GAMIFIED COMMERCE

Presented by

FUTURELAB

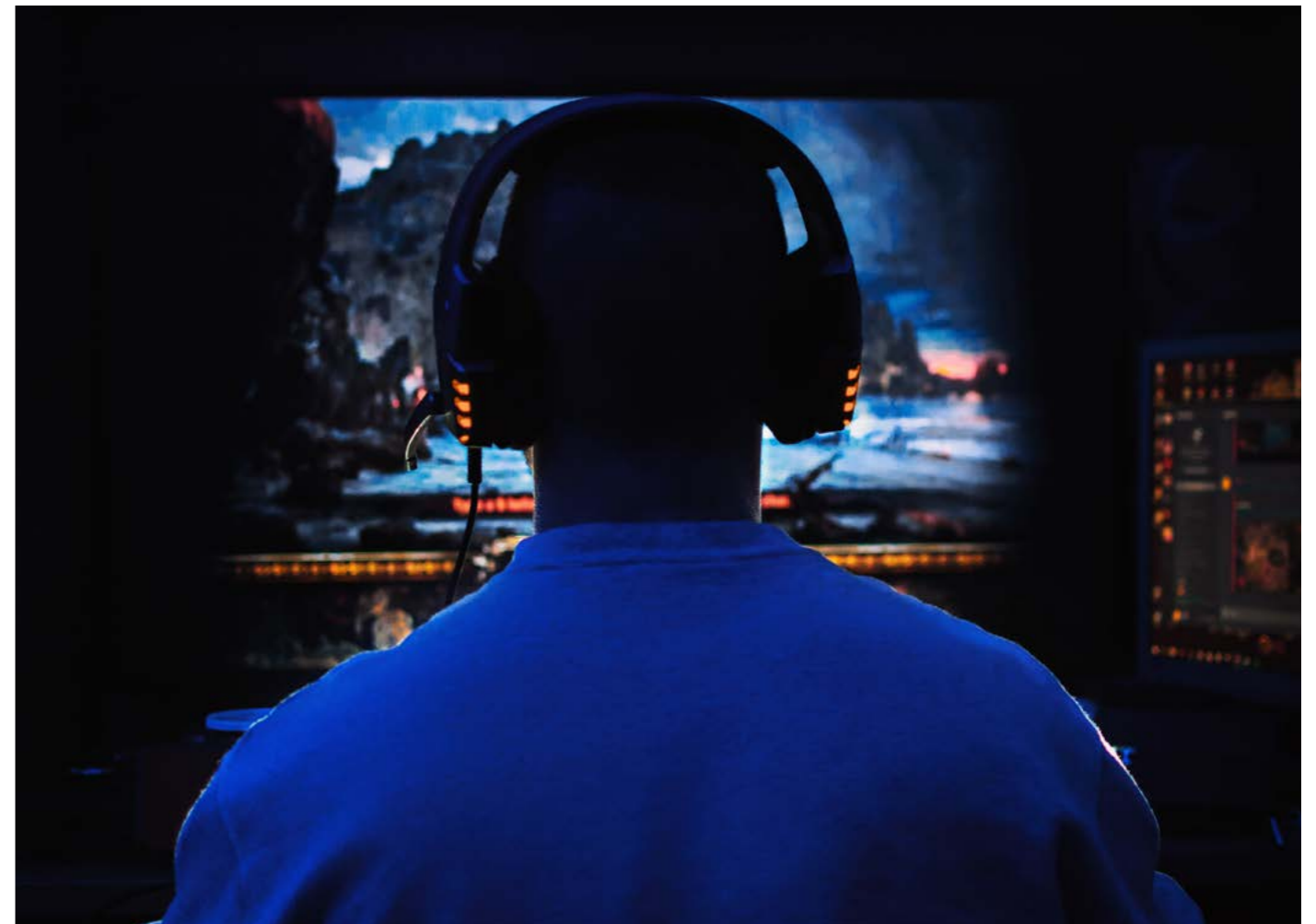It's time for brands to play

iPROSPECT
a **dentsu** company

WE BELIEVE GROWTH LIES AT THE INTERSECTION OF BRAND AND PERFORMANCE

THESE NEW CONNECTIONS ARE UNLOCKING NEW POSSIBILITIES IN MEDIA AND CREATING MORE OPPORTUNITY FOR INNOVATION NEVER SEEN BEFORE.

THIS MEANS THAT MEDIA HAS NEVER BEEN MORE IMPORTANT AS MORE SPACES ARE BEING CREATED WHERE WE CAN DRIVE GROWTH.

