



**GAMIFYING YOUR
HOSPITALITY BUSINESS
FOR EMPLOYEE ENGAGEMENT**

INTRODUCTION

Although games have been an important part of human leisure and learning for more than 5,000 years¹, the term “gamification” only came into widespread use in 2010. It was coined in the early 21st century by a computer programmer named Nick Pelling.

Despite its name, gamification isn’t literally about playing games; it’s about taking aspects of games — such as point scoring, leaderboards, and friendly competition — and applying them to non-gaming situations in order to motivate people to achieve a specific goal.

One such use of gamification is Foursquare’s system of awarding points and badges — which are then listed on a leaderboard — when users check in at various locations. Foursquare itself is not a game (it is a search and discovery platform that recommends places to users based on their preferences), but by incorporating the motivational elements of games into its app, it has seen its user base grow by more than 40 million since it launched in 2009.²

On the business side, gamification is a powerful tool that can engage employees, improve service quality, and lower operating costs.

Studies have found that employee engagement is at an all-time low; overall, only 31.5 percent of employees are actually engaged at their jobs.¹² The rest are either not engaged or actively disengaged. In some industries, particularly restaurants and hospitality, low engagement can lead to high turnover rates.

“ Organizations with high employee engagement have turnover rates that are 25 to 65 percent lower than those with low employee engagement. ”

An analysis of employee engagement by Gallup discovered that organizations with high employee engagement have turnover rates that are 25 to 65 percent lower than those with low employee engagement.¹³ Gamification can help counter these trends by getting employees more involved in their work. This white paper will outline how gamification can help brands engage their employees, improve productivity, boost operational efficiency, and increase profits.

GAMIFICATION TIMELINE CHART

1908:

The Boy Scouts movement begins. Merit badges are awarded to scouts for completing activities or acquiring skills.³

1983:

Holiday Inn launches the first loyalty program in the hospitality industry, awarding visitors points for every stay.⁴

2002:

The term “gamification” is coined by computer programmer and inventor Nick Pelling.⁵

2007:

NBC gets Bunchball, a provider of a cloud-based gamification product, to create a web game called Dunder Mifflin Infinity to promote its hugely popular comedy show The Office.⁶

2009:

Foursquare launches. The app’s check-in feature allows users to earn badges by checking in to specific venues.⁷

2010:

Companies such as Coca-Cola, IBM, and SAP start to gamify everything from loyalty programs to employee skills development initiatives.⁸

2011:

Gamification.co launches the very first annual Gamification Summit.⁹

2011:

Gartner predicts that by 2014, more than 70 percent of Global 2000 organizations will have at least one gamified application.¹⁰

2012:

Deloitte launches the Deloitte Leadership Academy, a training platform that rewards executives around the world with badges for learning new skills.¹¹

HOW GAMIFICATION WORKS

There are several benefits to using gamification in the workplace. By putting targets in the context of rewards and achievement, it involves employees more organically in their work and gives them an extra push to reach goals. This can be accomplished by offering a prize, challenging employees to beat a high score, and fostering a spirit of friendly competition among team members.

Next, gamification can be used for purposes of training and talent development. It makes learning new skills easy and fun, so employees can quickly acquire the knowledge they need to succeed on the job. Moreover, it offers incentives for employees to maintain that knowledge and continually learn new skills relevant to their roles.

“ It can cost up to one-fifth of an employee’s annual earnings to replace him or her, which can quickly become expensive in industries that experience high levels of turnover. ”

Finally, it lowers operating costs by increasing employee productivity and retention. The Center for American Progress reports that it can cost up to one-fifth of an employee’s annual earnings to replace him or her, which can quickly become expensive in industries that experience high levels of turnover.²¹ By engaging employees and getting them passionate about their work, gamification can help businesses reduce the number of employees who choose to leave and save on costs associated with hiring new ones.

Brands that gamify will make employees happier, and when employees are happy, they are less likely to leave.

GAMIFICATION IS USEFUL FOR ENGAGING MILLENNIALS

For Millennials, work is about more than just clocking in and collecting a paycheck — it’s about making a difference in people’s lives and doing something that matters. This passionate approach to work is a quality many employers value, but despite their best efforts, businesses across all industries are struggling to retain

EMPLOYEE ENGAGEMENT FAST FACTS

Only 31.5 percent of employees are actually engaged at their jobs. A full 17 percent say they are actively disengaged.¹⁴

71 percent of Millennials are not engaged at work.¹⁵

44 percent of Millennials say that, if given the chance, they would leave their place of employment within two years.¹⁶

The average cost of training a new employee in the restaurant business is \$10,000.¹⁷

Gallup estimates that active disengagement costs the U.S. economy between \$450 and \$550 billion every year.¹⁸

