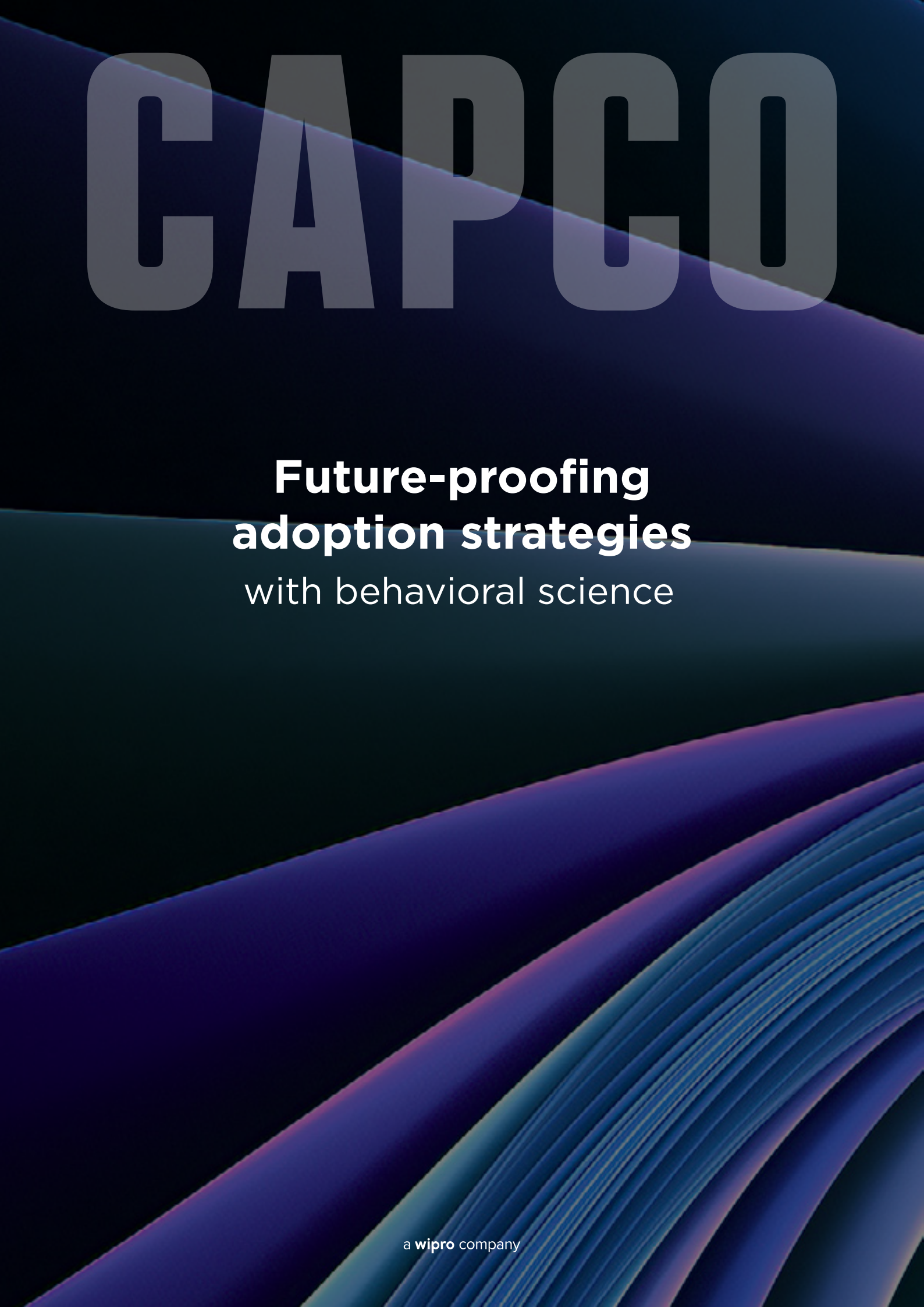


Future-proofing adoption strategies

with behavioral science

a **wipro** company

Abstract

Financial institutions face increasing challenges in designing effective and sustainable adoption strategies for new products and services. In a rapidly evolving digital and regulatory landscape, many firms rely heavily on short-term adoption metrics, often overlooking the underlying behavioral factors that drive long-term customer engagement. This paper demonstrates how behavioral science, particularly choice architecture, can help financial services firms structure adoption strategy decisions in a way that supports both immediate business goals and long-term customer relationships.

