Get ready for the decade of gamification

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The popularity of video games and the explosion of social networking are intersecting to redefine how we will experience the Web over the next decade.

The melding of these two powerful forces has been labeled "gamification." At its most basic level, the term refers to the idea of incorporating the elements of video games into nongaming Web sites and services that utilize social networking features. You've probably already encountered some of the most basic tools: leader boards, progress bars, badges and virtual gifts.

These may sound frivolous, but the rush to adopt such tools represents a growing sophistication on the part of developers that will lead to a profound shift in our online experiences. Developers are no longer content to simply track our behavior or passively gather data about us. By using game design, they are actively trying to direct what we do and influence how we interact with others online.

For instance, if you use the professional networking site LinkedIn, you've seen a progress bar that tells you how much of your profile you've filled out. The company found that simple tool induces people to continue adding information, thanks to our innate desire to complete a task. That additional information creates more connections for you, leading you to spend
more time on the site.

Despite the awkwardness of the term, gamification has become one of the hottest buzz words in Silicon Valley.

"It's one of the key layers of functionality that will start to weave into everything," said Tim Chang of Norwest Venture Partners. "Just like social is a function that goes into everything, game mechanics are a tool kit that will start to go everywhere."

Done well, developers believe game design will make the dreariest of tasks more fun and engaging. Done badly, gamification could easily come across as a creepy attempt to manipulate us.

In either case, the rush to "gamify" the Web is gaining tremendous momentum.

Video games are one of the most popular forms of entertainment, and generations that have grown up playing them have been shaped by their logic and structure.They offer clear sets of rules, and rewards and instant feedback that motivate users.

The explosion of social networking over the past decade set the foundation for gamification by creating easy ways to build networks of relationships.

Gamification really came into its own thanks to the phenomenal success of social games like "FarmVille," the Zynga game that has attracted millions of users who help each other build their virtual farms. Developers across the Web began studying the underlying behaviors for those playing "FarmVille" and wondering how to apply that dynamic to increase the engagement with their own websites and services.

Ron Gutman, founder of HealthTap, a valley startup that's in early development, said his team is trying to figure out how to use game-like tools to motivate people to share their health concerns, find treatments or providers that can help them, and then take better care of themselves.

"If you can get hundreds of millions of people playing a game like 'FarmVille,' what can you learn from this kind of engagement?" he said. "And can we deploy it in a place that it will do good? Like helping people lead healthier lives?"

Gutman is hardly alone. Bing Gordon, who was an executive at video game giant Electronic Arts for more than 25 years before joining Kleiner Perkins Caufield & Byers in 2008, said it's typical for entrepreneurs who pitch the firm to have a slide explaining how they'll use game mechanics.

"I'd say half the companies that are doing something in the consumer space claim in their presentation that they're using video game design," Gordon said. "I tell people that getting a master's in video game design is the new MBA."

It's important to note that gamification is not about turning every single thing you do on the Web into an actual game. It's more subtle than that. Done well, these are features you may not even be aware are driven by game thinking. In fact, you've probably already experienced some of the basic tools for years.

For example, if you're a Starbucks customer and have one of their reward cards, then you can register your card online to see a progress bar that tracks your points as you make purchases. As you get more points you move to a new status that rewards you with something like a free drink. If you get enough points, you even get a gold card to identify your status.

Game thinking has even extended beyond the Web. Companies now offer prizes as

incentive for development teams to build solutions to problems. And I've met startups that want to use the smart energy grid to create services that show people information about their energy consumption and compete against their neighbors and community to reduce their use.

Trying to measure the gamification trend is tough, because it's not necessarily about starting a company that's labeled "gaming." Instead, startups want to disrupt industries like e-commerce or health care with services designed around game thinking.

But the concept has led to companies like Badgeville, which officially launched last month and helps other companies and services gamify their sites.

Founder Kris Duggan said Badgeville has identified 40 types of behavior that can be influenced through game mechanics. He declined to list all of them but said they generally fall into three large categories: personal achievement such as collecting something or completing a task; group motivation, where you influence other people's actions; and contextual communications where a well-timed signal or message (like a progress bar) encourages behavior.

"You tell me what kind of behavior you want to drive," he said. "And we'll create incentives that drive those behaviors."

Many of the concepts of gamification have been mapped out by Byron Reeves, a professor of communication at Stanford University who published a book last year called, "Total Engagement: Using Games and Virtual Worlds to Change the Way People Work and Businesses Compete."

"Some of the ingredients of games are absolutely psychologically primitive," Reeves said. "We know the brain responds to gains and losses, whether it's real dollars or virtual gold pieces. There's something fundamental about recognition, seeing yourself compared to other people."

The gamification movement has gained such currency that it's about to get the ultimate form of Silicon Valley recognition: a conference. The first Gamification Summit is scheduled for January in San Francisco. One of the organizers, Gabe Zichermann, who writes a gamification blog, said he's already looking down the road at ways game thinking will revolutionize larger areas of our lives such as our workplaces, the education system, and the health care system.

"In a gamified future, I don't think many companies, including the government, will be able to avoid becoming part of this trend," he said. "I think consumers will increasingly expect and demand that experiences become more fun and

engaging.

"We can never ever go backward. People's expectations have been reset. This will be the new normal."

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