FUTURELAB IS DEDICATED TO FINDING THESE NEW INTERSECTIONS BY GIVING PERSPECTIVE SHIFT THAT SPARKS YOUR BUSINESS

CONTENTS

CONTEXT

WHAT IS GAMIFIED COMMERCE AND WHY IT MATTERS

CONTEXT:
FIRST, LET'S UNDERSTAND WHAT GAMIFICATION MEANS.
Gamification is the application of typical elements of game playing such as point scoring, competition with others, rules of play to other areas of activity. Typically brands will deploy it as an online marketing technique to encourage engagement with their products or service.

BUT HOW NEW IS THE TECHNIQUE REALLY?
WELL, THE ANSWER IS AS OLD AS HUMANITY.

One only has to see how wild animals "play" to hone key hunting skills that will allow them to survive. More recently, research and studies have begun to show clear benefits of playing and creativity on mental health from learning and resilience to slowing aging and improved positive mindset.[1]

CONTEXT:
Some historians believe that Mancala is the oldest game in the world based on the archaeological evidence found in Jordan that dates from around 6000 BC. Standard dice like we know today have been found as far back as 900 BC near Rome. Ever since mankind evolved, play has been an essential ingredient in our evolution and growth from a safe place to learn and practice, to push communication or boost creativity. Play is at core of humans as we evolve.

"GAMIFICATION IS EXCITING BECAUSE IT PROMISES TO MAKE THE HARD STUFF IN LIFE FUN"

THE PANDEMIC SAW A SUPERCHARGING OF DIGITAL BEHAVIOURS

WITH THE BATTLE FOR YOUR ATTENTION INTENSIFYING

In these unprecedented times of global pandemic, we have seen many behaviour shifts as the pandemic enters its prolonged period. Not least, the growing digitalisation of our behaviourshas reached new levels of scale and demography faster than many predicted.

- **+COMMERCE**
  Ecommerce saw spike in uptake as home become the new shopping destination growing by 5 points globally: Globally $26.7 trillion (+5pt in 2020 to 19%) with countries like China and UK leading with up to 25% of all commerce.[2]

- **+CONTENT**
  Streaming has exploded with up to 1 billion SVOD user milestone in 2021 (+20% over last year)[3] driven in part to the streaming wars with arrival of Disney+ to streaming parties for new cultural moments such as Netflix's Squid Game.

- **+CONVERSATIONS**
  Digitally connected humans have seen their primary mode of connection shifted to video calls: Zoom became one of the fastest growing apps of the pandemic, with meeting participants increasing by 2900%.[4]

Attention is a scarce resource. The explosion in digital content, new forms of advertising and technology at our fingertips has created both the motive and the means for people to screen advertising out of their lives. Our digital lifestyles are changing our brains, decreasing our ability to focus for prolonged periods and increasing our appetite for more stimuli. Today people generally lose concentration after 8 seconds, compared to 12 seconds only a few years ago;[5] in other words, our attention span is less than the notoriously ill-focused goldfish's 9 seconds.

NEW GROWING EXPECTATIONS FOR BRANDS

Changes in behaviours coupled with new constraints imposed by the pandemic have shifted consumers' expectations of brands.

CONSUMERS EXPECT THE BEST BRANDS TO BE ABLE TO DELIVER ON 3 FRONTS:

- **+INSTANT GRATIFICATION**
  Give us what we need now. Instant gratification, the streaming economy, and instantaneous delivery are putting growing pressures on the infrastructure that is needed to make this happen.

- **+ENTERTAIN**
  Make us escape or laugh along the way.
  In a world of anxiety and mental health concerns, entertaining consumers becomes critical for much needed release.
  A recent study from market research firm GlobalWebIndex showed that, in addition to a rise in online content consumption, there has been a notable uptick in the consumption of funny or humorous videos compared to previous years, highlighting a need and want for escapism.

- **+CARE**
  Look after us, our community and planet tangibly. Purpose badging isn't enough or helpful to consumers right now. Brands who align with key purpose with sensitive and responsible messaging that help make a positive impact can win.

ADDED TO THE RISE OF GAMING ~~BREAKING INTO~~ LEADING THE MAINSTREAM

And alongside that, as we all spend more time at home and we saw the launch of the next gen consoles with PS5, the rise of gaming continues to push new milestones. Forget the cliches of this being limited to certain audiences such as teenage boys. Gaming isn't niche, it is now mass in its appeal. There are chances that certain segments of any brand consumers are now also gamers. Gaming is no longer niche, and the chances are, your audience are into it.

