RR

HIGH-IMPACT GAMIFICATION

HOW THE BEST-IN-CLASS EXCEL IN THE AGE OF DIGITAL AND AI

Omer Minkara
Vice President & Principal Analyst

Contact Center & Customer Experience Management

LinkedIn, X

ABERDEEN
STRATEGY & RESEARCH
— ILLUMINATE. INSPIRE. IGNITE. —

Overview

Workplaces across all industries are undergoing a fundamental transformation. Digital and AI capabilities are being integrated into both the front office (contact center, service, sales, marketing, and commerce) and the back office (operations, IT, and legal). The drive to maximize productivity, reduce costs, and grow revenue is key to this shift. To succeed, business leaders must adapt performance management programs. Gamification is an effective tool to achieve this. When used properly, it boosts employee engagement, improves productivity, enhances customer satisfaction, reduces costs, and grows revenue. This report outlines the essential steps to build and execute a high-impact gamification program aligned with key business priorities.

The Shining Star of Performance Management: Gamification

Customer interactions have never been more complex. Between April and May 2024, Aberdeen surveyed 431 contact center and customer experience (CX) leaders across companies of all sizes and industries worldwide. The results showed that half of the businesses use at least 14 channels (e.g., voice, email, chat) to serve customers, and agents navigate an average of 3 different applications per interaction. While AI use is on the rise, human oversight is still needed for complex issues, emotional conversations, or high-value accounts and transactions. As a result, contact center and CX leaders must focus on performance management to motivate agents while controlling costs in an uncertain economy.

In Aberdeen's *State of the Contact Center 2024* survey, business leaders identified the top 5 factors impacting agent experiences, shown in Table 1.

Table 1: Factors Impacting Agent Experiences

Top Factors (n=431)	All Respondents
Fit to job requirements	36%
Technology tools facilitating the ability to conduct day-to-day tasks	32%
Sense of empowerment in addressing customer needs	32%
Compensation and benefits	24%
Determined career track for advancement	17%

Source: Aberdeen, May 2024

As expected, 'fit to job requirements,' or simply being the right person for the job, is a top factor. This isn't surprising since contact center roles demand unique skills like empathy, listening, patience, clear communication, and technology proficiency. The second key factor identified is access to the necessary technology tools for agents to perform their jobs. This is critical, as Aberdeen's research shows that, on

Definitions:

For the purposes of this research, Aberdeen makes the following definitions:

Performance management: This refers to all the processes and technologies companies use to track, analyze, manage, and improve employee performance in the contact center and back office.

Gamification: This refers to companies using elements and processes of game design (e.g., competition, rewards, incentives, recognition) boost employee motivation and drive engagement to achieve individual and team objectives.

Workforce engagement: A set of processes and tools companies use to hire, onboard, train, utilize, evaluate, reward and engage employees.

Performance management is a subset of these programs, while gamification is often tightly aligned and linked to performance management programs.

average, agents spend 12% of their time seeking information needed to do their jobs. However, technology isn't just about tools used to serve customers; it also includes tools for employees, such as performance management systems that provide real-time performance insights.

Other factors influencing agent experiences include a sense of empowerment, compensation and benefits (both financial and non-financial), and a clear path for career advancement. Performance management plays a vital role in shaping these factors to motivate agents and boost productivity. More specifically, **gamification is an area business leaders increasingly focus on to improve agent experiences,** which, in turn, enhances CX and drives other business results.

Aberdeen's research reveals that 44% of contact centers currently have a formal gamification program. However, many companies also run informal gamification efforts, such as monthly competitions or one-off reward programs, meaning actual gamification adoption is likely much higher. So, how can business leaders build and nurture high-impact gamification programs? By integrating digital tools and AI into the core of gamification, transforming traditional approaches into modern ones that are better suited for today's fast-paced marketplace.

How Best-in-Class Firms Build and Execute High-Impact Gamification Programs

Creating a modern, high-impact gamification program isn't just about incorporating digital tools and AI—it's about using them strategically to motivate employees and improve performance. This is important because the increased use of digital channels in customer experience has made the job of agents more complex than in the past, when they only handled phone calls or emails. According to Aberdeen's research, over half of all contact centers use blended agents, which means that agents handle interactions across multiple channels and need to have a variety of skills to be successful. This is compounded by the growing trend of hybrid work, where agents can work from anywhere, according to company policy. As a result, contact centers need to find new and innovative ways to motivate agents and manage their performance.

