

zone

Gamification for salesification:

How online gaming drove offline
sales for Dr Pepper



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Summary

This paper shows how broadcast effects can be achieved by digitally led campaigns.

It shows how social media can be so much more than ‘community management’ or an afterthought to brand campaigns – in fact, how it can be central to the development and execution of brand strategy.

It also shows how a ‘gamified’ approach to communications can have effects far broader than just the players themselves, through the smart use of social mechanics and a wide approach to effectiveness.

It also features a tethered goat, oversized foam hands and a multitude of Dr Pepper can sculptures.

Here are the bare bones of our approach:

The objective: To significantly increase sales by driving loyalty and penetration.

Scale of the task: Huge. The brand has been without ATL support for several years, and its admittedly large Facebook fan page has been left fallow for some time. Combine this with a notoriously fickle audience (16-18-year-old boys) and a relatively modest budget, and you have a broadcast-sized problem, but without the broadcast budget to deliver it.

Results: 70,000 players. More impressively, the way social mechanisms are embedded in the game means that 1.33 million people saw content shared directly from the game. It also provided content that helped triple the numbers of active Facebook page users. This content was therefore exposed to a much wider population of up to 59.5 million ‘friends of friends’ of the page.

This, in turn, generated some 385,000 more sales, and a longer-term return on marketing investment of 2.5:1.

1. The problem:

Broadcast problem, non-broadcast audience (and budget)

Carbonated drinks are a classic repertoire market. Research over many years has shown how loyalty is something of a misnomer in the category. For example, while the average consumer drinks 12 cans of Coca-Cola a year, this 'average' barely exists. A few incredibly heavy loyalists account for around 60% of sales, leaving the typical drinker drinking just one to two cans of any brand in a given year¹.

As a result, it's incredibly difficult for marketing to affect loyalty at all. Big brands are big because they have more buyers – simple. So for Dr Pepper to drive real offline sales, the real challenge was to drive penetration by increasing the number of light buyers purchasing the product.

A classic broadcast problem to solve. But there were two problems.

Firstly, there was no budget for broadcast activity. Apart from a media partnership (of which more below), the budget for this activity was digitally focused.

Secondly, this particular audience is watching less and less TV. In fact, 16-24-year-old TV viewing fell by 8% in a single year between 2010 and 2011².

So both budget and audience were dictating a digitally led strategy. But we needed a smart campaign that would activate our fans ***to do the broadcast job for us.***

¹Sharp, B 'How Brands Grow: What Marketers Don't Know' (Oxford, 2010) pp. 41-5

²2011 BARB data quoted by Thinkbox, www.thinkbox.co.uk

2. The right social insight: Don't create a community, gamify it

If we were going to achieve this objective, we needed to base our activity on social insights. Ones that not only focus on what our audience like individually, but what they share collectively online.

What they like individually is online gaming. While much ink has been spilled over the rise in female casual gamers, young guys are still HUGE game players. A 2011 Nielsen study showed the average teenage boy plays games for half an hour a day³.

What they like collectively is sharing something they found first. This is an audience that moves as a pack – standing out online is anathema to them. But getting something first gives great social kudos.

So from an audience insight point of view, we now had the social insight we needed: **don't just create a community, gamify it.** But we had to do it in a particular way: one that created multiple opportunities for sharing, and was something cool and new that our audience would want to be the first to discover.

3. Creating a model of social influence

So. We knew the challenge. But how could we create the right game mechanic that has effects far beyond the game itself?

Rather than dive straight into the game, we created a campaign that had effects beyond the gameplay itself. It was a simple three-stage model: activity effects, broadcast effects and business effects. This created the framework for game creation.

Make the game addictive: We needed to make the game addictive, encouraging multiple gameplay.

Make the game social and famous: We needed to make the game social, to provide plenty of collateral for Facebook to drive wider fan engagement. Activity on the Facebook page would in turn appear in the wider communities' social graph. And that activity then appeared to the 'friends of friends' – driving the scale we needed to make a genuine difference on a mass level.

Make the game drive sales: We needed to provide direct sales effects via sampling (particularly for trialists to drive light buyers into the brand), but also indirect brand effects while the campaign was live. In this, we were aided by the fact that no other significant brand activity was under way at the time, allowing for a 'clean' period of analysis.

Figure 1: Model of Social Influence





4. The idea

Our solution: 'The Pepperhood' – a social adventure game played out across the web, mobile, Facebook and the real world.

The Pepperhood is a fictitious American-style college fraternity – tapping into the Americana inherent in the brand, as well as topical teenage properties like Glee and American Pie.