A key obstacle to effective adoption strategies is the presence of cognitive biases in decision making. Firms often rely on familiar habits and short-term gains while overlooking strategic trade-ofs that could lead to more sustainable growth. This research introduces a structured decision-making approach that helps broaden strategic thinking by addressing biases, such as narrow framing, availability bias, and present bias. By applying this approach, financial institutions can design more customer-centric, commercially viable, and resilient adoption strategies.

This framework is particularly valuable for firms looking to strengthen decision-making processes, reduce behavioral risks, and optimize adoption strategies to drive lasting customer value.

* This paper was originally developed by the author, Martha Lucía Férez Blando, as part of the Executive MSc in Behavioural Science at the London School of Economics and Political Science (LSE), for the Behavioural Decision Science course.

1. Introduction

In high-stakes environments like financial services, strategic choices that address consumer behavior and decision-making processes can help firms engage customers and maintain competitiveness. To support these strategies, choice architecture alters the decision context or how information is structured and framed to mitigate biases and improve decision making [Fasolo et al. (2024)]. This tool can nudge individuals and organizations towards better decisions while preserving freedom of choice. One effective choice architecture technique is expanding objectives, which broadens considerations by identifying additional relevant goals and counteracts biases like narrow framing, which limits the outcomes, often overlooking alternative perspectives or long-term impacts.

This essay explores how expanding objectives can improve decision making in designing customer adoption strategies for financial services. The following sections examine key decision-making challenges, solutions using the expanding objectives technique, limitations and conclusions.

2. Decision-making challenges to enhance adoption strategies

The financial services sector faces distinctive pressures, including stringent regulatory requirements, rapid technological change, and a reliance on fast and intuitive thinking. The complex and intangible nature of financial products often prompts decision makers to rely on straightforward approaches to navigate uncertainty. Such reliance on quick judgments limits analytical and rational thinking, often neglecting long-term goals and endangering decision quality.

When designing customer adoption strategies in financial services, decision makers often face significant behavioral obstacles. Narrow framing, a cognitive bias, causes them to overlook complex organizational objectives that take longer to materialize. This can lead to overconfidence in limited predictions, narrowing assessment of potential outcomes, and compromising the quality and effectiveness of customer adoption strategies in dynamic environments.

The integration of financial services and technology has modified behaviors in digital finance settings, making it crucial to design customer adoption strategies that foster long-term engagement rather than just immediate use [Chuahan and Chavda (2024)]. Addressing this is challenging, as financial professionals operate in high-pressure, noisy environments where inconsistent decisions stem from varying interpretations of complex inputs, compounded by constant data inflow, market fluctuations, and evolving regulations. Consequently, professionals often prioritize immediate outcomes over long-term goals, driven by decision-making biases that expose behavioral risks, resulting in suboptimal outcomes.

> **Behavioral science enables financial firms to design adoption strategies that drive immediate business impact and build lasting client relationships.**

Digital transformation strategies frequently emphasize short-term metrics and quick wins to demonstrate value. This narrow focus can lead institutions to overlook critical stages of the customer journey, missing opportunities to optimize long-term outcomes. The lack of best

practices for adoption strategies mirrors broader organizational failures stemming from missing unified frameworks. Employees may rely on recent, familiar experiences (availability bias) or favor short-term gains (present bias).

When designing adoption strategies, financial services institutions often address decision-making challenges by focusing on a singular objective: increasing customer adoption rates. While this focus provides clear direction and aligns with immediate priorities, it can perpetuate short-term thinking and narrow decision-making frameworks. Instead, addressing these challenges requires incorporating multiple attributes to balance competing objectives and manage trade-ofs effectively [Raifa (2006)].

Table 1: Current singular objective in financial services customer adoption strategy

Objective
Increase customer adoption rates

3. Expanding objectives to improve decisions in adoption strategies

3.1 Benefits of applying the "expanding objectives" technique

Expanding the range of objectives in decision making ofers a robust solution for enhancing choice architecture in financial institutions to design adoption strategies for new products. By broadening the decision frame to encompass diverse and competing priorities, institutions can create adaptable strategies. The technique provides three key behavioral solutions to improve the decision framework: reducing cognitive overload, enhancing decision-making rigor and balancing short- and long-term goals. Together, these solutions can lead to adoption strategies that are comprehensive, customer-centric and aligned with both immediate and strategic goals [Chuahan and Chavda (2024)].

