



## Gamification in Finance Apps: The Influence of Marketing Strategies on Financial Behaviour

Mr. Sivanunni P S, Dr. R. Latha

Research Scholar, Department of Management Studies, Dr. N.G.P. Arts and Science College, Coimbatore, Tamil Nadu.

Associate Professor, Department of Management Studies, Dr. N.G.P. Arts and Science College, Coimbatore, Tamil Nadu.

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### Abstract

Gamification has recently turned to be a key strategy in almost all Financial Applications. It simply refers to the concept of integrating game-like elements into financial Applications to enhance user engagements and influencing financial behaviours. The most commonly observed game-like elements are rewards, challenges, tasks, leaderboards etc. The study is based on secondary analysis that explores how companies incorporate gamification as one of their marketing strategies and its impact in financial decision-making, savings, investment and spending habits among the users. It reviews literature on behavioural economics, marketing strategies and case studies of popular FinTech Apps. The findings indicate that gamification has significantly improved financial literacy and engagement but at the same time, it also raises concerns on ethical implications including risk-taking and data privacy.

**Keywords:** Gamification, Finance Apps, Marketing Strategies, Financial Behaviour, Behavioural Economics, FinTech, Consumer Engagement

### I. INTRODUCTION

The rise of Finance applications in the Digital platforms has significantly carved how an individual manages their finances. To improve user engagements, most Financial Institutions integrate Gamification technique, paving way the behavioural psychology to encourage desired Financial Behaviours. Gamification applies game-like elements such as Badges, Challenges, Tasks, Points, etc., to improve user interaction.

Any company for that matter reinforces these gamification elements as their marketing strategies that shall shape the user perception and motivate them to participate more. This research investigates how marketing strategies influence financial behaviour through gamification in Finance Apps.

### ELEMENTS OF GAMIFICATION INCORPORATED IN FINANCE APPLICATIONS

- 1. Rewards and Points:** One of major attractions that enhance user experience is through earning points and rewards for completing certain levels of financial tasks such as quantum of financial transactions, saving money or making timely payments. These rewards can be from multinational companies from various sectors as collaborations. The best and popular example for this can be mentioned as the rewards and points that users receive in GooglePay. Users get rewards from many popular brands that they can redeem within a valid time period.
- 2. Achievements and Badges:** When a user reaches certain milestones in credit score, investing or budgeting will be recognized by the app and award the user with badges and achievements.
- 3. Competitions and Challenges:** These elements encourage users to perform transactions and tasks that shall help in achieving financial goals and compete among friends or broader community.
- 4. Progress Bars and Streaks:** These elements motivate users to maintain good financial habits consistently as they can view their progress alongside receiving rewards in attaining certain streaks.
- 5. Simulations and Virtual Investments:** There are finance applications that promote awareness among its users to understand financial markets in a risk free environment. Similarly there are simulation applications that provide knowledge about stock markets.

### PSYCHOLOGICAL PRINCIPLES BEHIND GAMIFICATION IN FINANCE

Marketing Strategies using Gamification exploits the behavioural economics and psychology principles that includes the following:

- 1. Loss Aversion:** Users are highly encouraged to maintain savings, streaks or continue their



investment to avoid losing the rewards gained from finance apps especially like Acorns or Digit Apps. These apps encourage automatic savings by making it a habit that users don't prefer to change.

**2. Reward Mechanism:** Reward mechanisms used by the Finance apps are often seen improving a positive Finance Behaviour. Apps like GooglePay or Paytm user instant gratification that keeps users engaged such as use of scratch cards in most finance transactions to reinforce positive financial behaviour.

**3. Social Proof and Competition:** Apps like Venmo and Splitwise use social elements to influence the spending behaviour. The common example for this can be leaderboards and community challenges introduced by the finance apps for a stipulated time period that creates a peer pressure to save and invest.

**4. Goal Setting & Progress Feedback:** Money management apps like Mint or YNAB provide real-time feedback on financial habits through visual progress tracking that encourages the users consistently to plan and decide on savings habits.

#### MARKETING STRATEGIES DRIVING GAMIFICATION IN FINANCE APPS

Gamification in finance apps is often integrated into broader marketing strategies that influence financial behaviours of its users.

**1. Personalization & AI-Driven Engagement:** AI has taken over most sectors and one such effect can be seen in finance as well. AI analyzes users data to create personalized or customized financial challenges and reward structures. The most popular example is Cleo, an AI driven financial assistant that uses gamified conversations with its users to collect data and provide financial suggestions that shall promote budgeting and saving habits.

**2. Influencer and Referral Marketing:** There are many financial applications that use the element of Referrals and Rewards for its users when they invite friends to use the same application. Examples can be given from Google Pay, Robinhood etc that gives cashback and free stocks to users who initiate more users.

**3. FOMO and Limited Time Challenges:** Most companies use the elements of gamification that engages users with exclusive financial challenges for time-bound rewards. The most common known example is the seasonal games introduced by Google Pay and Paytm's cashback campaigns.

**4. Freemium & Subscription based Models:** These models basically refers to access of basic features for free and advanced features through payment and upgrade. Gamification features are used

in these models to upsell premium financial tools. For instance, Apps like Duolingo incorporate gamification for financial literacy courses.

#### IMPACT OF GAMIFICATION ON FINANCIAL BEHAVIOUR OF USERS

- Interactive challenges and quizzes enhance users' understanding of budgeting, credit scores, and investments that shall lead to improved financial literacy.
- Automated savings and micro-investment apps witness increased participation due to gamified features which also result in higher savings and investment participation.
- Apps with gamification elements show higher engagement rates compared to non-gamified finance apps which says that there is increased app retention and engagement.
- Trading apps have been criticized for making investing feel like gambling.
- Users may engage in financial activities primarily for incentives rather than long-term financial health.
- Gamification requires extensive data collection, raising ethical concerns on data privacy.

#### IMPLICATIONS FOR MARKETING STRATEGIES IN FINANCE APPS

- Ensure that rewards are tied to financial behaviors that align with users' long-term financial well-being, such as saving for retirement or building an emergency fund.
- Offer users a sense of control by allowing them to set personal financial goals and providing tailored challenges based on their individual financial circumstances.
- While rewards and competition can drive engagement, fostering intrinsic motivation—such as the satisfaction of achieving financial milestones—may result in more sustainable financial behaviors.

## II. CONCLUSION

Gamification in finance apps has transformed user engagement, helping individuals save, invest, and manage money more effectively. However, it also presents ethical challenges that need regulation and responsible design. Future trends in AI-driven gamification, blockchain-based financial rewards, and adaptive financial coaching could further refine gamified financial services.

For policymakers and financial institutions, striking a balance between engagement and responsible financial behavior remains crucial.



FinTech companies must ensure that gamification aligns with long-term financial well-being rather than short-term incentives.

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