

# GAME ON

## What E-Commerce Can Learn From the Top 100 Mobile Games



## Introduction

The mobile gaming industry is on fire. Today, it's worth **more than \$41 billion** in worldwide revenues, up 18 percent from the previous year. That's as much money as the entire global box office for films, and it shows no sign of slowing down.

Chances are, you've got at least a few friends who can't go an hour without tending to their Farmville fields or sending their Sims on a bathroom break.

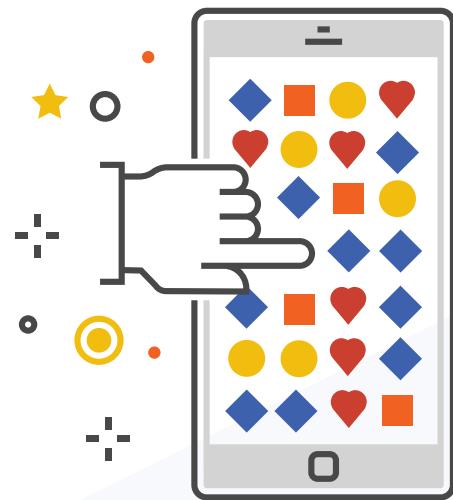
The industry has many casual players who check in a few times a month, as well as a contingent of serious gamers who are highly engaged and maintain a daily habit: about a third of gamers spend more than nine hours a week playing mobile games.

The industry seems to have perfected the art of user engagement—creating enough positive reinforcement to keep casual players coming back, while ensuring that their VIPs stay hooked.

And some gaming companies have also mastered the art of monetizing their loyal players: *Game of War: Fire Age* collects an average of \$550 per player from in-app purchases, with players purchasing digital crates of gold for around \$52 a piece.

It's staggering how much people spend on digital items—and e-commerce businesses would benefit by understanding how gaming companies are blazing this path to high user engagement.

***How can you “gamify” the e-commerce experience to boost customer loyalty, and if you're lucky, drive incremental revenue?***



# Gamifying Your Business

In **Gartner's 2012 "Gamification 2020" Report**, the leading analyst firm claimed that customer service and loyalty applications were "the sweet spot" for gamification. Now, the trend is spreading: As smaller brands are able to tap into innovative marketing technologies, gamification is becoming a key strategy for companies of all sizes across many industries.

We recently studied what leading mobile game publishers are doing right. **The 2017 User Engagement Top 100 Report: Mobile Gaming** showcases best practices in engaging and retaining users. Read on to learn how you can apply those findings to your own business.

## WHAT IS GAMIFICATION?

*Gamification consists of a simple, three-part structure:*



### **1. Challenge**

*Present the user with a difficult, but achievable, task*



### **2. Instruction**

*Guide and motivate during the journey*



### **3. Reward**

*Provide a rewarding payoff upon completion*

*Master this equation to build strong relationships with your customers that keep them coming back.*

# Gamifying Your Business

## 1. Build a relationship with your customers

When you acquire a new customer, follow the gaming world's example in mapping out a clear and consistent growth marketing strategy that aligns to your customer's lifecycle profile, preferences, and behavior.

**Here are a few messaging strategies mobile games use to lure their players back:**



### “Collect your special welcome bonus”

The mobile gambling game *DoubleU Casino* welcomes new players with free chips to use when playing. Get customers hooked right from the start by providing them with an incentive or discount when they sign up.

### “Lunchtime is cookie time!”

The puzzle game *Cookie Jam* sends this reminder to login every day at noon, creating a Pavlovian response. Schedule messages at specific times of the day, so your customers will associate your brand as part of their daily routine.



### Every day is worth celebrating.

It's standard practice for B2C companies to run special holiday promotions, but looking beyond Memorial Day will make you more memorable. Get creative and wish your customers a happy Pizza Party Day!