Reducing cognitive overload involves breaking down complex objectives into smaller, manageable sub-objectives, minimizing the noise that often undermines decision quality in high pressure environments like financial services. Organizing expanded objectives clearly and their timely communication helps maintain focus and prevent decision makers from being overwhelmed by excessive information, addressing challenges from complex financial data and regulations.

Enhancing decision-making rigor ensures critical objectives are systematically considered. A master checklist can help broaden the objectives by ensuring all known critical objectives are considered, improving decision hygiene judgment and mitigating behavioral risks. This structured approach fosters deliberative, System 2 thinking, enabling more thorough evaluations of relevant factors.

Balancing short- and long-term goals in the expanded objectives mitigates present bias by integrating overlooked objectives into strategy frameworks. This balance enables institutions to align immediate metrics, such as adoption rates, with broader goals like fostering trust and building loyalty. By doing so, financial services firms can develop sustainable, customer-centric strategies that address both immediate priorities and long-term organizational visions.

3.2 Techniques to expand objectives

Expanding objectives in decision making relies on both formal and informal techniques. Formal approaches include multi-attribute decision-making frameworks that systematically evaluate diverse objectives and trade-ofs, ensuring adoption strategies meet user needs and avoid narrow framing. Similarly, scenario analysis assesses how objectives perform under varying conditions, which can help align short- and long-term goals and enhance decision robustness.

Informal techniques, such as reframing, broaden decision frames by presenting information

Table 2: Objective expansion approaches to design adoption strategies in financial services

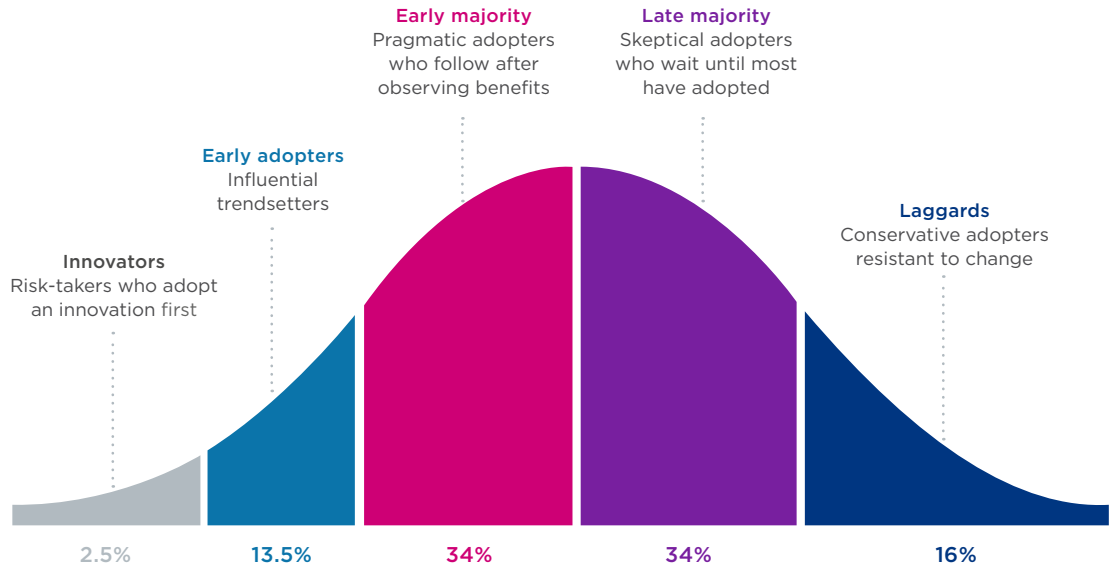
ID	Approach	Relevance to improving adoption strategy decision making
A1	Multi-attribute	Enables systematic evaluation of trade-ofs between consumer and considerations organizational value and short- and long-term gains.
A2	Scenario analysis	Reveals diverse customer journeys, ofering insights into opportunities for strategic engagement and planning for contingencies.
A3	Reframing	Inspires innovative approaches by reimagining adoption rates as opportunities to penetrate new markets.
A4	Checklists	Provides structured guidance for decision makers, ensuring critical drivers of customer adoption are systematically addressed.
A5	Integration of diverse perspectives	Enhances decision making by incorporating holistic insights from varied organizational and customer viewpoints.

through alternative conceptual lenses, revealing overlooked objectives for better decision making. The "Five Whys" method uncovers fundamental objectives by probing beyond surface-level goals, ensuring priorities like sustained engagement and perceived value are identified. Checklists provide consistency and comprehensiveness pragmatically, reducing risks of omission. Involving cross-functional teams incorporates diverse perspectives, capturing objectives that may otherwise be missed. Together, these techniques create a holistic approach to expand objectives when designing adoption strategies.

