



Financial Entertainment:

***Can Vampire Video Games Improve
Retirement Savings?***

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Financial Literacy Seminar Series
George Washington University School of Business
The Federal Reserve Board

Washington DC

Doorways to Dreams (D2D) Fund

- Mission: Strengthen financial opportunity and security of low and moderate-income consumers by innovating, incubating and stimulating new financial products and policies
- Focus on innovation, scale, and real-world testing
- Founded by then Harvard Business School Professor Peter Tufano in 2000
- Non-profit 501(c)3 headquartered in Boston



Financial Entertainment: Key Milestones

- 2008-2009 First title, *Celebrity Calamity*, launched
- 2009 *Celebrity Calamity* wins Horizon Award
- 2009-2010 Four additional titles developed and launched
- 2010 Financial Entertainment Portal launched (April)
- 2010 RAND-sponsored Congressional briefing (Nov)
- 2009-2011 Distribution strategy tests
- 2011 *American Banker* reports on fin. institution collaboration
- 2011 *Farm Blitz* wins EIFLE award, is finalist for Direct Impact award - Games for Change Festival
- 2011 Bilingual portal site launched (beta version)
- 2011 *Celebrity Calamity Mobile* launched on iPlatform
- 2011 250,000 Portal Visits in 18 months (September)
- 2011 President's Council on Financial Capability (Nov)
- 2011 AFCPE Outstanding Education Program of the Year (Nov)
- 2011 NEEBC Best Practices Award – Staples (Dec)
- 2012 *Boston Globe* article on Staples/NY Life collaboration (Feb)
- 2012 NYLRS wins an Eddy Award for the Staples Bite Club project (Mar)



Why Casual / Social Games?

- Popular

- 72% of Americans play video games
- *Bejeweled* – copy sold every 4.3 seconds
- *Angry Birds* – 700MM Downloads
- *FarmVille*: 83MM active users (2010)

- Accessible

- Casual games can be learned quickly, played for minutes or hours
- Inexpensive entertainment, often free
- Smartphone / Facebook play growing fast

- Non-traditional player

- Average social gamer: 43-year-old female
- 74%+ of casual game buyers are women
- 35% of social gamers have no previous video game experience



Video Games: Four Main Elements of Learning

Learning to Learn

- Games teach users how to play as they pass through each level by introducing new concepts or degrees of difficulty
- Levels are just hard enough for the user that they encourage learning and adaptation of new skills, evolve in complexity and result in simultaneous feelings of pleasure and frustration

Practice

- Levels allow for distributed practice across time, which reinforces skills
- Users can learn at their own pace- games typically allow users to play levels until skills are acquired
- Repetition—users can replay levels that they may have already mastered to reinforce their skills

Motivation

- The graphics, sound, and action of a game stimulate players, drawing them in and motivating them to learn to play
- Users are motivated to win the game, and therefore require that they learn new skills required for successful game completion

Transferable Skills

- Users are often forced to make good decisions under stress, make moral choices, take risks, and deal with an onslaught of data
- Higher Order Thinking Skills such as problem solving, strategic thinking, and interpretative analysis are often required to play

Library of games

- *Celebrity Calamity*: Manage credit & debt
- *Groove Nation*: Dance budget game
- *Bite Club*: Vampire retirement savings
- *FarmBlitz*: Manage resources to build savings
- *Refund Rush*: Make the most of a tax refund
- *Celebrity Calamity Mobile*: App Store



Evaluation Framework



- **350k** plays in 22 months
- Average player stays **15-40 mins**
- **90k hours** of financial ed.
- Double-digit increases in knowledge, confidence pre/post play
- Post-play action taking greater than after written info by >9%
- Offers embedded in-game: players taking action
- Hypothesis: environment is engaging enough that consumers will return
- Hypothesis: On-going play, engagement supports new financial behaviors

Distribution Testing

– Channels & Partners

- + *Financial institutions*
- + *Employers & Plan Sponsors*
- + *Schools / Universities*
- + *Government*
- + *NGOs*
- + *Military*



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Farm Blitz Has Impact on Player Knowledge

Preliminary Results in Financial Knowledge

	% Correct	% Correct	
Knowledge (True/False Questions)	PRE	POST	% Change
The interest rate (sometimes called APR) determines how fast money will grow. (T)	41%	66%	59%
Over long periods of time, the amount of money earned by compound interest can exceed the amount of money originally invested. (T)	68%	90%	32%
Some banks have penalties for taking money from a savings account. (T)	51%	63%	24%
A loan (debt) with a 3% interest rate is a better deal than a loan with a 20% interest rate. (T)	71%	90%	28%
The length of time your savings is left to grow is one of the most important factors in determining how much your savings will to be worth in the future. (T)	78%	90%	16%
Finance charges on debt typically grow faster than interest earned on savings. (T)	59%	85%	46%
Money in your savings account should not be used if you have a financial emergency. (F)	71%	83%	17%
Finance charges are fees charged to the borrower to use someone else's money. (T)	44%	73%	67%
Compound interest is when your interest earns interest. (T)	54%	83%	55%
Source: Questions adapted from the NEFE Evaluation Toolkit.			