$176
BILLION REVENUE

2.9
BILLION PLAYERS

456
MILLION E-SPORTS AUDIENCE

GAMING CULTURE AT THE FRONT ROW

AND GAMING CULTURE TO BURST IN THE MAINSTREAM:

- **+GAMERS WITH INFLUENCE**
  Now key influencers, gamers and their audiences are shaping collaborations. Popular streamer Tyler "Ninja" Blevins launched a parentship with Adidas in 2019, but this is far from Ninja's first with a brand. He has long partnered with Samsung and has appeared in the company's #TeamGalaxy ad campaign, promoted the Galaxy S10 exclusive K-Pop themed Fortnite skin and emote, and opened a Samsung-made Fortnite "supply drop" with a Galaxy Note 9 inside. Ninja also makes money from several other deals, including a long-running Red Bull sponsorship, YouTube ads, and he gets paid to play certain games, including a reported $1 million for playing EA's Apex Legends at its launch earlier this year.[7]

- **+PART OF THE MAINSTREAM**
  From science fiction novel to Hollywood, Ready Player One is a strong example of how mainstream the culture is and how wide the gaming audience is. This film telling the story of a gamer in the future who plays through an open world virtual reality game was a box office smash bringing in more than 500 million USD in the box office.[8]

Image source

THIS MAKES GAMIFICATION THE MODUS OPERANDI FOR THE NEXT GEN GROWING UP ON SOCIAL APPS AND GAMING CONTEXT

Fast forward today to the generation brought up on social notifications, apps, emojis and gaming, and it won't surprise you to know that gamification is now the core way of communicating or getting a reaction. Gamification is very much the modus operandi of the next gen. The gamification codes have swept across all industries for that generation from dating with apps such as Tinder or Peachy, to health with Peleton and Zombie Run, and even banking with providers Revolut and Monzo.

NEXT

5 KEY TRENDS SHAPING GAMIFIED COMMERCE

With the rise of platform-based economy and new behaviours driven by the next generation, Gamified Commerce will be an essential component of brand growth. We examine 5 of the most pressing key trends shaping Gamified Commerce and identify how can brands unlock its growth potential today.

1. *FOOTFALL GAMIFICATION*

Turning barriers to footfall into more playful elements to incentivise people. What are the signals brands can use to fuel creativity and reward store visit with unique experiences and standout moments?

2. *LIVELY LOYALTY*

Creating consumer experiences that drive loyalty through participation. What are true motivations and barriers of customers brands can tap into to create new levels of participation and loyalty?

3. *THE DROP*

Limited social-first collections as brand heat moments through new commerce. What are the exclusive collections and innovative platform mechanisms that can energise a new crowd towards brands?

4. *CULTURE HACKS*

Native infiltration of gaming culture to open new audiences to brands. Where audiences play can help unlock what is the right strategy to cutthrough meaningfully, from in-game advertising, hacks, or innovative partnerships.

5. *GAMIFIED STORIES*

Maximising brand immersion by turning audiences into heroes of a brand story. How can brand communications articulate in a fun or unexpected and engaging way to reward users who participate and to deepen their connection?

KEY TREND #1

FOOTFALL GAMIFICATION

TRANSFORMING THE LAST MILE INTO AN OPPORTUNITY TO DISRUPT PLAYFULLY

WHAT

Whilst driving footfall challenge has always inspired fun and new ways to stand out, rise of platforms has seen brands embrace a whole new level of footfall gamification done well. It now not only gives an amplified reason to visit the store and increase sales but, when done well, will grow brand health too. The best examples turn the barriers to footfall into more playful elements to incentivise people to go out of their way. Use of creativity, rewarding store presence by creating new experiences and smart location signal to create proper standout moments.

H&M AND ALEXANDER WANG COUNTDOWN

The box of Wang gamified the launch of H&M's collaboration with the Designer Alexander Wang.

The installation features a giant countdown clock, a live tweet wall and ten pieces from the new range hidden inside the box. To see the garments from behind the hidden wall, shoppers need to send a tweet, including their location at St Christopher's Place, with the hashtag #AWxHMreveal. Once the message has been sent, a panel moves to reveal one product from the collection. The more tweets the more the reveal extending to more information and lookbooks about the collaboration. The collection crashed the website and went on to sell out in 3 days.

Image source

BURBERRY MEETS WECHAT

Burberry's so-called "social retail" store in Shenzhen uses WeChat to link together online and offline and reward customers for engaging with the brand. A new store was designed through a partnership with Tencent, that uses WeChat to reward consumers for engaging with the brand, both online and in store. The concept originated from the insight that for Burberry's younger customers, most consumer journeys start on social media but they still want an in-store, experiential element that they can then share online.

Image source

THE UNEXPECTED DETOUR

Whopper Detour is an idea that has delighted consumers by trolling McDonald's, sending customers within 600 feet of one of its restaurants to get a Whopper for one cent (instead of $5) so long as they treck to the nearest participating Burger King afterwards to pick up the sandwich. It's a clever play on what brands can do creatively with geotargeting.

