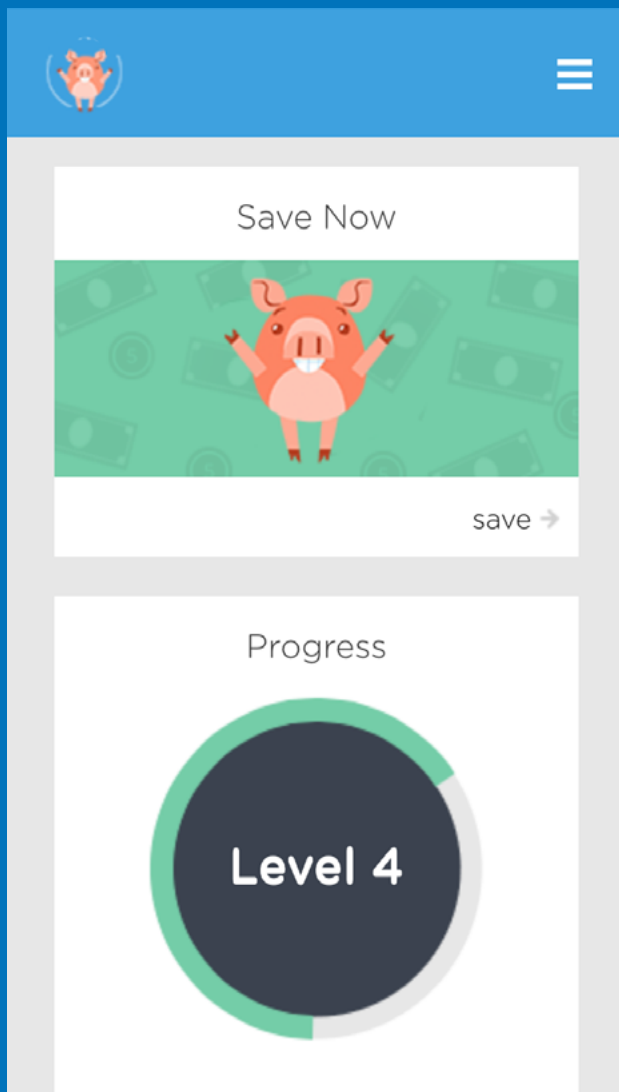


SAVINGSQUEST:

Creating Savings Through Gamification



Commonwealth built SavingsQuest by combining insights and expertise from multiple fields

Over the last couple of years, there has been more attention paid to the lack of emergency savings in the United States. Over 50 million households in America (44%) lack enough savings to sustain themselves for three months if faced with a job loss, medical emergency, or any other major unforeseen expense¹. Interestingly, as both CFSI's recent Financial Health data² as well as Commonwealth's work³ demonstrate, many consumers have access to accounts and even own them, but, they simply do not engage with them. Essentially, the problem is no longer simply access to accounts – but the lack of accounts designed in ways that attract engagement, use, and action-taking from the consumer.

An additional and critical factor contributing to the engagement gap is the inherently daunting notion of building savings. Saving significant portions of money to plan for an emergency, even if logically sensible, can be both unrealistic and overwhelming for many. Because of this, a less intimidating approach, built around microsaving, has the potential to increase the number of people trying to save, leading to better long-term financial security and capability. There is evidence in other fields that this 'every action counts' frame combined with gamification features is desirable for consumers and leading to behavior changes in the health and fitness fields. Healthcare apps that track and encourage activity have created a multi-billion dollar industry⁴. Nielsen reported that 46 million people used fitness apps in January 2014, and a recent study at BYU found that 52% of fitness apps incorporate gamification.

Translating the insights from Commonwealth's pioneer-ing and award-winning Financial Entertainment (FE) work⁵ and our innovations in savings design (e.g., Prize-linked Savings⁶, Tax Time Savings Bonds⁷, and prepaid savings⁸),

Commonwealth created a gamified savings app – SavingsQuest. **The SavingsQuest system is based on the principle that every action, every cent, every contribution counts. In this way, it makes saving less stressful and ultimately more engaging.**

As a gamified experience, the app also makes engaging in finances not just more interesting, but perhaps even desirable. Consumers voluntarily play games for a reason – they are fun, they are a distraction, and they are stress-reducing. The early results from SavingsQuest are not just promising, but also confirming. There is an untapped market of consumers looking for an unconventional way to experience financial services. When they are approached with the right product with the right frame, the consumers will respond and we will see more engaging, more action-taking, and more saving.