The concept was great. But it would live or die by how it was brought to life. In line with our model of campaign effectiveness, we needed to make The Pepperhood addictive, social and business-driving.

More than 1m
Page views

70k
registered players

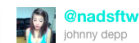
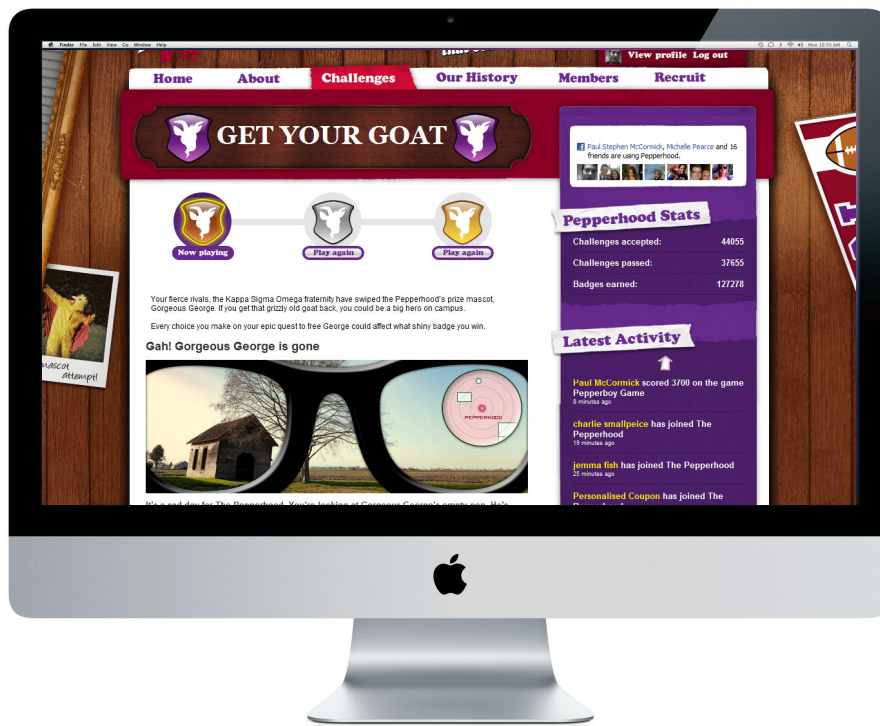
Facebook engagement at an all-time high, exceeding 2010 peak around Status Takeover

Making the Pepperhood addictive

We took the best principles of gamified design and applied them to The Pepperhood. Instant reward and quick progression, the key to gaming success, were baked in from the start, with the aim of encouraging not only a large number of game plays but frequent return visits every time a new game was launched.

To ensure variety in gameplay, we delivered games in a wide variety of formats: flash games, user-generated content, puzzles, quizzes and choose-your-own-adventure challenges.

Merchandise and other prize giveaways were designed to drive participation – everything from Xboxes to Pepperhood sweatshirts and enormous foam hands.



@nadsftw
johnny depp
@MylesMate GOOD!!! IM LIVING THE LIFE DRINKING DR PEPPER AND ON THE PEPPERHOOD WEBSITE LIKE A PRO



@myfizzypop
Paul
This competition sounds awesome. am going to get my best pom poms on :)
pepperhood.com



@shin1994
신동호's
@Dongho94 you should play pepperhood. it's so muh fun



@jackjaymes
Jack James Needham
Gotta get into the Pepperhood!



@SuperCourtney
Courtney Jones
@laurajaynelowe Dr Pepper fan of the week and potential Pepperhood president- I'm so proud!



@danstereast
dani†
Dr Pepper is my life, I was Fan Of The Week on the Pepperhood

14 hours ago via [Twitter for iPhone](#) ☆ Favorite ↻ Retweet ↩ Reply

Making the Pepperhood social and famous

There were three levels to meeting this objective. Firstly, we needed to generate awareness of the game's existence. Dr Pepper had a large, but at the time relatively inactive, Facebook fan base. So while we used The Pepperhood extensively to energise that base, we needed to look wider to recruit. A media partnership with MTV provided the focus for the game narrative, spreading the message and building buzz around the game.

Secondly, we needed the game to create social effects. Virtual badges were part of the game from the outset, providing an obvious outlet for players to telegraph their performance and encourage mates to join in. In addition, UGC was a significant part of the gameplay, providing the page with tons of imagery to drive wider Facebook engagement.