NIKE MEETS NYC'S EAST VILLAGE

Using augmented reality technology, Nike+ SNKRS is reimagining the sneaker drop. A treasure hunt within an Easter egg, the app can now hide the opportunity to purchase certain coveted sneakers within a select image where the sneakers can only be seen and unlocked by viewing the image via the camera function on SNKRS. When David Chang's Fuku East Village menu, or an image of it, is viewed through SNKRS, an interactive 3D model of the Nike SB Dunk High Pro "Momofuku" will be overlaid. This will allow purchase of the shoe while supplies last.

Image source

KEY TREND #2

LIVELY LOYALTY

WHAT

CREATING CONSUMER EXPERIENCES THAT DRIVE LOYALTY THROUGH PARTICIPATION

Lively loyalty is about creating consumer experiences that drive loyalty through some form of active participation. We know that disjointed experiences lose customers – even having the wrong kind of loyalty or rewards scheme will turn people away. But we also know that people will form deeper, longer term relationships with brands who can demonstrate a keen understanding of what motivates them – and offer unique experiences they can't get elsewhere.

NEW BALANCE RUN FOR PINTS

Inspired by the local ritual of runners coming together to enjoy a pint after a hard run, New Balance opened a branded pub in the heart of London exclusively for runners — where the only currency accepted was miles run. By joining a set challenge on Strava, a card was uploaded into the runner's mobile wallet. As the run progressed, the card filled up with miles that turned into real-time currency. Runners could scan their cards at New Balance's Runaway Pub to exchange miles for pints. This is a fantastic example of a brand essentially creating a new currency earned using their products and offering something back to customers that demonstrates their motivations are understood. Too often brands see customers as 1-dimensional – purely interested in their product category. New Balance understand that people can be both active runners and social drinkers and created a brilliant customer experience that drove loyalty.

Image source

KFC TRIES RETRO GAMING, AND WINS

In today's digital age, it is difficult and costly to get consumers' attention. But mobile games are huge with today's youths, who play games and order food in parallel. KFC wanted to connect gaming and ordering, transforming players into brand consumers. KFC introduced "Gaming Commerce", bringing retro games to WeChat connected directly to KFC's delivery system where the better your game scores, the better the KFC discounts and coupons you can receive. But no matter the final scores, gamers could order KFC directly in the game itself. To achieve further rewards, players could invite WeChat friends or order a KFC Gaming bucket to score points and get lives.

Image source

BOSE TAKE SOUND HOME

As workers transitioned from offices to their homes, Bose realised home offices could be noisy places - something that their Noise Cancelling headphones could help tackle. Instead of running a promo and painting Bose as opportunistic, they created a playful, yet rewarding experience to drive purchase & loyalty: the louder your home, the larger your discount. People could measure their home noise with Bose's Noise-O-Meter on their mobile website and convert everyday decibels into discounts. Loyalty in this case is about brand portfolio and cross-selling for other portable or home products – which can cost thousands for their full spec home entertainment systems.

92dB   13%

TRAVEL WITH THE NORTH FACE

Apparel and outdoor gear retailer The North Face incentivizes loyalty members to earn more and more rewards by offering flexibility in how they're redeemed—with options tailored to match its customers' lifestyles. Customers earn points with the XPLR Pass program in the traditional way on every purchase, and in some unique ways, like attending The North Face events, checking in at certain locations, and downloading The North Face app. When it comes time to redeem rewards, customers can use points toward unique travel experiences, like a mountain climbing adventure in Nepal.

Image source

KEY TREND #3

THE DROP

LIMITED COLLECTIONS FOR SOCIAL MEDIA ARE NOW AS MUCH A BRAND HEAT STATEMENT AS NEW COMMERCE CHANNEL.

WHAT

In a world where attention is so precious, gamifying The Drop has been a key tactic in generating excitement for product ranges and delivering a memorable brand experience. The concept of "The Drop" is centred around creating a sense of limited supply and exclusivity for a product or a range to increase demand. In recent times it has also evolved to include elements of gamification, making the drop itself a reward for an engagement with the brand thereby delivering a much more memorable experience. This has been particularly prevalent through new hype streetwear brands like Supreme who have successfully built themselves around FOMO behaviour.

