



## Engaging Customers with Gamification

🔗 technology customer experience

**Summary:** Gamification has been shown to increase productivity, enhance learning, and foster employee engagement. We discuss some applications of gamification in banking and how CFIs could incorporate these elements into their digital offerings to boost customer engagement.

Peloton — an at-home gym equipment and interactive fitness company — [has more than 6.6MM members](#). What makes Peloton a widely-used company is its app, which gives users access to instructor-led workouts and its popular leaderboard, which tracks users' performance and ranks them alongside other users. The leaderboard's competitive element is very effective in motivating people to stay engaged and improve their ranking, a key feature of gamification.

The adoption of gamification — the application of gaming mechanics and principles in a non-gaming environment to increase engagement and drive users towards specific behaviors — has been exponential. Mordor Intelligence forecasts [a value of \\$59B by 2028](#), at a compound annual growth rate of 24.88%. Introducing gamification into the customer acquisition process has been shown to [increase conversion rates by up to 700%](#) for companies across various sectors.

Gamification offers community financial institutions (CFIs) several opportunities, including improving recruitment and training, enhancing employee motivation and productivity, and increasing customer engagement. These opportunities center around the use of rewards — often points, badges, progress charts, or leaderboards — to encourage the user to perform an action that is not in itself rewarding. In other words, they make it fun.

### Applications of Gamification in the Financial Services Industry

Here are some of the ways in which financial institutions are using gamification to achieve greater customer engagement:

- **Driving healthy financial habits.** This includes programs that encourage customers to check their financial accounts regularly, set saving goals, and reward them for shifting money into their savings accounts. One such program is PNC's "Punch the Pig", a virtual piggy bank that can be customized to the customer's wishes for budgeting and saving purposes. In its second decade, it's still going strong.
- **Improving financial literacy.** Gamification has been shown to dramatically impact learning in the classroom and in training programs. Using puzzles, quizzes, and videos to illustrate complex financial concepts can help customers make better decisions. Ally Bank successfully uses an [augmented reality Monopoly game](#) to educate its customers about financial matters.
- **Increasing the use of digital banking.** By offering fun, interactive tutorials on digital banking transactions, financial institutions can motivate customers to use online banking services more regularly. Spanish bank BBVA rewards its customers with redeemable points for watching videos that help them perform banking operations, such as paying taxes online.
- **Communicating effectively.** A long email or letter explaining a change in terms can be confusing and is often ignored. Extraco Banks invited customers to enjoy [an online game to explain the introduction of](#)

[monthly fees](#) on their checking accounts. The game was clear and engaging and gave customers tips to reduce or eliminate the fee.

## How CFIs Can Use Gamification Effectively

1. **Focus on the goal.** However fun your games may be, they won't beat the latest blockbuster game, so it's important to take a strategic approach. Identify your target audience and be clear about your objective — whether it is to educate, foster engagement and loyalty, or acquire customers — as this should drive the game design.
2. **Stick to core principles.** [Create a story](#) for the user to engage with, give feedback on their progress, and reward them for achieving their goals. Ensure it is sustainable by regularly feeding new content into the app, keeping it fresh with seasonal features. Above all, keep it simple, as frustrated users are likely to abandon the task.
3. **Maximize the value of data.** By interacting with your app, customers will be sharing a lot of valuable data. The next step is to make good use of it. Mining the data for behavioral insights will allow you to tailor your services and offer a more personalized experience. Be sure to provide customers with a link to your privacy policy to [comply with data privacy laws](#).

Gamification provides CFIs with a platform to engage more deeply with their customers, passing on quick tips and incentivizing healthy financial habits. Gamification makes these tasks enjoyable and more likely to be performed — a win-win for customers and the institution. CFIs approaching gamification should ensure they are strategic in focusing on their audiences and objectives, keep to the core principles of gaming, and leverage the data they collect to further enhance the customer experience.

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## ECONOMY & RATES

Rates As Of: 10/23/2023 05:39AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.58	0.03	1.16
6M	5.54	0.01	0.78
1Y	5.40	-0.03	0.70
2Y	5.10	0.05	0.67
5Y	4.91	0.30	0.91
10Y	4.98	0.41	1.10
30Y	5.13	0.43	1.16
FF Market	FF Disc	IORR	
5.33	5.50	5.40	
SOFR	Prime	OBR	
5.30	8.50	5.32	

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