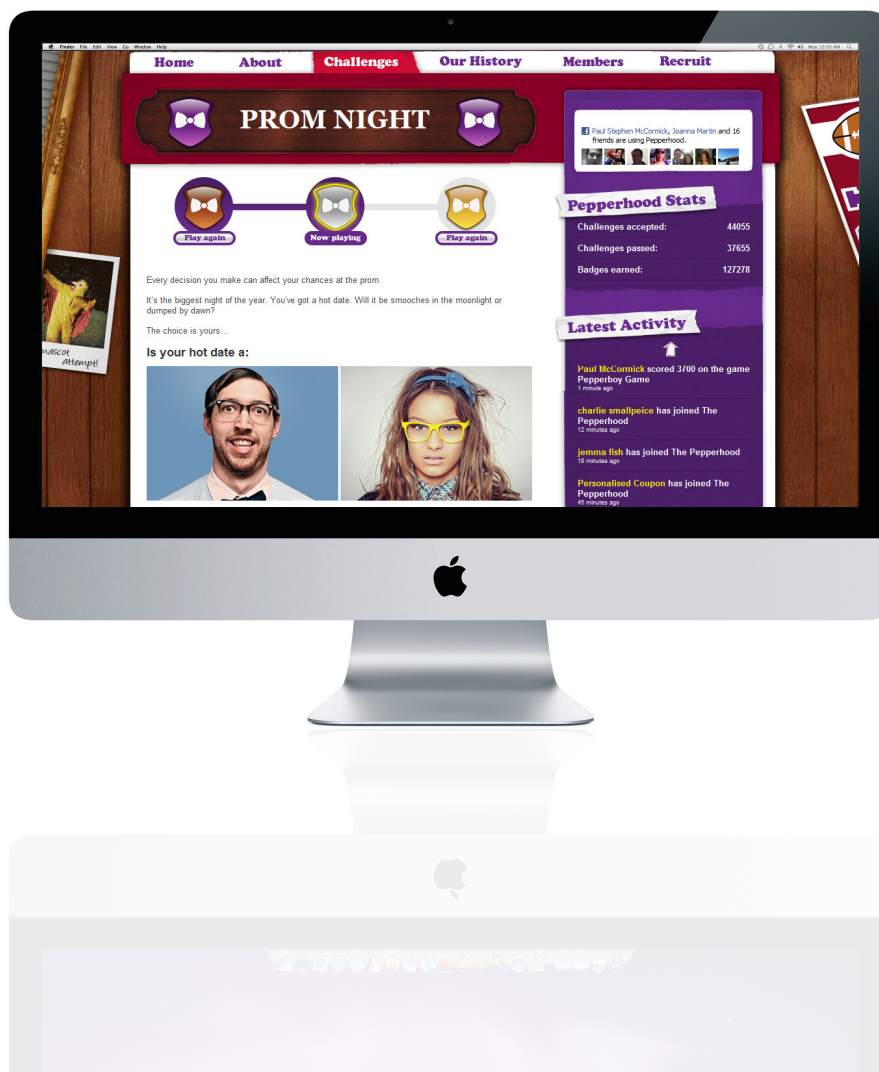
Finally, to round off the campaign, the ultimate prize was a money-can't-buy opportunity for the X Factor generation. One devoted fan was crowned President of the UK Chapter of The Pepperhood live on MTV in October. Players who won more badges had more chances to win prizes and a greater chance to stand for election – thus rewarding engagement and interaction with Dr Pepper.



Making the Pepperhood drive sales

Unusually for an online social game, real-world product sampling was built into the mechanics. New players were rewarded with free Dr Pepper, allowing us to track the numbers of new trialists, with a coupon rolled out to all UK retailers. However, while this allowed us to track coupon redemption, we knew the real impact would be the 'broadcast' effect the social media would facilitate.

In summary, rather than simply creating a community, we 'gamified' it. Ten challenges, comprising 28 games across a six-month period. Each challenge could be enjoyed as a self-contained experience online or on mobile. But they also worked together into a broader narrative. It offered the chance to win prizes, virtual badges and fame within the Dr Pepper community, culminating in a live broadcast event on MTV.



5. Results

Assessing the game on the original model of effectiveness gives the following results:

Making the Pepperhood addictive

Plays: 70,000 players registered, generating one million page views – 49% of these were ‘trialists’.