To succeed in an increasingly complex landscape, contact center and CX leaders must establish several building blocks that allow companies to achieve Best-in-Class results through gamification (see sidebar). This section provides an overview of these building blocks and their respective adoption by firms that excel in savvy use of gamification (referred to as 'Best-in-Class Gamification Users' or 'Best-in-Class') versus companies that don't yet leverage gamification to its full potential (named as 'All Other Gamification Users' or 'All Others').

One essential—yet often overlooked—element for successful gamification programs is transparency. Whether companies use competitions, badges, rewards, or other incentives, transparency means making the criteria easy for all

The ROI of Getting Gamification Right

Aberdeen's *The ROI of Gamification* study shows that companies building and nurturing a Best-in-Class gamification program enjoy:

► **5.0x** greater year-over-year (YoY) increase in agent productivity

► **5.0x** greater YoY improvement (decrease) in service costs

► **3.4x** greater YoY increase in customer satisfaction rates

► **2.2x** greater YoY increase in annual company revenue

ABERDEEN
STRATEGY & RESEARCH
ILLUMINATE. INSPIRE. IGNITE.

participants to understand. Without clear guidelines, employees won't engage with or feel motivated by the program. Transparency must also be an ongoing process. If criteria used in gamification programs change over time, these changes must be communicated clearly and in advance, allowing agents to adjust their behavior to achieve the desired outcomes. Figure 1 shows that both Best-in-Class (89%) and All Other (82%) gamification users widely adopt this practice, highlighting its universal importance as a key building block.

Figure 1: Be Transparent, Clear, and Motivate Agents with the Right Incentives
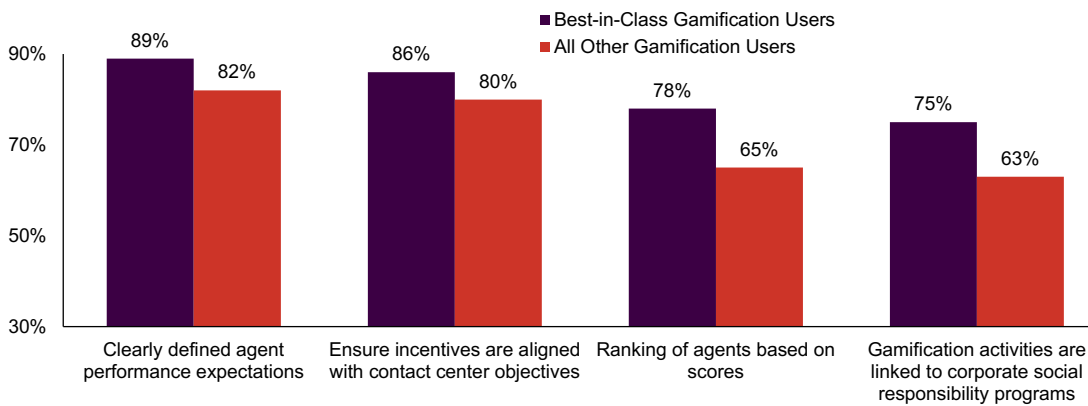
Percent of respondents, n=431
Source: Aberdeen, May 2024

In addition to transparency, *relevancy* **is yet another building block that 86% of Best-in-Class organizations** recognize as instrumental to the success of their gamification programs. Relevancy means ensuring incentives provided to agents align with the contact center's objectives. For example, if the key performance indicators (KPIs) focus on increasing customer satisfaction, meeting service level agreements (SLA), and reducing repeat contacts, rewarding agents for shorter handle times or boosting cross-sell/up-sell revenue would be irrelevant. Misaligned incentives risk promoting behaviors that don't match the company's goal. While those outcomes could still be beneficial, aligning gamifcation incentives with core contact center and CX KPIs is key to maximizing the return on investment (ROI) from gamification.

Once gamification programs are transparent, clear, and relevant, business leaders can more easily rank agents based on objective, real-time scores that reflect their achievement of desired goals. These rankings **foster a competitive environment where agents are motivated to continuously excel** by moving up in individual and team rankings to earn rewards and recognitions. Rankings also serve as a continuous performance improvement tool. Importantly, transparency must accompany this process—**providing agents with real-time visibility into their rankings** gives them the opportunity to proactively improve their performance, develop skills, and seek coaching when needed. Best-in-Class gamification users are 20% more likely to offer this capability (78% vs. 65%).

Gamification programs are not always restricted to business KPIs. Companies can also align corporate social responsibility programs (e.g., community outreach, youth mentoring, charitable donations) with gamification programs.

This can be done by rewarding employees for their participation and impact on corporate social responsibility programs. It can also be done by providing incentives and rewards aligned to corporate social responsibility, such as extra time off for participating in charity work, or providing a donation fund under the name of an employee who won a contest.

