
EVEN NINJA MONKEYS LIKE TO PLAY

Gamification, Game Thinking and
Motivational Design

A chapter from the full book

LOYALTY



Loyalty is important amongst ninjas, but it is not about rewards or bribes. For us it is a deep, emotional connection, relying on trust. Outside of the Ninja Monkey community, value, quality of service, trust and more are essential for fostering loyalty.

Some would do well to remember that.

A big focus in gamification these days is the concept of Loyalty. It is also an area of distinct misunderstanding if the typical loyalty programme examples are anything to go by!

Old School Loyalty

When we think of loyalty, especially when we consider it in the context of gamification, we tend to think of loyalty cards, air miles or other point collection systems. You spend £X amount and we will give you points that can go towards other goods or discounts.

When I was a kid, we used a petrol station called Texaco. There were two reasons for this. The first, it was on the way home from church on a Saturday evening and second, it was cheaper than other local options. Something they started to do was give you stickers based on how much petrol you bought. These stickers filled up cards, which could then be traded in against goods – the more cards you filled, the better the goods you could trade them in for. Using this method, my Mum and Dad managed to kit out our kitchen with new mugs, new glasses and I even got a Swiss Army Knife out of it!

All of that makes it sound like we were loyal customers of Texaco. The truth of the matter really? It was convenient and cheap. The sticker scheme was a nice extra, but if we were not near home we would not go out of our way to find a Texaco garage for petrol, we would go where ever was close or cheap.

Real Consumer Loyalty

Loyalty in the consumer market is demonstrated when people will go out of their way to just use a particular product, service or brand. This is irrespective of convenience or price. For example, our Christmas Turkey.

Every year we buy our Christmas turkey from Graham Turner. He used to run a local butcher shop, just 15 minutes away. However, he changed the shop location to a new area, making his shop less convenient to get to. Even so, we still go there to get our turkey and any decent joints of meat we need. We have a butcher shop less than a 2 minute walk from us and we have two supermarkets less than a 5 minute drive from us. However, we always drive the 25 minutes to Graham. Why? Because he has cultivated loyalty in us. He and his staff make every visit feel special.

They treat us as old friends, greeting us by name or as Sir or Madam. The quality of their products is extremely high and their customer service is unparalleled. Christmas Eve a few years ago, we got our Turkey and found out, once it was home, that it was not the size we had actually ordered. We called Graham to complain, he told us to come straight back and he would keep the shop open for us to sort out a replacement – Christmas Eve and he kept the shop open just for us. With service like this, I do not need to collect points to want to keep using Graham!

This kind of personal touch keeps people coming back time and time again, the feeling that you are special and important. Big brands like Amazon know this as well, making every visit to the Amazon website a more personal experience. Algorithms are used to predict and recommend items that may be of interest to you, which are in my experience very accurate. You are greeted by name in a friendly manner. Emails you receive from them usually have relevance to you, offering tailor made, or seemingly tailor made, deals that will interest you.

Tesco does the same, using their standard looking loyalty scheme to personalise the offers you get. Their website even states “*the more you use your Club-Card the better we can understand the sort of coupons you might like to receive*”. They are being honest; “keep using us and we will make sure the service you get will become more and more personalised to what you want”. It’s the difference between getting a voucher for a DVD when you really need one for nappies.

Big brands like these can do this, because they have huge amounts of data about you. You keep hearing about Big Data, well this is what it can offer the loyalty market – personalisation of everything. Amazon knows what I buy, so can tailor what I see. In 2013 they even patented a concept called “Anticipatory Shipping” ⁷⁰.

The concept would see them delivering items even before you have ordered them – that’s how well they feel they know your consumer habits! Tesco knows what I buy online and in-store,

because I scan my Club-Card after each shop and they can then identify me. It may sound creepy, but it begins to build a picture that allows these brands to make me feel like the centre of the experience.

Consumer loyalty is now about finding out who your customers are, what drives them and using that information to give them what they want and need in a timely, personalised and convenient manner.

Enterprise Loyalty

In the enterprise, loyalty is important as well, loyal employees are valuable. They work harder and they are more likely to stay. However, many mistake loyalty for obligation or even lack of other options. A loyal employee is one who will stay even if they are offered a seemingly better opportunity; because they feel that they are valued and are valuable to the company they are with.

Some may stay because they feel some level of obligation or gratitude towards their employer for employing them, though that will not last. Unless they feel valued, they will soon walk.

In much the same way as Graham Turner makes people feel they are at the centre of the experience when they are in his shop, employers need to make employees feel that they are at the centre of their experience in the company. If they feel like just another cog, they will feel no loyalty to the company at all.

Remember, feelings of obligation is not loyalty!

Four Loyalty Destinations

Barry Kirk of Maritz Motivation Solutions, created a neat categorisation of loyalty. ⁷¹

Inertia Loyalty: This is where people stay with something because it is too much effort to leave or change. Think of people in jobs just going through the motions. They may find it convenient to stay or too large a risk or effort to leave.

Mercenary Loyalty: Old school loyalty schemes fit here. Buy from us, collect points, and get free stuff. My Consumer user type sits here and the Texaco stickers are a great example of this.