SavingsQuest makes saving money fun and engaging

SavingsQuest, the first "Fitbit for savings", is a gamified system that improves the saving experience for consumers. The game leverages various gamified techniques to encourage trying to save and regular saving actions⁹. Users of the tool, through a savings action (for example, depositing money into their prepaid card savings pockets), can collect badges, complete challenges, and earn achievements. To increase engagement, users receive weekly motivational messages and have access to visuals to gain insight into their savings behavior. Additionally, mobile device users of the tool are rewarded for

1 Brooks, J. et al (2015) Excluded from the Financial Mainstream: How the Economic Recovery is Bypassing Millions of Americans. CFED, Assets and Opportunities Scorecard.

2 Understand and Improving Consumer Financial Health in America (2015). CFSI

3 Abbi, S. et al. (2013) Paving the Way Forward: Savings on Prepaid Cards. Commonwealth (formerly D2D Fund).

4 Digitally Fit: Products and Services for Connected Consumers (2015). Parks Associates

5 Commonwealth's Financial Entertainment is a suite of financial entertainment titles that improve financial knowledge, capability and self-confidence for players. For further information, see: <https://buildcommonwealth.org/work/financial-entertainment>

6 <https://buildcommonwealth.org/work/prize-linked-savings>

7 <https://buildcommonwealth.org/work/tax-time>

8 Innovation Blueprints: Scaling an 'Emergency' Frame and Savings on Prepaid. (2014) Commonwealth (formerly D2D Fund).

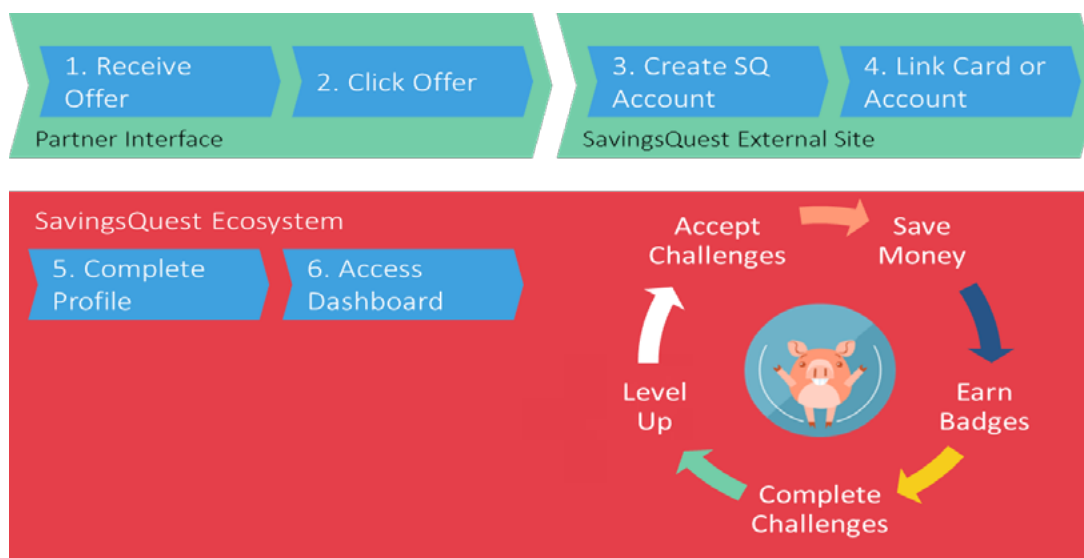
9 Inspiration for SavingsQuest's design came from several sources, including current trends in gamified apps, UX research, and a Game Jam, where Commonwealth hosted some of the best minds in the design and gamification fields to brainstorm and collaborate.

saving with a customized dance from ‘Dig the Pig’, a motivational character in the SavingsQuest universe.

Commonwealth beta tested and ultimately pilot tested the tool with prepaid card users from Banking Up, a national online bank. UPSide Card¹⁰ users were sent emails prompting them to try out the tool. In order to be eligible, UPSide Card users needed to have the Rainy Day Reserve feature, a savings pocket embedded within the card, which was created by a previous partnership between Banking Up and Commonwealth¹¹. The process that all SavingsQuest users went through, from their initial exposure to the app via marketing, to the end cycle of actually interacting with the app, is illustrated below.

The age of interviewees ranged from 22 to 56, with the average age being 38 years old. Users lived all over the country and had varying household incomes, with the majority earning between \$45,000 and \$50,000. These users also had varying levels of experience with the app, but all of them had used the tool at least once.