3.3 Improving decision making to design adoption strategies

Building on the techniques outlined in Section 3.2, this section selects the most relevant approaches and demonstrates their practical application in expanding objectives to improve decision making in the design of adoption strategies for financial services. This aims to address the core issue with the original objective, "increase customer adoption rates," which is too broad and lacks nuance to guide decision making effectively in the dynamic environment of financial services.

Figure 1: Rogers' innovation-adopter categories

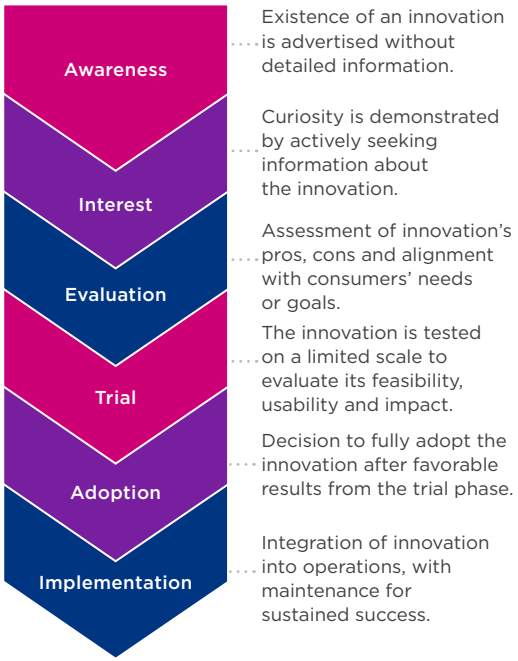


Source: Rogers (1995)

By applying "decision hygiene" [Kahneman et al. (2021)], this goal is refined into targeted sub-objectives, addressing customer behavior and organizational priorities. This process reduces cognitive overload, enhances decision rigor and balances short- and long-term goals. Structured approaches that foster deliberate System 2 thinking support this refinement. Multi- attribute considerations systematically evaluate trade-ofs between consumer and organizational value, and short- and long-term gains. Scenario analysis reveals insights into customer journeys revealing strategic engagement opportunities. And, reframing repositions low adoption rates as opportunities to access new markets.

While no universal master checklist exists for adoption strategy design, this paper proposes a structured approach by integrating diverse perspectives from established frameworks. Leveraging Ettlie's (1980) six-stage product-adoption model (Figure 2) and Rogers' (1995) innovation-adopter categories (Figure 1) as key components will support customer-centric strategies while enhancing organizational success.

Figure 2: Ettlie's adoption model categories



Source: Ettlie (1980)

3.4 Use case: applying expanded objectives to a digital product launch

To illustrate the practical application of the expanding objectives technique, this section presents a use case involving the launch of a digital financial product. The scenario demonstrates how behavioral insights can be translated into six actionable sub-objectives aligned with customer-adopter segments and the stages of the product adoption journey. This structured approach enables financial institutions to design more targeted, effective, and sustainable adoption strategies.

3.4.1 Objective 1: Promote product exposure

In the earliest stage of adoption, building awareness and trust is essential. Financial institutions can encourage initial engagement by highlighting ease of use through simple, intuitive messaging and user-friendly visuals. Social proof can be leveraged through influencer partnerships, customer testimonials, or early access programs that showcase real users interacting with the product. These approaches help establish credibility, reduce uncertainty, and spark interest among innovators and early adopters.

3.4.2 Objective 2: Demonstrate value and accessibility

To support early-user engagement, financial institutions can ofer guided demos to help customers understand how a product works. They can also provide interactive tools that personalize the calculation of the forecasted value a potential customer might expect. By keeping information transparent and easy to explore, organizations can make new products feel more accessible and their benefits more tangible.

