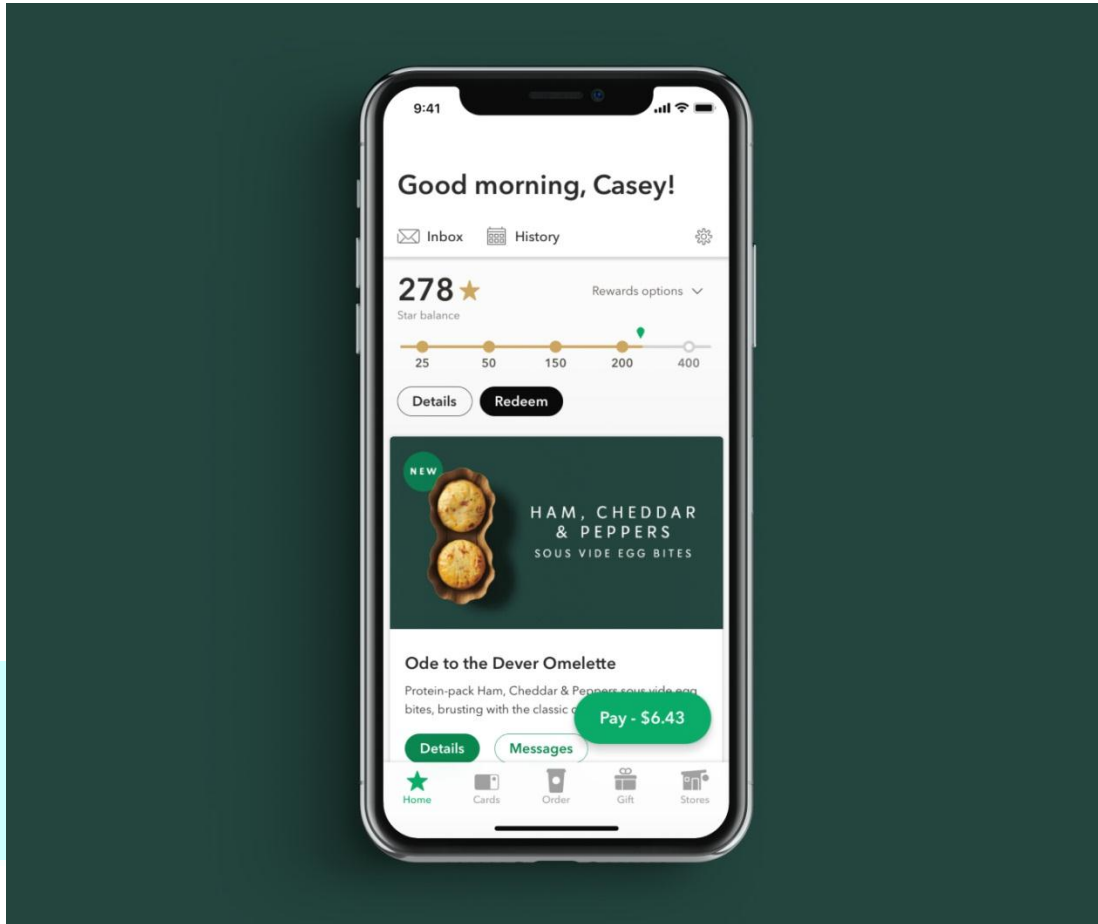
Figure 3. Starbucks gamifies buying experience [8].

Figure 4. The Booking.com virtual Wheel of Fortune [8].

Figure 5. Burger King is driving user engagement and loyalty through gamification [10].