Findings suggest that SavingsQuest was an attractive concept to consumers, and interviewees found the features of the tool to be both interesting and engaging:



The results of the pilot reveal that users had favorable experiences with the SavingsQuest tool and that, more importantly, connecting to the tool increased general engagement with savings accounts. What follows are top insights from the quantitative and qualitative review of the launch.

The tool was extremely well reviewed by the group of prepaid card users

The qualitative analysis consisted of interviews with 18 SavingsQuest users. These interviews included one initial in-depth interview, fifteen 30-60 minute phone interviews with users across the country, and two on-location demonstration tests with interview follow-up.

Badges helped engage users who needed an instant reward



The badges served as an instant reward, and for a segment of testers, that feedback and recognition was enough to keep them engaged. Being congratulated in a concrete way, even if only within the universe of the tool, kept people engaged enough to want to continue to receive that reward. **One user called it “like getting a high five for saving”.**

¹⁰ The UPSide card is a general purpose reloadable prepaid card offered by Banking Up, who partnered with Commonwealth to pilot SavingsQuest.

¹¹ Abbi, S. et al. (2013) Paving the Way Forward: Savings on Prepaid Cards. Commonwealth.

Challenges helped motivate some users who needed more guidance about how to achieve their goals

Current Challenges



Maintain your savings for 7 days.

Some users reported that they needed to be pushed more. The built-in challenges provided that push for those users—having something tangible to strive for made it easier to chip away at the savings goal.

Motivational Messages provided encouragement and coaching

Coach's Corner



While users could opt-in or out of receiving these messages, the vast majority opted-in. One user said **it was like “having a trainer in the gym,** motivating me to get more savings like a trainer would motivate me to get a six-pack.” This type of communication made this segment of users feel like they weren't in it alone.

The “microsaving” focus was universally liked

There is no pressure to make big, difficult saves, and users could feel a sense of accomplishment saving as little as a penny. One of our beta testers said, “You save a dollar, and [SavingsQuest] tells you that you did a great job. People don't think saving a dollar is a big deal, but when it's hard to put money aside because everything is always coming up, it is a big deal.” This attitude is at the core of the SavingsQuest design, and our users connected to it.

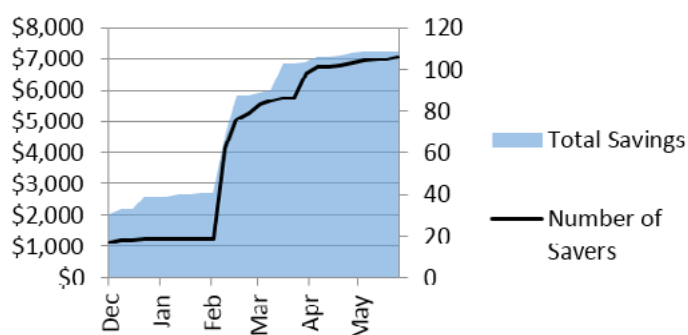
SavingsQuest users engaged more with their Rainy Day Reserve (RDR) accounts than non-users, resulting in increased savings

Not only did SavingsQuest users enjoy the tool, but the quantitative data suggests that it may have made a tangible financial impact during the short pilot period. From beta testing in late 2014 through the launch in February 2015, SavingsQuest has shown that consumers will engage with game mechanics to help build savings.

- **SavingsQuest encouraged first-time use of the RDR.** A quarter of SavingsQuest users had not engaged with the RDR until saving with SavingsQuest. As such, SavingsQuest reached a disengaged group and resulted in greater interaction with the RDR in general.
- **SavingsQuest had a high initial take-up rate.** When the pilot launch email went out in February 2015, SavingsQuest saw more than 160 people sign up during the first 48 hours. Throughout the pilot, of the 300 users who signed up to use SavingsQuest, nearly 83% connected their cardholder information to the tool. This statistic indicates the demand for the tool as well as the credibility of the secure system set up to host their cardholder information. Despite only two emails promoting SavingsQuest to UPSide cardholders, more than 6% of all RDR savers connected to the tool.
- **SavingsQuest encouraged new savings in and outside of the tool.** While SavingsQuest users demonstrated improved savings behaviors as compared to their non-user RDR peers, many of these saves did not actually take place through the tool itself. Among connected users, 45% saved at least once in the RDR with SavingsQuest, and another 44% saved in the RDR, but not through the SavingsQuest tool. Despite the fact that not all saves took place within the tool, the data suggests that being exposed to and engaging with the tool in and of itself may have been enough to encourage saving.