Top performers are **19%** more likely to have this capability in place (75% vs. 63%).

While digital and AI tools are critical to building transparent, clear, and relevant gamification programs, the human element remains vital. For instance, if a company's goal is to increase cross-sell/up-sell revenue and rewards agents for achieving this, a new agent may not rank highly until they develop the necessary skills. As a result, they may not be rewarded immediately. However, a supervisor can take these factors into account and reward the agent for progress in acquiring the necessary skills, keeping them engaged and motivated to continue learning. Similarly, an agent's performance may be affected by personal circumstances (e.g., health issues, loss of a loved one). In such cases, **empowering supervisors to reward agents based on broader contexts builds employee trust and loyalty,** ultimately driving motivation and long-term success. Figure 2 shows that 86% of Best-in-Class firms give their supervisors this capability.

Figure 2: Build and Nurture a Multi-Faceted Gamification Program
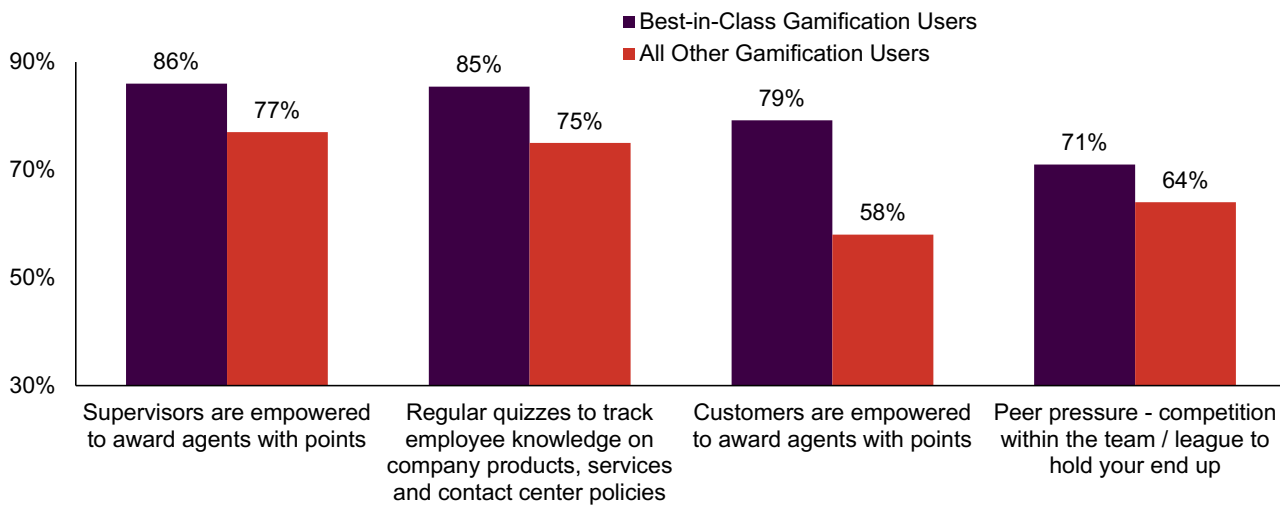
Percent of respondents, n=431
Source: Aberdeen, May 2024