ADIDAS HIDES IN PLAIN SIGHT

Adidas noticed a problem within the sneaker universe- sneaker resellers created artificially inflated costs for shoes. Therefore Adidas tailored this product launch campaign to the real sneaker fans and wanted the drop to only be accessible and engaging for them. They selected key cities in which they posted flyposters with webAR enabled codes that would provide access to the drop and to buy the sneakers directly. They also engaged with sneaker influencers to post about this and to hide more stickers with the codes so that their fans could go looking for them.
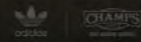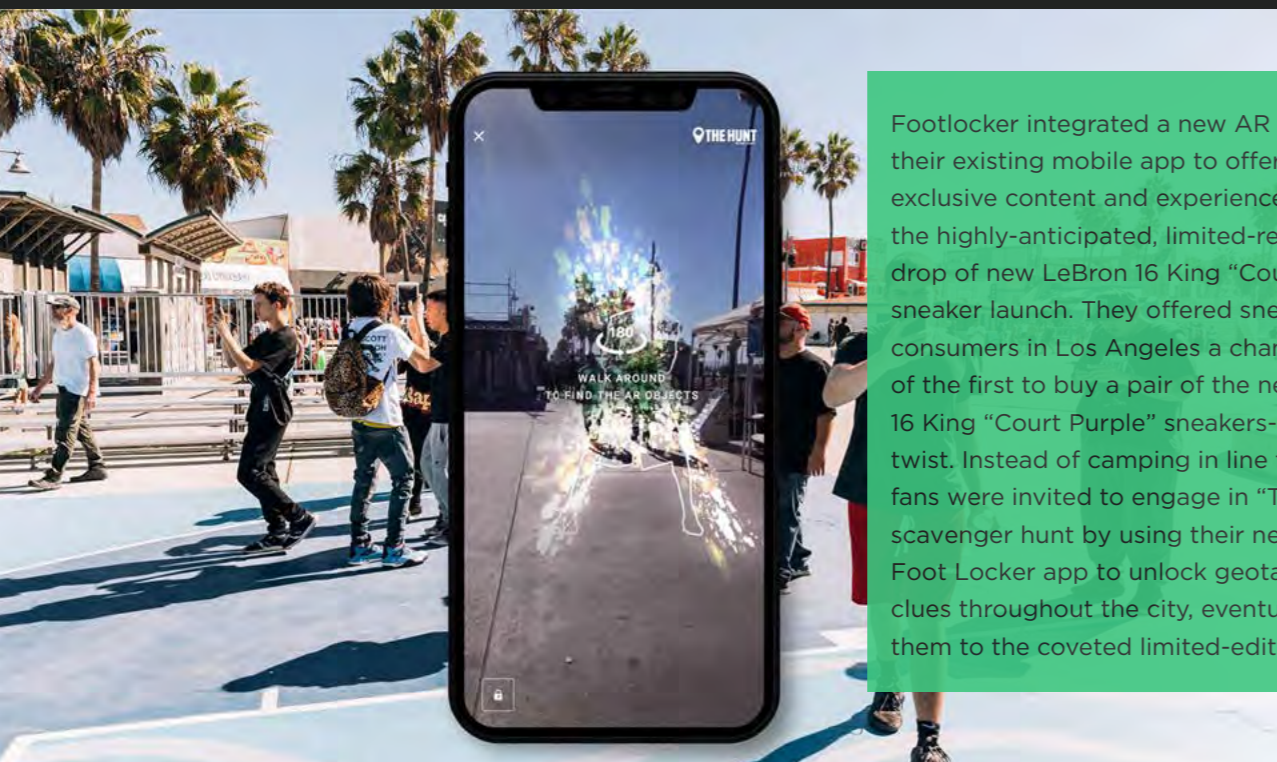
Image source

NIKE GRAFFITI STORIES

The project saw São Paulo's graffiti artists update their existing works with the new Nike Air Max range featuring frequent launches each week, across neighbourhoods. Inserting themselves into the cultural heritage on the city, Nike were able to create hype for their new product releases. These sneaker models were then exclusively available pre-sale by visiting the works using geolocation to purchase. As an extra reward, an animated film starring the graffiti character wearing the shoes was also made available.

Image source

FOOTLOCKER GOES ON THE HUNT

Footlocker integrated a new AR feature into their existing mobile app to offer customers exclusive content and experiences timed to the highly-anticipated, limited-release product drop of new LeBron 16 King "Court Purple" sneaker launch. They offered sneaker-obsessed consumers in Los Angeles a chance to be one of the first to buy a pair of the new LeBron 16 King "Court Purple" sneakers--but with a twist. Instead of camping in line for their kicks, fans were invited to engage in "The Hunt" scavenger hunt by using their newly updated Foot Locker app to unlock geotargeted AR clues throughout the city, eventually leading them to the coveted limited-edition LeBrons.

MONKEY SHOULDER LOCK IN LIVE

Whiskey brand took cues from entertainment formats to enhance their ecommerce experiences, and ensure they are entertaining. By using brand advocates, they celebrated key on-trade locations and their staff as knowledgeable influencers to leverage their communities in a free and unmissable drinks and entertainment show streaming globally. They invited consumers to chat mixology and discover how to make the latest and greatest drinks, with prize giveaways throughout.

Image source

KEY TREND #4

CULTURE HACK

NATIVE INFILTRATION OF GAMING CULTURE CAN OPEN UP NEW AUDIENCES TO YOUR BRANDS.