True Loyalty: This is where my loyalty to Graham Turner fits in. I go out of my way to use Graham's Butcher Shop because of the service, the quality and the experience. He may be more expensive and harder to get to, but that will not stop me! This is what you should be striving for.

Cult Loyalty: This is a strange one and one that cannot really be artificially created – it just happens. As Barry says, this is demonstrated by those who tattoo a brand logo to themselves or will only buy a Harley because that expresses deeply who they are. The closest I have seen to this kind of loyalty being manufactured is when Apple created the iPhone. Steve Jobs was often described as a cult leader with his "Reality Distortion Field".

The iPhone was a bit of leap of faith for Apple - it had to work. They started by making people feel that this was the future, to not have it would be to miss out on the future (Loss Aversion). Once people started to buy them, they made everyone else feel that if they did not have one, they were missing out and a loser (Social Pressure). This social pressure and sense of loss aversion has been continually cycling since the first iPhone was released.

It has kept people buying the iPhone even though it is considerably more expensive than any other phone on the market – and does considerably less than many other phones!



Figure 1 Barry Kirk's 4 Loyalty Destinations Framework

Creating loyalty is not easy, but a good place to start is to put the person whose loyalty you desire, back into the centre of the

experience. Make them feel that you as a brand, an employer or whatever else you may be, care about them directly and that you value them and understand them. Do not try to bribe them; loyalty has to be earned.

Three States of Engagement and Loyalty

There are three basic states of Engagement and Loyalty: Not Engaged, Engaged and Loyal.

If you were running a shop, these three states would play out as:

- Will not shop with you for reason X, Y or Z.
- Will shop with you because of reason X, Y or Z.
- Will shop with you under any circumstance.

The question is, how do you convince people to shop with you and then how do you convince them to be loyal to you?

Getting Them Through the Door

The reason I use my local shop when I have to get something urgently, is convenience. It may not be as good value as the supermarket, but it is easier for me walk to the shop – I am willing to pay extra for the convenience.

However, when I want my weekly shop, I will use the supermarket. There are two reasons for this. The first, it is much better value for that large a set of purchases. The second is that they

deliver. Therefore, they make it easy for me to do and they make it a bit cheaper.

This gives us a small formula and a chart:

$$\text{Chance of using Shop} = \text{Value} \times \text{Convenience}$$

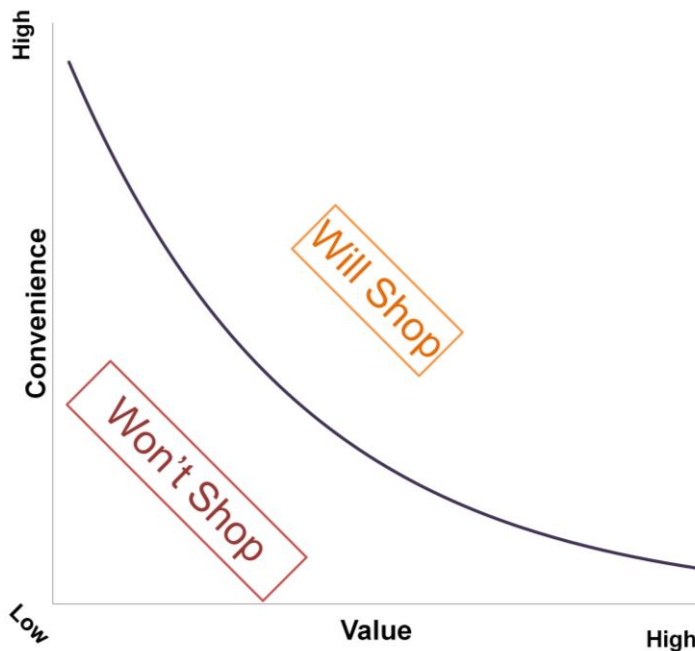


Figure 2 Basic Reason to Shop

We begin to get a picture of when a person will use your shop.

- Corner Shop: The convenience outweighs the value.
- Supermarket: The value outweighs convenience.
- Supermarket delivery: Value and convenience are both good, it is a no brainer.

Now You Have Me, Keep Me!

That makes sense, but does not tell us how to convert an engaged shopper into a loyal shopper. For that, we need something more – the magic sauce if you will. I mentioned that I would go to Graham Turner for my Christmas turkey every time.

There are two major reasons. First, the service that I receive when I go; they make the whole experience about me and I feel valued as a customer. The second is the quality of the product. It is less convenient than the supermarket and it is nowhere near the value of the supermarket, but I still use them. The service and the quality lower the barriers of value and convenience in my choice.