3.4.3 Objective 3: Facilitate comparative analysis

When users enter the evaluation stage, the decision making process can feel overwhelming. Financial institutions can support this stage by ofering simplified, curated comparisons presented in visual formats such as decision tables. These tools break down key product features, benefits, and costs in a way that is easy to scan and compare. By streamlining the evaluation pathway, institutions reduce cognitive load and enable customers to make more confident, informed choices.

3.4.4 Objective 4: Encourage risk-free exploration

To motivate hesitant users toward action, financial institutions can ofer free trials or money-back guarantees that allow customers to test the product without commitment. When designed to allow easy withdrawal without loss, these approaches build trust, reduce perceived risk, counteract loss aversion, and encourage low-pressure exploration. By creating a safe and transparent trial experience, organizations can build confidence and support adoption.

3.4.5 Objective 5: Support informed decision making

Once users have trialed the product, supporting their informed decision is critical. Independent user reviews, usage data, and ethical default settings (such as opt-in trials with transparent cancelation options) can help ensure the transition to full adoption feels both safe and seamless. Usage data can validate the user's experience by highlighting objectively how they've engaged with the product and the benefits they've already gained. This builds confidence and supports rational, low-pressure decision making.

3.4.6 Objective 6: Sustain engagement

Adoption is not a one-time event. As customer needs and external conditions evolve, institutions must regularly revisit and refresh engagement strategies. Tools like gamification, achievement badges, and personalized feedback can help maintain interest, particularly among late adopters or previously disengaged users who may need ongoing motivation to stay engaged [Firmansyah et al. (2023)].

Table 3: Expanded objectives aligned with adoption stages and adoption categories

Objective ID	Expanded objectives	Innovation-adopter categories [Rogers (1995)]	Adoption model stages [Ettlie (1980)]	Behavioral relevance
Objective 1	Promote product exposure	Innovators	Awareness	Ease of use and social proof campaigns
Objective 2	Demonstrate value and accessibility	Early adopters	Interest	Make benefits salient and personal; encourage interaction to build familiarity
Objective 3	Facilitate comparative analysis	Early majority	Evaluation	Mitigate cognitive load and increase salience via structured comparisons
Objective 4	Encourage risk-free exploration	Early majority	Trial	Mitigate loss aversion via ethical low-risk trials
Objective 5	Support informed decision making	Late majority	Adoption	Highlight objective information to support rational decision making
Objective 6	Sustain engagement	Laggards	Implementation	Gamification and user feedback loops

4. Discussion and conclusion

4.1 Limitations

The proposed approach to expanding objectives for improved decision making to design relevant adoption strategies in financial services faces several limitations. Decision makers must navigate complex, evolving multi-attribute frameworks, including diverse target markets, channels, behavioral interventions, customer engagement maturity, investment requirements, and expected return of investments. This complexity can complicate the prioritization of expanded objectives and may lead to "analysis paralysis." Without effective tools to streamline this process, professionals in high-pressure environments are vulnerable to cognitive overload, reducing decision efciency and effectiveness.

Furthermore, aligning adoption strategies with evolving financial services regulations is crucial to ensuring the ethical implementation of behavioral interventions. Failure to do so introduces legal, financial, and reputational risks, undermining customer trust and the long-term sustainability of adoption strategies.

Additionally, while advanced tools such as AI-driven decision-support systems ofer potential to reduce cognitive burden and adapt to changing conditions, their implementation is still in the early stages. Challenges include ensuring ethical use, regulatory compliance, and appropriate governance, particularly as financial regulators continue to develop their approach to AI-related risks.

4.2. Conclusion

The expanding objectives choice architecture technique significantly enhances the decision of how to design adoption strategies that are fit for purpose. By broadening the decision-making frame, this technique reduces cognitive overload, fosters systematic evaluation and balances short- and long-term priorities. This results in strategies that better align with organizational goals while delivering meaningful outcomes for clients.

While promising, the approach must be applied with consideration of certain limitations. These include the complexity of balancing several considerations in the decision-making process, the need for regulatory alignment, and the challenges of implementing advanced tools such as AI responsibly. Addressing these factors is essential to ensure ethical, compliant, and scalable solutions.

The use case presented illustrates how this technique can be operationalized in a real-world financial services context, highlighting its value in re-engaging diverse customer segments, supporting confident decision making, and sustaining adoption over time. By embedding this structured yet adaptable approach into their decision processes, financial institutions can proactively respond to evolving customer needs, navigate regulatory complexity, and deliver sustained engagement, ultimately driving better customer and business outcomes.