Close monitoring and involvement by supervisors in the gamification program enables companies to **provide employees with regular quizzes or tests to gauge and track employee knowledge of company products, services, and policies**. When employees pass, they are awarded points, badges, honors, or recognitions. If they don't pass, they receive relevant training and learning materials to help keep their skills up-to-date. This not only ensures compliance but also empowers agents with the necessary skills they need to excel and achieve high performance, which is rewarded through gamification. This capability allows agents to elevate their performance. As shown in Figure 2, companies with Best-in-Class gamification programs are 13% more likely to have this capability (85% vs. 75%).
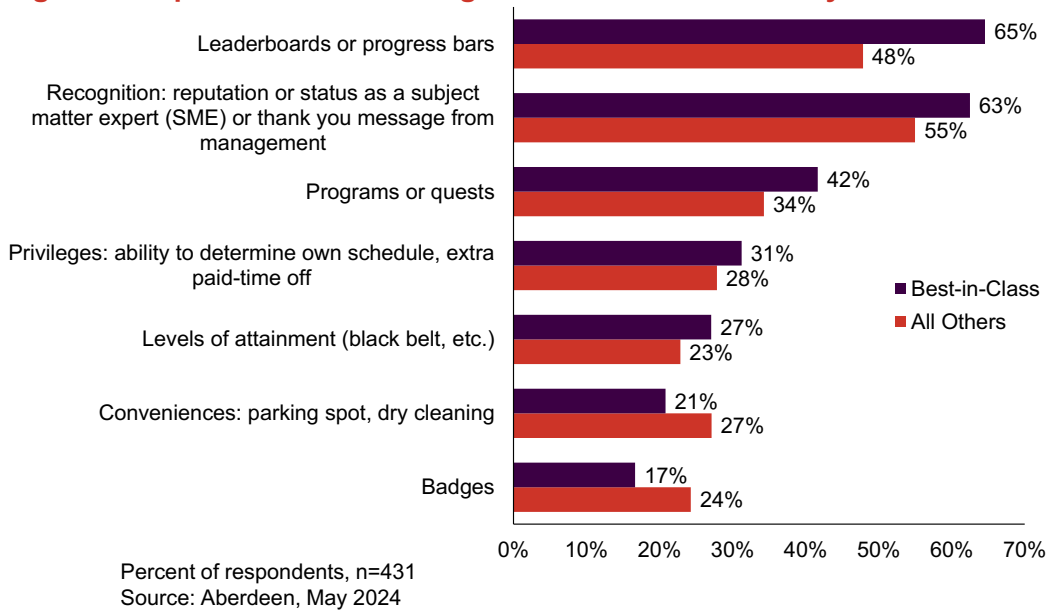
Another core element of successful gamification programs is that they are multi-faceted. These programs incorporate customer satisfaction and feedback by monitoring customer behavior and associating it with individual agent interactions. This helps identify how agents impact customer loyalty and happiness, as well as uncover training and coaching opportunities when feedback indicates **consistent**

and similar customer feedback on frustration or when interactions result in churn. **Firms with Best-in-Class gamification programs are 36% more likely to incorporate a customer-involved approach** to their gamification programs (79% vs. 58%).

One of the reasons why gamification is such a powerful tool in elevating performance results is because it taps into the human desire for competition. People naturally seek improvement in areas like income, career growth, and work-life balance. By identifying what motivates each agent individually, companies can **design gamification programs that drive goal achievement while allowing companies to compare their progress and accomplishments with peers**. Some gamification programs even include group competitions, boosting both individual and team engagement. This competition and camaraderie help make work more engaging, which in turn improves performance. Best-in-Class firms are 11% more likely to use competitive dynamics to boost their success (71% vs. 64%). Incorporating AI into gamification can streamline this process by using historical operational and CX data to identify the impact of game methods and types on agent performance, employee engagement and CX results, and in turn use optimal methods / types to facilitate achieving desired business objectives.

Best-in-Class companies don't rely on just one or two gamification elements. Instead, they leverage a wide range of strategies, as shown in Figure 3. **Different objectives call for different gamification methods.** For example, leaderboards and progress bars may be used to improve metrics like first contact resolution or customer satisfaction. Levels of attainment, on the other hand, can encourage agents to stay with the company long-term, fostering retention by rewarding continued development.

Best-in-Class firms use a multi-faceted approach to gamification. They use multiple elements—each individually designed to optimize outcomes based on objectives.

They continuously review and update their programs for consistent improvements.

Figure 3: Top Performers Leverage Gamification Holistically

Method	Best-in-Class	All Others
Leaderboards or progress bars	65%	48%
Recognition: reputation or status as a subject matter expert (SME) or thank you message from management	63%	55%
Programs or quests	42%	34%
Privileges: ability to determine own schedule, extra paid-time off	31%	28%
Levels of attainment (black belt, etc.)	27%	23%
Conveniences: parking spot, dry cleaning	21%	27%
Badges	17%	24%

Percent of respondents, n=431
Source: Aberdeen, May 2024

Although top performers use almost all gamification elements more widely than All Others, they exhibit slightly lower adoption of conveniences and badges. This is not an indication that these methods are not effective. Rather, companies may be using badges and conveniences together with other game methods and types depicted in Figure 3. Indeed, most of the activities top-performing gamification users utilize are designed to foster continuous improvement. Meanwhile, badges can be reflective of past success, and once earned, they may not motivate agents to replicate the same success. Hence, programs that reflect current employee performance motivate employees to continue pushing their performance to higher levels to win a competition, a program, or gain another recognition or move up in levels of attainment.

In short, **a successful gamification program builds an environment that continuously motivates agents to strive to do more**. Contact center and CX leaders must identify how each game method / type contributes to driving desired behavior and utilize each feature for the goals that it is most suited for. Enter dynamic gamification.