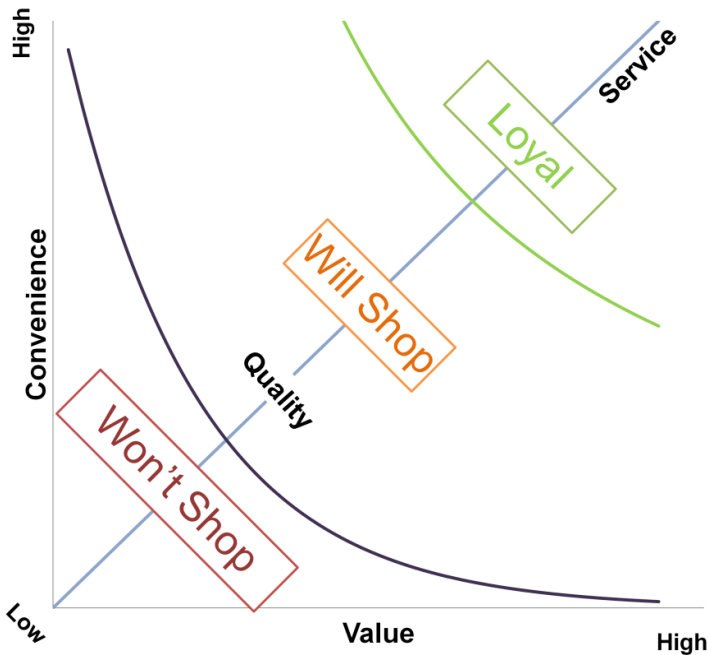


Figure 3 Quality and Service Creating Loyalty

The quality of the food from Turner's reduces the effect of convenience and value on my decision of where to shop. However, the service pushes into new territory.

The service is what makes me personally keep coming back, that is what keeps me loyal. The convenience and value become more a perception than a physical factor. I love the service; I love the quality, so the rest seems to be less of an issue to me.

If we put this into a formula, we get:

$$\text{Loyalty} = (\text{Value} \times \text{Convenience}) \times \text{Quality} \times \text{Service}$$

How Is this of Use?

Of course, this is all simplified, but it does illustrate a few important considerations with loyalty. It is not good enough to be as good as or a bit better than your competition. You have to be much better and way more valuable to people than your competition.

You have to find what your unique selling point is and exploit it as much as possible.

This is not just applicable to shops; everything where you are trying to gain loyalty will work in a similar way. If you want people to keep coming back to your website, you need to find a unique reason why people will be loyal.

Many sites have a great design and quality writing. Maybe yours has advocacy and peer reviews that make it more trusted. That will get people to visit in the first place.

If that is the case, how about add something more, do weekly competitions, really drive down the effect other barriers have on people coming back.

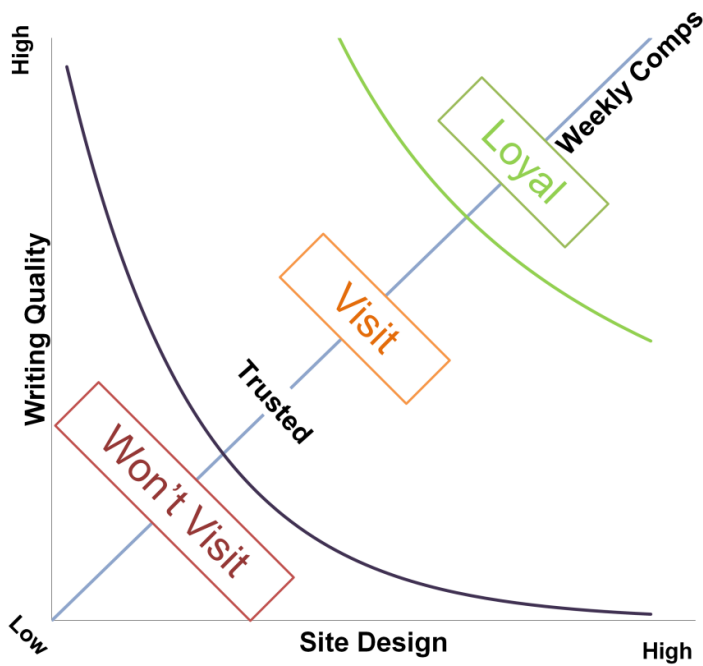


Figure 4 Example of Going Further

Every case is different. However, there are five basic actions you can take to cultivate this sort of loyalty:

1. Put the customer/user/employee at the centre of everything
2. Make them feel that they are getting value and that they are valued
3. Give them a reason to trust you and make them feel trusted
4. Give them quality service
5. Then start icing the cake with more features that people want and love.

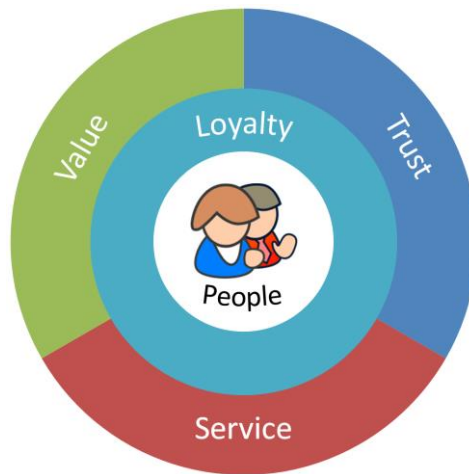


Figure 5 Key Components of Loyalty

The End

If you enjoyed this chapter, find out more about the full book at

<http://www.gamified.uk/even-ninja-monkeys-like-to-play/>

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