References

1. Baker, H.K., G. Filbeck and V. Ricciardi, 2017. "How Behavioural Biases Affect Finance Professionals," The European Financial Review, December/January, 25-29, https://ssrn.com/abstract=2899214
2. Bank of England (BoE), Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA), 2022. "Artificial Intelligence and Machine Learning," Discussion Paper DP5/22, October, https://tinyurl.com/4htjhz4z
3. Bank of England (BoE), Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA), 2023. "Artificial intelligence and machine learning," Feedback Statement FS2/23, February, https://tinyurl.com/mrxw24z7
4. Bazerman, M.H. and D.A. Moore, 2012. Judgment in Managerial Decision Making, Wiley & Sons
5. Beckett, A., 2000. "Strategic and Marketing Implications of Consumer Behaviour in Financial Services." Service Industries Journal, 20: 3, 191-208, https://tinyurl.com/3zrm3rfa
6. Ben-David, I., J. Graham and C. Harvey, 2007. "Managerial Overconfidence and Corporate Policies," National Bureau of Economic Research, Working Paper 13711, https://tinyurl.com/3cs43h4p
7. Bisht, S., S. Sengupta, I. Tewari, N. Bisht, K. Pandey and A. Upadhyay, 2024. "AI-Driven Tools Transforming the Banking Landscape: Revolutionizing Finance," 10th International Conference on Advanced Computing and Communication Systems (ICACCS), Coimbatore, India, 2024, pp. 934-938, https://tinyurl.com/4cfnjavk
8. Bond, S.D., K.A. Carlson and R.L. Keeney, 2008. "Generating Objectives: Can Decision Makers Articulate What They Want?" Management Science, 54: 1, 56-70, https://tinyurl.com/mpwusteu
9. Bouly, J., S. Durth, J. Goran and D. Maor, 2024. "Four Critical Strategies for Sustainable GenAI Adoption," McKinsey & Company, October 7, https://tinyurl.com/46huwnd4
10. Chuahan, R. and K. Chavda, 2024. "Exploring the Influence of Behavioral Biases on Decision-making in Digital Finance: Implications for Financial Inclusion and Consumer Protection," Journal of Economics, Assets, and Evaluation, 1: 3, 1-11, https://tinyurl.com/3uj3hhv9
11. Ettlie, J.E., 1980. "Adequacy of Stage Models for Decisions on Adoption of Innovation," Psychological Reports, 46: 3, 991-995, https://tinyurl.com/ysbm8hu5
12. Fasolo, B., C. Heard and I. Scopelliti, 2024. "Mitigating Cognitive Bias to Improve Organizational Decisions: An Integrative Review, Framework, and Research Agenda," Journal of Management, 51: 6, https://tinyurl.com/rk8h2u7u
13. Financial Conduct Authority (FCA), 2022a. "Final Non-Handbook Guidance for Firms on the Consumer Duty," Finalised Guidance FG22/5, July, https://tinyurl.com/3fzpxz2e
14. Financial Conduct Authority (FCA), 2022b. "A New Consumer Duty," PS22/9, July, https://tinyurl.com/4mn7zxj9
15. Financial Conduct Authority. 2024. "AI in UK Financial Services," Research Note, October, https://tinyurl.com/5n9759ya
16. Firmansyah, E.A., M. Masri, M. Anshari and M.H.A. Besar, 2023. "Factors Affecting Fintech Adoption: A Systematic Literature Review," FinTech, 2:1 https://tinyurl.com/4axtth6z
17. Gawande, A., 2011. "The Checklist Manifesto: How to Get Things Right," Journal of Nursing Regulation, 1: 4, 64, https://tinyurl.com/29vxrf7k
18. Hald, E.J., A. Gillespie and T.W. Reader, 2021. "Causal and Corrective Organisational Culture: A Systematic Review of Case Studies of Institutional Failure," Journal of Business Ethics, 174: 2, 457-483, https://tinyurl.com/2w9kzhbd
19. Heath, C. and D. Heath, 2013. Decisive: How to make better choices in life and work, Crown Business
20. Howcroft, B., P. Hewer and R. Hamilton, 2003. "Consumer Decision-Making Styles and the Purchase of Financial Services," Service Industries Journal, 23: 3, 63-81, https://tinyurl.com/29mhb8c8
21. Johnson, E., S. Shu, B. Dellaert, C. Fox, D. Goldstein, G. Häubl, R. Larrick, J. Payne, E. Peters, D. Schkade, B. Wansink and E. Weber, 2012. "Beyond Nudges: Tools of a Choice Architecture," Marketing Letters, 23: 2, 487-504, https://tinyurl.com/ye2abmya
22. Javaid, H.A., 2024. "The Future of Financial Services: Integrating AI for Smarter, More Efficient Operations," MZ Journal of Artificial Intelligence, 1: 2, 1-10
23. Kahneman, D., 2011. Thinking, fast and slow, Farrar, Straus and Giroux
24. Kahneman, D., O. Sibony and C.R. Sunstein, 2021. Noise: A flaw in human judgment, William Collins
25. Keeney, R. L. and H. Raiffa, 1993. Decisions with Multiple Objectives: Preferences and Value Trade-Offs, Cambridge University Press [orig pub 1976]
26. Kude, O., A. Stang, M. Leyh and Z. Li, 2022. "Winning Financial Institutions Build on Digital Strategy," Boston Consulting Group, October, https://tinyurl.com/2vjsbynf
27. Larrick, R.P., 2009. "Broaden the decision frame to make effective decisions," in E.A.
28. Locke (ed.), Handbook of Principles of Organizational Behavior: Indispensable Knowledge for Evidence-based Management, John Wiley & Sons, 2nd ed., 461-480