- **SavingsQuest users saved more frequently than other RDR users.** The tool was designed to prompt action-taking and show the benefit of regular small savings. SavingsQuest users saved, on average, 25% more frequently than other RDR users. Of the group of RDR users who signed up for SavingsQuest, the average number of deposits-per-month (DPM) prior to SavingsQuest was 3.5. After signing up for SavingsQuest, their average DPM climbed to 4.5. This compares to all other RDR users for whom the average DPM was 3.6. Frequent transactions like this (more than once a week) are critical to building savings capabilities in vulnerable consumers and at the core of the microsaving focus.

Changes in Number of Savers and Savings with SavingsQuest over Time



- **Over the course of our pilot, SavingsQuest users saved \$294,530 into their RDR savings pockets.** The total amount saved during the pilot by all RDR users was \$2,557,408. This means that although SavingsQuest users made up 6% of all RDR users, they account for almost 12% of the total savings during the pilot period.

Because the median deposit transaction for users was so much lower than the mean (average), we believe consumers have a significant preference for microsaving opportunities (as little as 1 penny). The goal of this tool was to encourage and incentivize savers who otherwise may feel as though the amounts they are able to save are insignificant. The data suggests that providing a focused tool and encouragement around small-dollar, micro-contributions can yield significant impact for vulnerable consumers.

More research and better technology are necessary to achieve impact on a larger scale

SavingsQuest was launched as a Minimum Viable Product (MVP) – meaning that the core elements of the product were developed enough to function, but not necessarily at a consistently optimal level. While the results of the pilot are very promising, there is more testing and product development required in the areas of marketing, technology support, and evaluation in order for SavingsQuest to reach its full potential.

- **Marketing:** Throughout the pilot, SavingsQuest users received direct email reminders, in the form of motivational messages, encouraging them to use the tool and save. Consumers reported that these reminders were useful, but the data did not show significant jumps in use or savings in relation to when the direct emails were sent. Better, more timely communication may increase the impact of the motivational messaging. For example, push notifications directly from the SavingsQuest app would have been a useful way to remind consumers to save. Reaching users through the app, in a position where they could have immediately and impulsively taken a savings action may have been more effective than traditional emails. More testing will be critical to understand the best channels through which and the best times at which reaching users encourages the most engagement. In addition to refining the vehicle through which motivational messages are delivered, it will be instructive to consider the time of day when such messages might result in greater action.
- **Technology:** A fully integrated mobile app would have significantly improved the user experience and, quite possibly, the engagement with SavingsQuest. During the pilot, if a user tried to view her badges or check on her current challenge, she was taken out of the app and onto a mobile site, where she would have to re-login. This hurdle proved too burdensome for some of our users, as they had grown accustomed to fully integrated apps and did not want to have to go through that process each time they engaged with the tool.

- **Evaluation:** There were challenges throughout the pilot with data collection. While the primary data points such as numbers of saves and amount-per-save were unaffected, there were certain statistics, such as badge counts and sign-in counts, which did not always report correctly. These challenges, combined with a small testing base, limited the evaluation. Evidence of the efficacy of this tool, in the form of reliable data on take-up, alongside data pointing to the most effective elements of the tool, are important to understand how to reach a broader consumer base in any effort to scale this tool.

Keeping these limitations in perspective, the successes of this pilot are all the more encouraging. SavingsQuest was an early-stage prototype, and it still led to increased engagement and savings for users. Looking at the insights from the test period, it is clear that if this innovation is developed to its full potential, the resulting impact would be strong.

SavingsQuest is only the beginning of the story

Commonwealth has tested an extremely important idea: gamification techniques can be used to drive positive financial action and behavioral changes. **Early indicators strongly suggest that a tool like SavingsQuest has the potential to change how Americans think about and engage with saving.** This idea, however, does not begin and end with savings on prepaid cards or savings in general.

Commonwealth has also built and tested a gamified app for higher education decision making and preparation called *Ramp It Up*.¹² *Ramp It Up* was designed to complement and enhance the effectiveness of other college financial readiness efforts. By using gamification to make this critical topic more fun and exciting, students will be better equipped to make smart decisions around paying for college, and on a course toward stronger lifelong financial security.

Gamification has proven in other fields to be an effective tool to motivate and drive action and it is critical that the financial service industry leverage these insights to build financial health.

Acknowledgements

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For more information about SavingsQuest and other Commonwealth innovations, please visit us on the web at www.buildcommonwealth.org

As this work continues to develop, SavingsQuest will not only be the beginning of the story on gamification around savings and financial capability, but the beginning of the story on gamification as a powerful tool for behavioral change in financially vulnerable Americans.

