



DATASHEET

What is gamification?

At present, 'gamification' of the digital customer experience represents an important trend across vertical industries. Not only do companies today need to foster and encourage digital adoption but, more broadly, they also need to engage their customers by creating interactive programs that deliver value and increase "stickiness" in order to both gain and retain market share. Gamification can play a major role in reaching these goals.

At its core, gamification is the process of incorporating gameplay elements into non-gaming applications in order to drive participation, engagement and loyalty. By "gamifying" an otherwise more sterile or standardized experience, customers can be encouraged to interact with the service provider both more often and in a more rewarding way (for both customer and service provider).

The reality is that in many market segments, particularly the more youthful market with its growing numbers and disposable income, gaming is already well established and the elements within games are both familiar and popular. To cite just one example, in the mobile market in Cambodia 60% of customers are under the age of 30. Here, gaming is hugely popular (MNO Cellcard estimates there are about 2.9 million gamers who spend between one and a half and two hours daily playing games, 99% on mobile devices). With this in mind, it makes sense to bring elements of gameplay into traditional Customer Value and Loyalty programs.

Gamification can be understood as a value-added layer on top of regular engagement. In many use cases, as mentioned below, it represents new ways for service providers to understand consumers, and thereby collect valuable data and insights about their customer base.



Why does gamifying the customer experience work?

The aspects of gamification that can be deployed are numerous. Examples include:

- ❖ Random engagements – such as “throw the dice” or “spin the wheel” to win a prize
- ❖ Challenges – where the customer is asked to complete a series of tasks in a period of time to collect a reward
- ❖ Goals – where customers are given a reward on completing a singular objective
- ❖ Recurring engagement – reflected in daily bonus games or special offers
- ❖ Tiers and Levels – upon reaching which the customer's benefit serves to encourage the continuation of the journey

By tapping into emotions in the manners described above, gamification is an engagement framework that allows service providers to leverage and align customers' universal human needs to those of their own engagement and business goals. Both intrinsic motivations (passion, fun, purpose, self-worth, progress) and extrinsic motivations (status, winning, avoiding failure, rewards, surprises) are addressed by the approach.

In this light, the documented effectiveness of gamification is unsurprising. A recent survey of 55k consumers expressed a broad interest in game mechanics while 81% had already played one game or another. There is a 1.7x increase in enjoyment when game mechanics are used in a customer experience program. As noted earlier, well over 80% of the under-30s market prefer to engage in this way. Indeed, today mobile games account for 33% of all app downloads, 74% of consumer spend and 10% of all time spent in-app. It is also worth noting that in 2020, casual gaming received a boost due to Covid-19.

If you gamify, will they come?

The benefits of gamification are generally felt in five distinct areas, as follows:

- ❖ Retention, where gamification increases NPS scores, drives greater engagement and satisfaction, and enables different market segments to be addressed distinctly under a single proposition.
- ❖ Brand Engagement, where gamification allows brands to differentiate themselves from the competition, to build emotional brand affinity beyond the transaction, and to increase the perceived value of the service provider/customer relationship.
- ❖ Upsell/cross-sell, where gamification can be used to trigger specific behaviors (particularly in the digital arena) and drive revenue towards desirable product-related outcomes.
- ❖ Supporting the broader digital agenda, where gamification becomes an important input into creating a complete, "360 degree" view of the customer across products, games, and beyond.
- ❖ Data enrichment, by expanding the number and quality of engagement touchpoints to the customer base.



Time to act

In light of the commercial environment described above, it can be argued that the time to deploy gamified experiences is now. Digital customer engagement is critical, not least because it provides a number of levers to maximize customer value across the lifecycle (discovery, acquisition, monetization, retention). Gamification is a powerful mechanic to support this. As customers (participants) discover your service offering, a successful and gamified journey will move them more quickly through a maturity cycle from 'Curious' to 'Habitual' to 'Highly Engaged'.

It is critical to look at gamification (in all its flavors) as part of an overall strategy to drive KPIs like repeat engagement, social 'likes', member recruitment, NPS, lifetime extension. The digital channel is a perfect fit for gamification mechanics, leveraging access to data, to personalize and deliver a truly 'rich' entertainment experience.

Use Cases in gamification

In practice, gamification can be used in multiple ways. For instance, a gaming layer could be added to a traditional customer engagement program, sales processes could be gamified, specific promotions might be driven by special game interactions, or gamed challenges could be used to drive a wider, digital agenda. Here are some examples of gamification in action:

Visual challenges with badges

Orange Belgium wanted to use its Thank You Loyalty Program to enhance interaction with its customers. Gamifying their experience through badges was deployed to:

- ❖ Recognize specific actions through digital badges
- ❖ Unlock rewards by earning badges
- ❖ Create an open-ended program with unlimited options to create new badges
- ❖ Accommodate Surprise & Delight program in parallel for non-digital audience

Steps in the resulting program built on Evolving Systems' technology included personalized gifts based on socio demographic profiles and customer preferences, and rewards for constant engagement with at least 5 interactions per year. The results included a 50% increase in Base Redemption Rate, an upshift to number 1 in NPS in the Belgian market, Campaign Open Rates of 60%+, a 19% average conversion rate and a 100% increase in digital (app) channel usage.

