



Inspired Incentives

Gamification in Channel Incentive Programs: An Important Component

Author: Travis Smith

As defined by Rajat Paharia, Founder and Chief Product Officer, Bunchball, Gamification is the integration of game mechanics and theory into non-game applications and processes in the workplace. Simply put, the concept applies a game-oriented approach to non-game activities, making them more engaging. Game mechanics motivate participants to get involved and solve problems.

Even before the term gamification became widespread, it had long been integrated into a wide range of business functions including sales and marketing, customer engagement, employee incentives, and workplace performance.

At TIMBR-HMI, we are strong proponents of Steps to the Sale (STTS) and rewarding/recognizing behaviors that lead to new prospects, new engagements, and that finally lead to new sales. As such, we are continually looking for new and innovative ways to help grow business. As gamification becomes more buzzworthy, particularly among channel marketing professionals, we think that there are some questions that need to be asked about what role gamification could and should play in incentive programs.

If you've been hearing about gamification lately and are wondering where it could fit into your incentive marketing strategy, consider the following questions and our answers:

Is Gamification motivating? Yes. We have seen higher yielding results in programs that incorporate gamification. As a follow up to that question, does gamification work in channel incentive programs? Again the answer is yes, but mainly as a tactic to help create healthy competition or help track towards a goal. This should be a component of a strategy but it isn't a strategy by itself. In other words, simply earning a badge or being the first around the track or up the mountain won't motivate alone.

Should we leverage competition? Yes, most sales people are highly competitive and enjoy being the leader and recognized as such. Leaderboards are a great way to motivate as well since they help set achievable goals and provide a tracking mechanism. This has been around for a long time, but now leaderboards are becoming more front and center in programs or promotions.

What is the right incentive program and incentive investment? The reward must be appropriate. Not many successful sales people with \$100k+ in income are going to be motivated with a "badge." A room upgrade at a partner conference would be a nice "thank you" but isn't considered an incentive. Industry best practices and studies show that in order to change behavior the incentive should be about 2-5% of their Gross Annual Income. TIMBR-HMI recommends not guessing what motivates, but letting the individual choose what they put on their "wish list." The participant's future behaviors are much more impacted as their equity in the rewards program grows.

Is there enough of a rewards budget to motivate the desired actions? People love stuff (free stuff), they love to be the leaders, and they love to be recognized, but this alone will not be enough to move the needle. Depending on what kind of a budget you have to work with, you may want to consolidate the rewards budget to offer a weekly winner and a grand prize instead of multiple small prizes. Research shows that people would rather have a "chance" to win something big than win something that may be perceived as inconsequential or small.

Gamification, in many different forms, has always been an important component of channel incentive programs, but today it has become much more visibly exciting and better communicated. Gamification, as a stand-alone, will not work as a motivator in the channel and partner motivation world, but it could be the thing that takes your channel incentive program to the next level.