WHAT

Gaming, as we mentioned, is not niche. Chances are your customers are gaming too or playing with the culture codes of gaming. Brands who understand where their new potential audiences interact in this space can start to map the intersection of brand proposition and gaming behaviours to unlock new innovative communication opportunities. Beyond in-game banner advertising, the most successful brands are the ones who have dissected gaming culture and find relevant and smart ways to be present in this virtual space.

BURGER KING MEETS STEVENAGE FC

UK League 2 football team Stevenage were catapulted to world fame, in affiliation with Burger King, Twitch and the most popular sports game in the world – FIFA 20. This example successfully demonstrates the capitalisation of in-game audiences for wider objectives. The brand rewarded users for engagement, as Burger King offered a Whooper burger and fries in return for success; users completing in-game challenges as Stevenage football players, and sharing their experience on Twitch. As a halo effect, Stevenage FC sold out of football shirts internationally, which is pretty remarkable for a low league club from The UK.
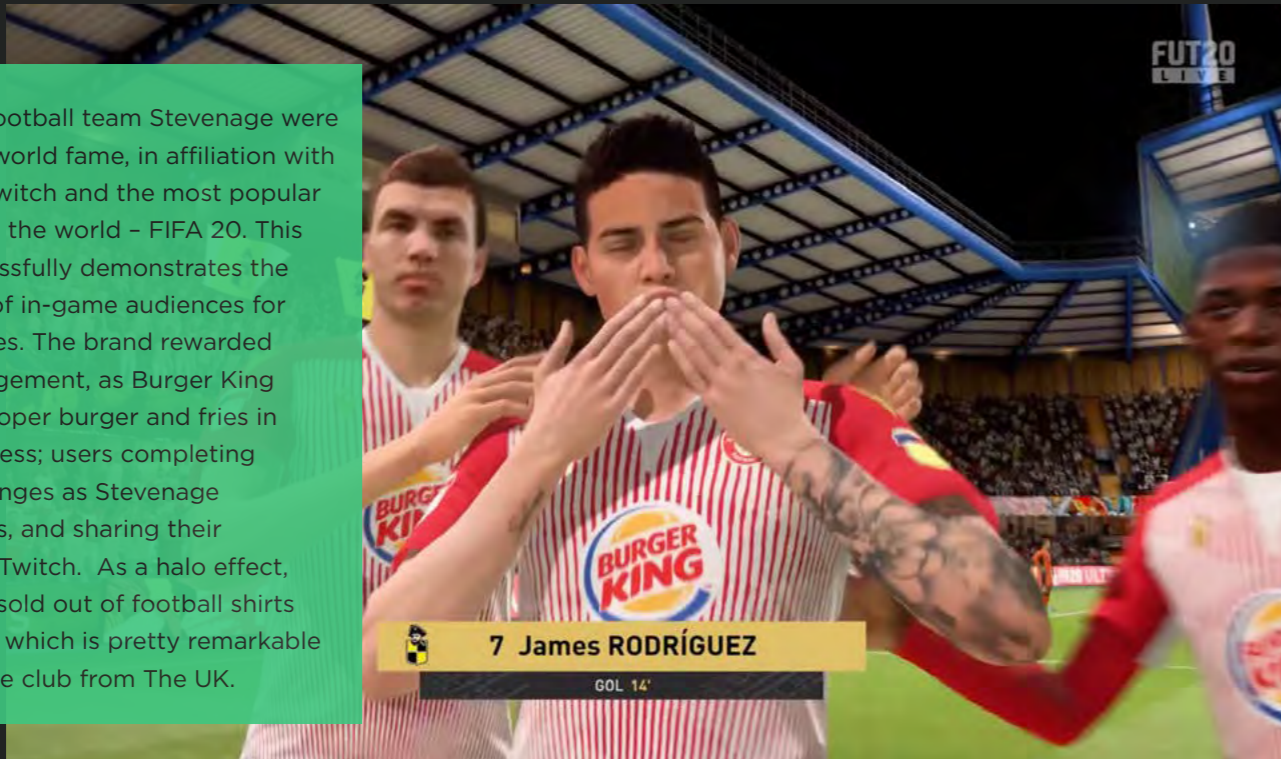
Image source

GAMING FOR THE PERFECT DATE

Tinder wanted to capture a new audience in Spain by showing that the app is not just for romance – this was their first venture into the world of esports so it was important that it was authentic and true to the brand, as well as the audience. Tinder selected four team captains – each a well-known gaming influencer. Then through Tinder, potential players were able to match with the influencer that they liked. Once matches were found, four teams were created, and the two-day League of Legends competition began.