A game layer on a points program

Ooredoo Myanmar set up its VIP Program to offer points-based earn and burn in a tiered loyalty program delivered via an app for its prepaid customer base. This would establish new and consistent best practices including:

- ❖ Always-on digital presence – via App and USSD, bilingual & local currency support
- ❖ Combination of CVM & Loyalty with proactive campaigns & loyalty offers
- ❖ Gamification and contests for higher engagement and point redemption
- ❖ Mix of telecom, partner and experiential (jackpot) rewards
- ❖ Successful deployments of top-up + Recharge & Win, supported by ATL

The re-designed and gamified program was realized in 6 months from first idea to deployment. It achieved more than 1mn registrations in 6 months and with 150K games/day played, conversion is 21%. VIP drove My Ooredoo App regs from 350K to 1.4M, stimulating long-term participation and status change (80% of customers remain engaged). It also delivered ARPU uplift & churn reduction of 30% and 50% respectively in the registered user base.

Gamifying the bundle purchase process

Another MNO in SE Asia embedded a gamification layer in its existing points program using Evolving Systems' technology.

A detailed Ideation project with Evolving Systems experts to design a new customer journey around the objectives aimed to:

- ❖ Target registered points customers
- ❖ Offer a skill Game – based on "Candy Crush"
- ❖ Encourage spending via Points to Play, completing levels to win selected prizes
- ❖ Define KPIs for increased app engagement and drive top-up revenue

As a result of using a recognizable game with an existing loyal following (Candy Crush), the gamified approach created excitement to play easily inside the app and achieved a 70% repeat play rate. Instant low value points were burned as a result, reducing balance sheet risk without sacrificing customer repeatability.

How to deploy gamification

We can think in terms of three basic options when considering deploying gamification in a Customer Value and/or Loyalty Program.

The Pre-Play approach aims to get subscribers to complete purchases or specific actions or burn loyalty points to be able to play. This drives in-app purchases and engagement. The pre-play stage is aligned to the larger engagement strategy of deciding which customers to reward for what specific business purposes.

The 'Gameplay' approach chooses from a wide range of gamification mechanics, from casual games to stickers to challenges and uses devices like badges/stickers, hyper-casual games, and digital challenges. Deciding which gameplay mechanic to choose heavily depends on the customer context and customer journey, as well as on customer target audience and its motivations.

The Win approach leverages the power of personalization, data, and consumer insights to craft the appropriate customer reward including personalized and “next best” offers, network reward provisioning, and retail m-vouchers. It must be mentioned that the final reward at the end of the gamification customer journey need not be a material reward; there are very effective gamification scenarios where the rewards tap into the emotional realm of the customer and are borne from a deep understanding of their psyche. Examples include sharing of virtual badges (which can be shared through social media), rewards that can be highlighted by the service provider in a public forum or simple leaderboards that cater to the competitive spirit of customers.

Integrating gamification in these and other ways, via a holistic approach, enables the MNO to meet user needs at every step of the customer journey by focusing on quality and value, personalized engagement, and inspiration, innovation, and advocacy.

A gamified customer experience requires a next generation customer engagement platform

Evolution from Evolving Systems is a proven market-leading solution that enables MNOs to gamify their Customer Value and Loyalty programs. Evolution enables users to:

- ❖ Set up gamification mechanics like badges, challenges, simple games, mobile vouchers
- ❖ Stream immense volumes of data into the Evolution Core, a real-time, dynamic customer 360° profile
- ❖ Build dimensions and segments in Base Manager
- ❖ Flexibly configure campaigns and Customer Journey Workflows in the drag-and-drop design studio
- ❖ Configure product and offer catalogs, and automate real-time Next Best Offer decisions and presentation strategies
- ❖ Set-up wallets, tokens, statuses and challenges to manage your loyalty program's core business rules
- ❖ View all customer treatments, past and present, in the Customer Care screen
- ❖ Visualize and search your data with live Insight & Analytics dashboards
- ❖ Integrate with a variety of 3rd party platforms in order to push outbound communications through a Managed Contact Policy, provision to customer accounts and answer requests over the Evolution RESTful API
- ❖ Develop and extend the platform to an ecosystem of 3rd party partners to enable reward issuance



Summary

Today, digital technology is freeing telecoms customers to engage with their chosen brands on their own terms—researching, discussing, playing, and shopping at all hours via multiple devices and different channels. Yet the consumer wants still more. It's not just about the product or the service; it's the entire experience a brand provides. Customers want to be treated as individuals, to be valued, to be entertained and, ultimately, to be delighted. Gamification is a critical part of this.

To deliver the comprehensive and satisfying digital experience that will drive digital adoption, brands must clearly define what they want to achieve and how they will go about it; a deep customer understanding together with a solid data and technology foundation that supports interactive and personalized experience are now table stakes requirements for commercial success.



About Evolving Systems

Evolving Systems, Inc. (NASDAQ: EVOL) empowers Communications Service Providers (CSPs) to succeed in fast-changing, disruptive telecoms environments. This is achieved through a combination of People, Processes, and Platforms and empowers CSPs to activate, engage, and retain their customers. Evolving Systems' real-time digital engagement solutions and services are used by more than 90 service providers in over 60 countries worldwide. The Company's portfolio includes CSP market-leading solutions and services for network provisioning and resource management, enhancing the digital sales and distribution channels, service activation, real-time analytics, customer value management and loyalty. Founded in 1985, the Company has its headquarters in Englewood, Colorado, with offices in Asia, Europe, Africa, South and North America. For more information, please visit www.evolving.com or follow us on Twitter at <http://twitter.com/EvolvingSystems>