## TIP

### Get creative with copy.

*It's easy to get into messaging ruts, so don't be afraid to take risks and regularly evaluate what works. Even a simple change in sentence length and structure can set you apart from the companies that are phoning it in.*

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## 2. Energize the shopping experience

Gamification strategies **can double the amount of time a shopper spends on your website**, so turn the shopping experience into a game by using the challenge-instruction-reward formula.

**A few strategies to try include:**



### Set a goal

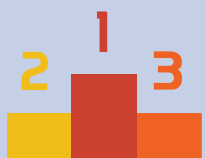
Many mobile games award virtual gifts upon the successful completion of a level. Invite your shoppers to unlock rewards by hitting a certain spend level. One common example of this? Free shipping thresholds.

Free shipping tops the list of holiday shoppers' desired features, **according to a 2016 Deloitte survey**. Customers hate the thought of paying extra for delivery, and they're likely to fill their carts a little fuller in order to get a better deal.

### Demonstrate scarcity

If you want a shopper to make a purchase, show him that there's only a limited time available to do it. Role-playing games (RPGs) often entice gamers with virtual gifts, valid for a limited time only. Players must login quickly before the promotion expires, creating a sense of urgency.

You can do the same by offering a limited-time discount ("flash sale") or free offer with purchase—include a clock countdown in your message to highlight the impending deadline.



### Showcase social proof

How do games build credibility among users? By proving how many other people love to play. Mobile games typically showcase leaderboards to feature the best players, or they might provide real-time data that shows how many other people are playing a game in that very instant.

E-commerce businesses can promote their own "social proof" by listing a large number of newsletter subscribers, spotlighting positive reviews or publishing video testimonials of happy customers.

### 3. Re-engage lapsed customers

Once you've convinced customers to make a purchase, there's no guarantee you'll ever see them again. They may move to competitors that lure them in with lower prices, or simply lose interest in the products that you're offering.

**Take a cue from the mobile gaming world to develop strong re-engagement strategies:**

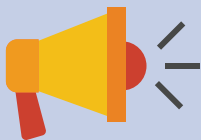


#### **Send a special promotion urging them to return.**

The mobile gaming industry understands the art of re-engagement. Eventually, the honeymoon period wears off, and games must motivate users to come back and play. Segment your lapsed customers and send them a “We miss you!” message with a coupon code or other goodie.

#### **Suggest personalized, new offers based on their history.**

The casino game *Scatter Slots* encourages players to “start your week with something new!”, offering new levels to appeal to their thirst for novelty. Do the same with your customers when you have a product that ties in with a previously demonstrated interest. Has a customer bought a kayak from you in the past? Maybe it's a good time to sell her a stand-up paddleboard this summer.



#### **Market to past customers at specific intervals.**

Keep track of user activity on your website and in your emails to find an ideal messaging frequency for each customer. Segment your “regulars” from your “inactive” users. Focus on sending occasional, highly targeted messages to your inactive users with enticing offers to encourage them to come back.

## Conclusion: The Psychology of Gamification

Why do some players get so obsessed with games that they'll play them for hours a day and spend hundreds or thousands of dollars on in-app purchases?

They buy in because the games meet all the right psychological triggers. They make gameplay fun, providing constant feedback at each step along the way and rewarding players when they achieve new goals.

As an e-commerce business, you can follow this model by developing a framework that uses hyper-personalized messaging and offers that are tailored to the individual user—tracking their purchase history alongside website visits and email metrics to determine exactly what catches their interest.

Set up highly targeted sequences to appeal to all lifecycle stages that you've identified, and specify “trigger” actions to re-engage shoppers. Build in loyalty programs with rewards that can be unlocked at certain spending milestones.



***In short, act like a gaming company—and build a captivating brand.***

***“Gamification is 75% psychology and 25% technology.”***

— Gabe Zichermann, gamification expert


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## About Iterable

We appreciate you reading this guide to gamification. If you have any questions or feedback, we'd love to hear from you. You can email us anytime at: [hello@iterable.com](mailto:hello@iterable.com).

Iterable empowers growth marketers to create world-class user engagement campaigns throughout the full lifecycle, and across all channels.

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