Image source

SUBTEMBER

Subway partnered with Twitch streamers to promote various "SUBtember" promotions and raise brand awareness . Gamers are part of a passionate community who fully engage, participate and support influencers digitally and financially. They partnered with Dr. Lupo, a leading gaming influencer with two sponsored streams. The first stream was promoted on a highly viewable homepage placement on Twitch and amplified on Twitter, significantly increasing the viewers that joined while naturally promoting Subway and the product. To support less well-known streamers and help fuel their subscriptions, Subway dropped "Sub bombs" to give free subscriptions to viewers. Paid ads promoted Subway, as they leveraged high visibility attention grabbing moments including home page and video takeovers. on Twitch.

CADBURY HEROES

Cadbury wanted to grow penetration by becoming more relevant to a wider range of consumers; through their "Unlock a little connection" message they wanted to connect people and bring them closer together.

They created Cadbury Heroes first ever live esports show – the Heroes League Live Shows - challenging celebrity gamers to train their parents for battle in their first ever tournament. The tournament was live streamed across YouTube and Twitch, amplifying the tournament through paid media and editorial coverage over the 6-week campaign.

Image source

KEY TREND #5

GAMIFIED STORIES

MAXIMISING BRAND IMMERSION BY TURNING AUDIENCES INTO HEROES OF YOUR STORY

WHAT

Gamifying stories create opportunities to surprise and delight brand consumers. Taking a brand's voice or particular 'mechanic' or action they are known for and creating a new immersive way to bring the audience to the centre of it can create a powerful experience that can open new and deepen existing customer engagement.

L'OCCITANE HAS ALL THE INGREDIENTS

L'Occitane en Provence went beyond blogging about 'Sustainability', by building an engaging gaming website that not only translated its principles but educated the user on environmental friendliness. The game involved picking a seed, planting it, and taking care of it. This is actioned by pressing down on water and sun buttons at the bottom of the screen, prompting 'rain' to fall and 'sun' to shine on the seed. As you nurture your seed, it begins to grow. Facts pop up after each round, such as the number of trees L'Occitane has helped to plant. The more you engage with the game, the more content and rewards are unlocked. There is also a value content exchange opportunity with users registering via email to be eligible.

Immortelle

You've got all the ingredients: sun, water, and time. And time is her best friend.

Image source

TINDER SWIPE NIGHT

Tinder leant into the live with their Swipe Night, a first-person adventure where at key turning points, users decide what happens to them next.. They produced a live streamed event over the app that gave its users choices that played out on screen and ultimately matched users based on those choices.

SWIPE NIGHT.

A 5-minute interactive story where your choices can lead to matches @

START NOW

JOIN 601512 USERS TONIGHT

SAVE THE PUPPY

SAVE HER

Image source

NATIONAL GEOGRAPHIC X IKEA

The team at National Geographic produced this piece of branded content for IKEA to make it easy for viewers to share, and shop the most dangerous places on the planet, bedroom habitats. Throughout the video, motion tracking hotspots showcase the perfect pieces for your own habitat, allowing you to simply select them to find out the item's details, as well as the ability to purchase the item straight away. Viewers were highly engaged with the products highlighted in the video, clocking more than 60 seconds of time in the overlays. That's what we call a "super-impression".
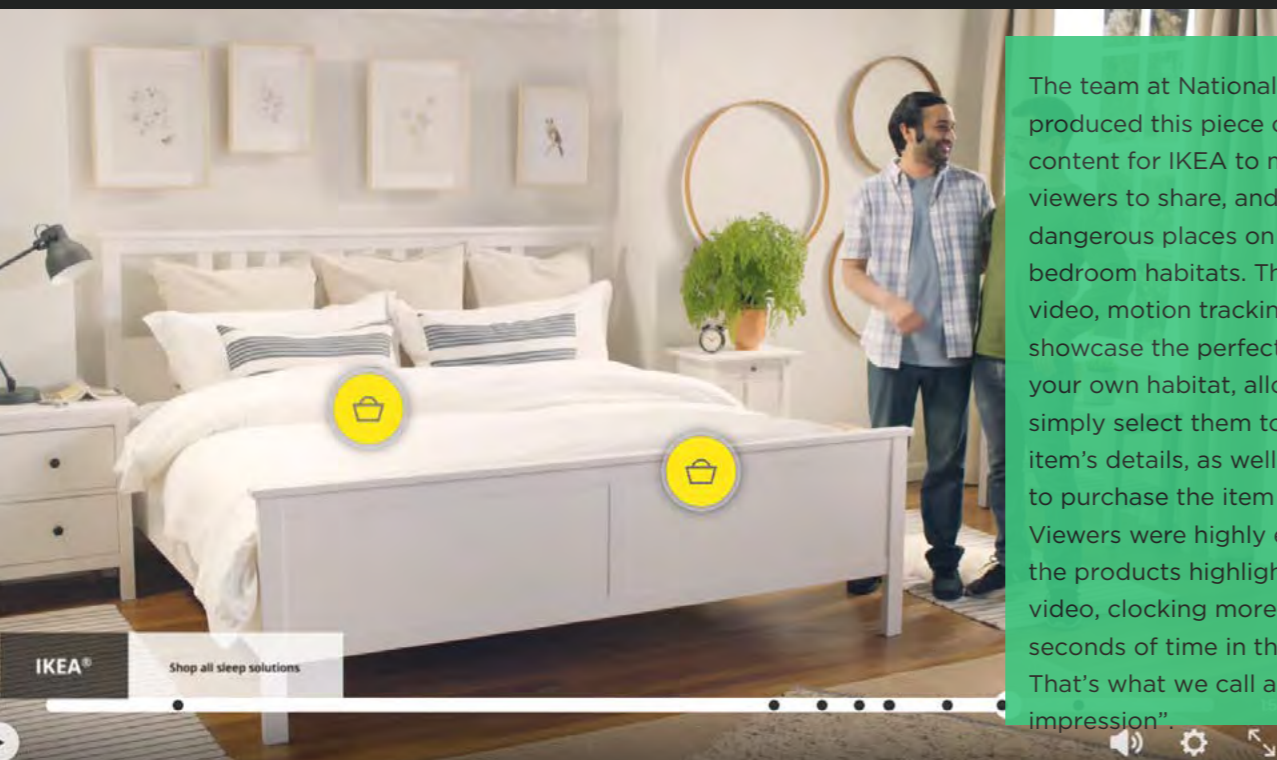
IKEA®   Shop all sleep solutions