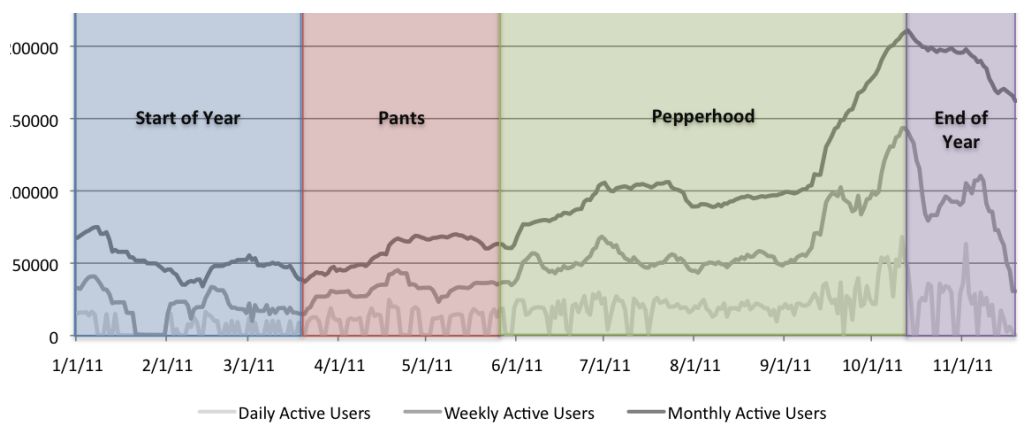
Game engagement: 125,000 badges awarded, meaning the average player played at least twice. Dwell-time was around four minutes – high for a game of this nature.

Content creation: Over 4,000 pieces of user-generated content uploaded to the site, which could then be used in social media to drive engagement with the broader community.

Making the Pepperhood social and famous

Direct: Over the duration of the campaign, The Pepperhood turned an inactive fan page into an active one. By providing reasons for engagement – news about the game, UGC, etc – numbers of ‘monthly active users’ more than tripled from 60,000 to 210,000.

Active Users 2011



Indirect: Broadcast effects can be seen in more than 7,000 pieces of content shared with 1.33 million friends⁴. In addition, content from The Pepperhood made up the vast majority of content for the Facebook page during the game. With 210,000 monthly active users by the end of the campaign, this would imply a ‘friends of friends’ reach of 39.9 million.

⁴Facebook Insights did not provide this data back in May 2011. However, the research paper ‘The Anatomy of the Facebook social graph’ (Cornell and the university of Michigan, Nov, 2011), showed that the average Facebook user had about 190 friends in May 2011. So 7,000 shares are assumed to have been broadcast to 1.33 million friends (7,000 x 190)

Making the Pepperhood drive business results

Making The Pepperhood drive business results

In direct terms, The Pepperhood delivered 25,700 sampling coupons to non-users.

But the effects of the activity were far greater than this.

Research is only beginning to understand the effects of exposure to brand activity in social media. However, a recent Facebook/Nielsen study has shown that brand communication exposure quadruples purchase intent from 2% to 8%. It is on this assumption that the following analysis is based⁵.

The Pepperhood was the only significant new brand activity undertaken by Dr Pepper in a five-month period. During that time, sales increased by some 385,000 £1.20 units.

Is it plausible to attribute this to The Pepperhood? We think so. The 6% increase in purchase intent in the Facebook study implies an additional 2.3 million people are more likely to buy Dr Pepper after being exposed to the game. So roughly one in 10 will go on to purchase Dr Pepper.

Coca-Cola doesn't release profit margins on individual brands, but at a corporate level it reports a gross profit margin of 64.4%.

Based on this calculation, the activity generated an additional profit of £297,000 – almost exactly paying for itself in the short term – a remarkable result for a digital-only campaign.

Academic analysis suggests a 'rule of thumb' multiplier of 2.5 for incremental sales driven by advertising in the longer term (Broadbent, 2001).

This produces an additional gross profit in the long term of up to £744,000 – a ROMI of 2.5:1.

⁵Facebook/AC Nielsen Brand Study, 2011

6. Conclusion

We believe that The Pepperhood demonstrates how social media – and social games in particular – can deliver both brilliant experiences and act as a broadcast medium.

But it has to be done right. The games need to be ‘gamified’ in the right way, embedding social mechanisms from the start and providing collateral for ongoing social media engagement.

By creating an immersive game, such as The Pepperhood – which played out over six months, with 28 challenges – we managed not only to engage new audiences, but supercharge our Facebook activity, increasing our Monthly Active Users by some 150,000.

By creating this fan base from scratch, we reached users consistently over a long period, providing the kind of broadcast reach normally reserved for TV.

Not bad for a goat, a large foam finger and some can sculpture.