



Rolling the dice in online retail:

4 key metrics that show
how 'buy and win' games
shake up internet shopping

Introduction

Appropriately applying gamification to online retail marketing

The expression ‘game-based marketing’ suggests adapting the techniques used in highly successful games like Minecraft and World of Warcraft for the purposes of selling. It is also easy to form the impression that game-based marketing takes this concept to the limit. However, whatever the expression conjures up, not all games-based marketing applies the principle of gamification in its most extreme form.

Applied in a very simple form to online retail, game-based marketing can be used to design ‘buy and win’ offers. For customers who have completed the checkout and payment process, this means a chance to win the basket or cart of goods they have just purchased.

It brings the fun of social gaming, like bingo or the lottery, and the ‘woo-hoo’ factor – the euphoria and emotion of an ‘instant win’ scratch card, while avoiding immersive and time-consuming game-play and carrying none of the risk of debt associated with gambling.

It’s a very simple idea that:

- Increases conversion rates up to 30% while equating to only a 10% discount
- Allows for more compelling campaign messaging, driving interest and engagement
- Boost brand perceptions with emotional experiences while avoiding discounting

In this guide we discuss 4 key metrics that demonstrate how effective the ‘buy and win’ tactic is and why internet retailers shouldn’t ignore it.

Discussion points

Metric 1:

Click Through Rate = +30%

Why does the Click Through Rate metric matter?

'Buy and win' uses familiar tools in the digital marketer's toolbox to create awareness and drive traffic to online stores. The Click Through Rate (CTR) from communications such as marketing emails, and from landing pages or links on social platforms is an important metric that enables us to see just how effective our messaging has been.

What could game-based marketing do for our campaign CTR?

CTR from emails, landing pages and social platforms are easy to pin down precisely because they can be tracked by the marketing systems or analytics tools in use. There is no shortage of benchmarking reports that give mathematically calculated averages. However, the relevance of these can be limited, as there are many factors that influence campaign performance. In online retailing, data quality, previous purchase history and personalisation are just some of the many factors at work.

A compelling message is one of the most influential governing factors behind a good CTR rate. The chance of winning a basket of goods is a very strong call to action that many find difficult to ignore. Perhaps the best measure of what game-based marketing does for your CTR is to relate it to the past performance of campaigns. With 'buy and win', on average you should expect to see CTR double, an uplift of 30% compared to what you would normally expect to see for campaigns conducted with conventional discount-based promotional messages.

Metric 2:

Conversion Rate = +15%

Why does the Conversion Rate metric matter?

Once you have got the precious Click Through, it's all about conversion. The Conversion Rate is perhaps one of the most important metrics of all, because it indicates how many of the respondents measured by the CTR metric actually went on to complete a purchase.

What could game-based marketing do for our Conversion Rates?

Once again, it is straight forward to determine Conversion Rates with marketing systems and analytics tools. While desktops and laptops are the most popular computing platform on which buyers execute purchases, mobile is becoming an increasingly important factor when it comes to conversion. Currently it seems smartphones are preferred for browsing and research, with tablets more popular for executing purchases. However, year-on-year trends show this is changing. Maybe there's a good (marketing) reason behind the iPhone 6+ after all!

Whatever the buyer's platform, overall, with 'buy and win', expect to see a 15% increase in Conversion Rates compared to conventional discount-based promotions. If you find the idea of a fifteen percent performance uplift of your online sales Conversion Rate with 'buy and win' difficult to ignore, then you are experiencing exactly what many consumers feel when they are offered a game!

Metric 3:

Social Media Activation = x10

Why does the Social Media Activation metric matter?

Before the development of social sharing tools the impact of the informal social connections of buyers and the influence of 'word of mouth' was almost incalculable. Share Rate shows the percentage of people using popular social networks to tell followers and friends about their experiences. Today, thanks to Share Rate, the effect of social proof social is now infinitely measurable!

What could game-based marketing do for our Share Rates?

The quest to elevate customers up the ladder of loyalty remains an important strategic objective, particularly for the marketing function of internet retailers. Monitoring social networks to see what customers are saying and identify occasional, frequent, loyal and advocate customers is an important tool for helping to execute this strategy.

'Buy and win' provides an outstanding reason for campaign winners to share their experiences on social networks. The 'woo-hoo' rush of an instant win is utterly compelling and almost guarantees a share.

Typically, 1 in every 10 customers is a winner, and it is highly likely winners will want to share. Combined with those that simply want to tell their social networks about the chance to win, expect to see a x10 increase over the Share Rate of your campaigns with discount-based promotions. Quite simply, a 10 times uplift in Share Rate increases website traffic and encourages buyers to climb the ladder of loyalty.

Metric 4:

Average Basket Size = +25%

Why does the Average Basket Size metric matter?

Raising the Average Basket Size is clearly desirable and there are a number of ideas aimed at getting customers to increase the size of e-commerce Shopping Baskets and Carts. These include upselling and cross selling, showing accessories, related items or those frequently bought together, and increasing product ranges to encourage shoppers to concentrate spend on consumable items in your online store.

What could game-based marketing do for our Average Basket Size?

Many of the ideas are quite complex and may require considerable investment to implement. They may require a focus on User Experience (UX) and the re-design of the customer journey from browsing to checkout. As well as increasing the cost of stock, holding a wider range of SKUs creates an increase in warehousing and logistics requirements.

'Buy and win' requires no re-design of webpages or increase in stock ranges. The system uses configuration rules to set minimum spend levels. Once order payment has been approved by the payment network, the order confirmation email offers the buyer the game, with a chance to win the basket of goods, only if the minimum spend rule is met. Building campaign messaging around the offer of a winning chance boosts Average Basket Size by 25%.

Why Luckycycle



Reward your customers differently with Luckycycle

Luckycycle 'buy and win' offers e-commerce retailers an exciting and engaging solution for rewarding online shopping customers. As well as boosting sales and other supporting metrics, it offers important benefits that reinforce the proposition of high quality brands, including:

- Avoids discount-based promotions
- Patented and secure platform
- Transparent and fair technology
- Avoids negatives of gamification and online gambling

For consumers, Luckycycle 'buy and win' game-based marketing is a win. For online retailers, it is a win-win-win-win-win...

Contact us today

Email us today on info@luckycycle.com or come and visit www.luckycycle.com to find out more about how we can help you boost online retail sales.