Image source

NIKE LIVING ROOM CUP

Living Room Cup was digital work out series designed to give people the challenge to measure up to Nike Pro Athletes. Taking key Nike ambassadors to inspire and motivate users to test themselves when the world went into lockdown, users who had downloaded the Nike Fitness app could use it to participate in the challenge and to help them train for the upcoming challenges regardless of skill level. Allowing users to link it through to social created a viral aspect to the campaign and created new data points for those who engaged.

THE LIVING ROOM CUP

— THE ULTIMATE MATCH UP —

Image source

NOW

With the rise of platform-based economy and new behaviours driven by the next gen, Commerce Gamification will be an essential component of brand growth.

BRANDS WHO PLAY ON GAMIFIED PLATFORMS WILL ENERGISE NEW E-COMMERCE STREAMS.

BRANDS WHO CAN CREATE GAMIFIED EXPERIENCES WILL DEEPEN RESPONSES WITH AUDIENCES.

BRANDS WHO HAVE CLEAR GAMING STRATEGIES WILL UNLOCK NEW FANDOMS TO GROW THEIR APPEAL.

REFERENCES

1. https://www.forbes.com/sites/ashleystahl/2018/07/25/heres-how-creativity-actually-improves-your-health/?sh=2170109513a6

2. https://dig.watch/updates/global-e-commerce-jumps-267-trillion-covid-19-boosts-online-sales/

3. https://www.tvtechnology.com/news/new-streaming-projections-1b-users-globally-in-2021

4. https://www.businessofapps.com/data/zoom-statistics/

5. https://time.com/3858309/attention-spans-goldfish/#:~:text=Microsoft%20found%20that%20since%20the,media%2C%E2%80%9D%20the%20report%20read.

6. https://amai.org/covid19/descargas/SocialGlobalWebIndex.pdf

7. https://www.cnet.com/tech/gaming/ninja-reportedly-made-1m-to-stream-apex-legends-at-launch/#:~:text=Tyler%20Blevins%2C%20a%20famous%20gamer,4.

8. https://www.complex.com/pop-culture/2018/04/ready-player-one-grosses-over-500-million-at-worldwide-box-office#:~:text='Ready%20Player%20One'%20Grosses%20Over%20%24500%20Million%20At%20Worldwide%20Box%20Office,-ByTara%20C&text=The%20Steven%20Spielberg%2Ddirected%20film,has%20earned%20%24120.6%20million%20domestically.

iPROSPECT
a **dentsu** company

If you are interested in finding out more and tapping into the opportunities Gamified Commerce brings, our teams would be delighted to brainstorm a tailored solution for you. Get in touch at iProspect.com.

ABOUT iPROSPECT

iProspect, a dentsu company, is a global digital-first end-to-end media agency. Its unmatched mix of media strategy and storytelling with digital expertise and audience knowledge defines the new territory of performance-driven brand building. By delivering human-centric solutions, iProspect accelerates growth for the world's most iconic brands including Sonos, Cox, LG, Hilton, Levi's, Budweiser, Microsoft, and Procter & Gamble. The iProspect team works across a network of more than 8,000 media and performance specialists spread across 93 global markets.

www.iProspect.com