

Turning long-term savings goals into a game can increase consumer financial well-being

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Consumers could be 20 percent more likely to reach their saving goals if they are offered psychological rewards by banks and financial institutions.

The study by Bayes Business School finds that 'gamifying' the perceived unpleasant task of saving for the future—using elements typical of

games such as badges, leaderboards, and progress bars—has a significant effect on participants' behavior, shown in their capacity to meet a saving goal they set for the following month.

The research by Professor Irene Scopelliti, Dr. Janina Steinmetz and Dr. Nethal Hashim explains how consumers often have difficulty saving money because they prefer the immediate pleasure of spending over the delayed reward of having savings.

The researchers instructed 331 people in the UK, split into two groups, to set a saving goal for the subsequent month and to track their savings using a web app over the four weeks, with one group being randomly assigned to a gamified version and the other not. At the end of the four weeks participants' savings were compared, and the results showed that those who used the gamified app saved almost 20 percent more in proportion to their [goal](#) than participants who used the non-gamified app.

The authors said app-based banks, including Monzo and Revolut, which are already allowing consumers to create separate saving pots within their accounts, could easily introduce gamification to improve consumer welfare by, for example, adding leaderboards and badges to these saving pots.

It comes as a [new study](#) shows that almost half of UK adults need urgent help managing their day-to-day finances amid rising energy bill costs and an increase in the cost of living—down in part to inflation and national insurance and income tax hikes.

Gamifying environments has already been hugely beneficial to applications including Duolingo, which motivates users to learn a language, and Zombie Run, which motivates users to be physically active—using progress trackers and rewards.

Professor Scopelliti said introducing these game-like psychological rewards can help improve consumers' financial well-being through more effective saving behavior.

"The start of the year presents an ideal opportunity to motivate ourselves into good habits such as avoiding unnecessary spending and sticking to our saving goals. This study shows that associating small but immediate psychological rewards to the act of saving can improve our ability to achieve important and rewarding goals for the future.

"Banks and application designers often have it in their power to introduce elements such as leaderboards and progress bars, with these psychological stimulants boosting how much we save for our future endeavors—be it buying a house or saving for that dream holiday.

"We can placate our present selves by experiencing pleasurable psychological responses typical of games such as mastery, competition, and escapism. These experiences make adhering to long-term goals more immediately enjoyable and therefore help consumers to achieve them."

"Gamification Can Help Consumers Reach Their Saving Goals," by Professor Irene Scopelliti, Professor of Marketing and Behavioural Science at Bayes Business School, Dr. Janina Steinmetz, Senior Lecturer in Marketing at Bayes Business School, and Dr. Nethal Hashim, Fellow in Marketing at Bayes Business School, is published by Think Forward Initiative.

More information: Gamification Can Help Consumers Reach Their Saving Goals: [born05-thinkforward-initiative ... eir Saving Goals.pdf](#)

Provided by City University London

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