Deployment Pilot: Staples

- Staples, Inc.
 - World's largest office products company
 - Invented the office superstore concept
 - 26 countries
 - 90,000 associates worldwide
 - \$25B in sales
 - Ranks second worldwide in e-commerce sales
 - Makes it easy for its customers to buy office products and services

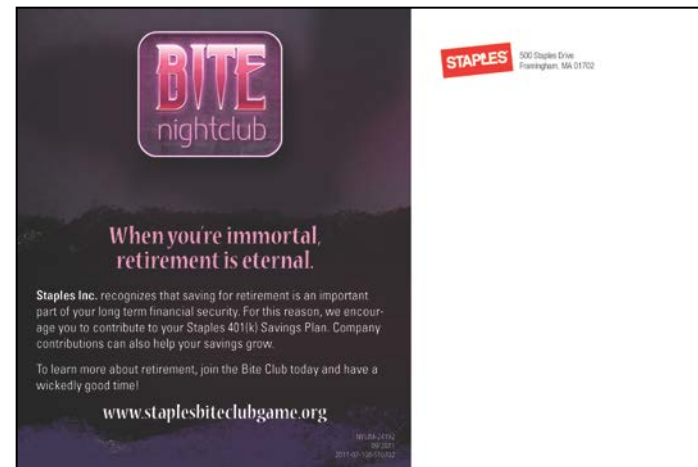


Deployment Pilot: Staples

- Approach
 - Staples FE “portal”
 - Customized Bite Club Game
 - No required play, not on company time
 - Creative Marketing Materials
 - Strong Social Marketing
- “Staples” Bite Club
 - Game Characters: Werewolf stapler, Staples vampire, Customized avatar back-story with a Staples flavor
 - Staples and NYLRS branding throughout – Staples Easy Button, NYLRS Coffee Mug, etc. – with links outside the game to more information
 - Additional game cues: Open Enrollment banner in the day-club on Staples calendar
- Opportunities to take action “in-game”



Staples: Marketing



Deployment Pilot: Staples

- **Results**

- Strong Interest: Over 9,600 visits to game from over 7,500 visitors
- Strong Direct Mail Response: 3.5-4.5% response rate to postcards
- Strong Tournament Response: 80% response rate in two District pilot
- Evidence of Action-Taking: ~11% of “newly eligible” postcard recipients took a positive action

- **Learning**

- Staples employees revealing demand for financial entertainment with prompting from in-store marketing and non-required play
- Play is occurring across geographies
- Players trying out other games – *Farm Blitz*, *Celebrity Calamity*

- **Next Steps**

- Further customization of the “Staples” Bite Club game (e.g., H-S-A).
- Broaden distribution throughout the company leveraging the early pilots

Looking Ahead

D2D's agenda moving forward:

- **Expand library** – continue to develop games that address timely, important topics of relevance to financially vulnerable consumers
- **Extend reach** – bring this innovation to many more players via platform extensions, especially into mobile and onto Facebook
- **Change behavior** – leveraging the duration of play times, link game play to real world action-taking, thereby improving consumers' financial capability
- **Pursue sustainability** – test scale strategies via distribution in military, private employer and community college channels
- **Innovate** - explore the application of game mechanics in the real world (e.g., “gamification”), the next frontier of financial entertainment innovation

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Financial Entertainment Portal & Game Trailers

- Financial Entertainment Portal Web Site
 - + First generation site at www.financialentertainment.org
 - + Prototype second generation site at:
<http://nclr.financialentertainment.org/>
- Trailers for FE games can be viewed at:
 - + <http://financialentertainment.org/trailer/biteclub>
 - + <http://financialentertainment.org/trailer/celebritycalamity>
 - + <http://financialentertainment.org/trailer/farmblitz>
 - + <http://financialentertainment.org/trailer/groovenation>
 - + <http://financialentertainment.org/trailer/refundrush>
- Player interviews can be viewed at:
 - + <http://www.youtube.com/watch?v=grFXti4yzyr8>