Dynamic Gamification: The Next Milestone with AI

The increasing popularity of gamification in the era of AI and digital transformation can be attributed to the fact that business leaders are now able to do far more with gamification than ever before. By leveraging AI, business leaders can now track individual agent performance data as well as changes in team KPIs to identify which specific programs are best suited to motivate agents towards a certain goal.

The same AI-driven algorithms and analytics can also be used to **tailor rewards and incentives for each agent based on their personality or unique preferences**. For instance, while one agent may value extra time-off as a reward for winning a competition, another one may value picking work schedules the following month as a valuable reward. Identifying these nuances and tailoring gamification programs to reward agents based on them was almost impossible to scale. These tailored game methods and types allow for addressing each agent's individual strengths and weaknesses. In turn, they boost employee morale while helping with skills development & progression. The convergence of AI, digital, and automation has now made high-impact, personalized gamification feasible.

Another way to leverage dynamic gamification is **through the use of agent personas, which can be developed by administering personality tests** such as the Myers-Briggs Type Indicator. These tests can help determine the personality types of each employee, allowing companies to launch games and challenges tailored to the unique preferences of different types of agents. For example, introverted agents may prefer not to compete in team-based quests, whereas extroverted agents may excel in group dynamics. By combining personality insights with gamification, contact center and CX leaders can unlock new and effective ways to motivate their employees.

There are numerous creative ways business leaders can—and already do—leverage AI to enhance gamification. As AI algorithms get more accurate and more organizations establish formal programs for deploying AI, contact centers and CX departments will continue to enrich gamification strategies, creating even more advanced and impactful programs.

Key Takeaways

Performance management is undergoing a renaissance. Traditional methods of motivating agents and managing productivity are no longer adequate to maximize results in the age of digital and AI. Gamification has emerged as a shining star enlightening the transformation of performance management programs. It allows business leaders to motivate employees to perform at the highest levels possible, contributing to desired business outcomes while having a sense of fulfillment and progress. Striking this balance between business needs and employee motivation is both an art and part science.

While lessons learned from traditional gamification programs serve as valueable guidance, Best-in-Class users of gamification have taken these programs to new heights. These organizations experience far superior year-over-year growth in employee productivity while lowering costs, growing revenue, and delighting their clientele.

The recipe for the Best-in-Class success is not overly complex or secretive; it is detailed in the building blocks section of this report and revolves around the following principles:

- **Be transparent about the objectives tied to the gamification program.** Communicate clearly with employees on how their performance is tied to these objectives. As business objectives evolve, communicate these changes quickly and clearly.

- **Ensure the relevancy of gamification programs to business objectives and agent personas/expectations.** Motivating agents to pursue goals that are not tied to core company KPIs or expecting agents to be motivated with incentives or rewards that they don't see as relevant or as valuable are common reasons why firms struggle to maximize gamification success. Design your programs to be relevant to business conditions and employee expectations.

- **Be clear with employees regarding their success or progress in gamification programs.** Lack of real-time visibility into performance means that agents won't have the opportunity to improve their activities and seek coaching or training. Providing a clear view of agent performance, it allows employees to remain engaged with the gamification program.

- **Use dynamic gamification to create a long-lasting impact.** One of the outstanding benefits of incorporating digital and AI capabilities into

gamification is the ability to truly customize these programs. Business leaders can now identify which programs are best suited for specific objectives. They can also motivate agents by factoring in elements such as personality type. There are no limits to the innovation companies can bring by using the power of technology (digital and AI) to utilize high-impact gamification.

If you're not currently using gamification to support your contact center or CX activities, we highly recommend that you consider incorporating it with the building blocks highlighted in this report. If you currently use gamification, we highly suggest evaluating which building blocks noted in this report are missing from your activities and then prioritizing implementing them to elevate your success with gamification activities.

Related Research

► *CX Innovation at Scale: Maximize Business Success by Adding AI to Futureproof Your Activities*, November 2023

► *Generative AI: The ROI of Empowering Employees & Managers to Be More Engaged,* July 2023

► *Helpful AI: The Future of Personalized Customer Experiences*, May 2023

► *Technologies to Succeed in 2023: How Leading Contact Centers Fuel Success*, March 2023

About Aberdeen Strategy & Research

Aberdeen Strategy & Research, a division of Spiceworks Ziff Davis, with over three decades of experience in independent, credible market research, helps illuminate market realities and inform business strategies. Our fact-based, unbiased, and outcome-centric research approach provides insights on technology, customer management, and business operations, to inspire critical thinking and ignite data-driven business actions.

18770

ABERDEEN
STRATEGY ⊕ RESEARCH
— ILLUMINATE. INSPIRE. IGNITE. —