89 percent of employees say a point system would boost their engagement.¹⁹

Organizations that successfully engaged their employees and customers saw a 240 percent boost in business outcomes over those that did not.²⁰

Millennial employees. Engagement among Millennial employees is lower than any other generation. According to Gallup research, only 28 percent of Millennials are engaged in the workplace, versus 30 percent of Generation Xers and 32 percent of Baby Boomers.²²

“ Fifty-one percent of Millennials believe that feedback should be given very frequently or continually on the job ”

Unlike previous generations, they crave regular feedback from their supervisors. Fifty-one percent of Millennials “believe that feedback should be given very frequently or continually on the job and only 1% said feedback was not important to them.”²³ In the restaurant and hospitality industries, leaderboards can

give employees constant feedback on their performance, particularly as related to their customer-facing tasks.

Millennials are a highly mobile-reliant generation, and they expect to be able to use technology in the workplace. In fact, one-third of Millennials believe technology enhances their performance on the job.²⁴ This is where gamification comes in; gamification enables brands to use technology to give employees frequent performance evaluations, motivate them to exceed targets, and offer them insight into how their performance affects guests.

For these reasons, gamification meets much of the criteria Millennials are asking for in the workplace. They want instant feedback and the ability to monitor their performance in real-time. This translates to lower turnover, which has an impact on cost savings.

STRATEGIES FOR ENGAGING EMPLOYEES

Gamification has several applications in the workplace, and can take many forms. Employers may choose to utilize one or a combination of them to achieve their goals. Here are three examples:

Skills Development

It can be a useful tool in employee training and continuing skills development. Awarding badges, titles, and other rewards each time an employee solves a problem can instill a sense of accomplishment. Deloitte did this with its Leadership Academy²⁵; each time an employee completed a segment of the learning program, they were given badges that they could share on their social media pages.

Accountability

It improves the guest experience by keeping employees immediately accountable for service quality. There are various ways to do this. Target, for example, times its cashiers²⁶ and lets them know whether they're getting guests through the check-out lanes within a reasonable time frame. This encourages employees to continually test themselves and strive to process each guest's purchases at a faster pace, thereby boosting efficiency.

Performance Management

It can lead employees to feel as if their work is making an impact in the moment. Scoreboards give employees an instant, visual representation of their performance. When they see that they're performing well, it gives them an immediate sense of accomplishment and encourages them to keep up the quality work; when their performance is flagging, it gives them the push to improve.

HOW LOOP® GAMIFIES THE WORKPLACE

With its kiosk and scoreboard setup, **Loop Pulse™** by Benbria can help restaurateurs simplify the gamification process. The solution offers several key benefits:

- ◆ Engaging employees to improve Quality, Service, Cleanliness;
- ◆ Lowering turnover and, therefore, the cost of hiring new employees;
- ◆ Encouraging skills development through constant feedback; and
- ◆ Highlighting trends over time that can help management pinpoint operational or service weaknesses.



HOW IT WORKS

Using the in-store kiosk or their own mobile devices, guests assign positive or negative scores to three key criteria: service, food quality, and cleanliness. For guests, Loop Pulse™ requires little effort to use; within three seconds, the guest can leave meaningful feedback that is valuable for front-line staff, store supervisors, and regional managers. It measures core QSC metrics. The scores are then immediately transmitted to the scoreboard, which is visible to front-line staff.

When employees notice that scores are slipping, they can identify the causes in real time and act to resolve the problem. If, for example, the service score seems particularly low at any given time, the shift manager can pull staff from operational tasks to the front line for as long as necessary. On the positive side, high scores show employees the immediate impact of their work, which translates to feelings of satisfaction and purpose.

The scoreboard encourages staff at each location to compete not only among themselves, but also with other locations. The scoreboard displays various types of data: the scores for the location in question, as well as scores for other locations within the chain. It also compares today's score to yesterday's score, so staff members can push for improvement on a day-to-day basis.

In this way, Loop® effectively gamifies the workplace so that management can pinpoint issues that are of importance to the guest, reward positive behaviors, and put the focus on continuous improvement. For staff members, it turns routine tasks, such as inputting guest orders and preparing food, into an opportunity to grow professionally and improve the location's QSC scores in real time.

To learn more about how Loop Pulse™ can benefit your hospitality business, please visit our website to request a demo.



ABOUT BENBRIA

Loop® by Benbria Corporation is a mobile messaging and engagement solution that helps brands to enhance the customer experience. Leveraging the customer's preferred choice of communications – texting, web chat, native app, email and kiosk – Loop® allows customers to communicate directly with a brand to make requests, resolve issues, and share their experience before, during, and after their visit. Closing the loop through on-the-spot staff action helps brands to improve customer satisfaction, save at-risk customers, increase revenue, and drive repeat business.

For more information, visit www.benbria.com.

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