29. Lemken, D., 2024. “Options to Design More Ethical and Still Successful Default Nudges: A Review and Recommendations,” Behavioural Public Policy, 8: 2, 349-381, https://tinyurl.com/37zdx3nm

30. Maechler, N., J. Michael, R. Schiff and T.R. Smith, 2018. “Managing a Customer-Experience Transformation in Banking,” McKinsey & Company, October, https://tinyurl.com/5bhp2u85

31. McKechnie, S., 1992. “Consumer Buying Behaviour in Financial Services: An Overview,” The International Journal of Bank Marketing,” 10: 5, 4, https://tinyurl.com/2uuyvvvv

32. Nemoto, M.C.M.O., E.P.G. de Vasconcellos and R. Nelson, 2010. “The Adoption of New Technology: Conceptual Model and Application,” Journal of Technology Management & Innovation, 5: 4, 95-107, https://tinyurl.com/bd6ruyy3

33. Payne, J.W., J.R. Bettman and E.J. Johnson, 1993. The Adaptive Decision Maker, Cambridge University Press

34. Preda, A., 2021. “Financial noise,” in C. Borch and R. Wosnitzer (eds.), The Routledge Handbook of Critical Finance Studies, Routledge, 96-114

35. Quell, P., 2023. “Lost in Noise? Some Thoughts on the Use of Machine Learning in Financial Market Risk Measurement,” Journal of Risk Management in Financial Institutions, 17: 1, 43-52, https://tinyurl.com/3d2pxsn9

36. Raiffa, H., 2006. “Preferences for multi-attributed alternatives,” Journal of Multi-Criteria Decision Analysis, 14: 4-6, 115-157 [orig. pub. 1969]

37. Rogers, E.M., 1995. Diffusion of Innovations, New York: The Free Press [4th ed., orig. pub. 1962]

38. Serrat, O., 2017. “The Five Whys Technique,” in O. Serrat (ed.), Knowledge Solutions: Tools, Methods, and Approaches to Drive Organizational Performance, Springer, 307-310

39. Schoemaker, P.J.H., 2004. “Forecasting and Scenario Planning: The Challenges of Uncertainty and Complexity,” in D.J. Koehler, N. Harvey and P.J.H. Schoemaker (eds.), Blackwell Handbook of Judgment and Decision Making, Blackwell Publishing, 274-296

40. Scholten, W. and A. Chesterfield, 2024. “Dear CRO: Behavioural Risk Management is the New Thing for You,” Journal of Risk Management in Financial Institutions, 17: 4, 383-394, https://tinyurl.com/4hysabrp

41. Shareef, M.A., A. Baabdullah, S. Dutta, V. Kumar and Y.K. Dwivedi, 2018. “Consumer Adoption of Mobile Banking Services: An Empirical Examination of Factors According to Adoption Stages,” Journal of Retailing and Consumer Services, 43, 54-67, https://tinyurl.com/2kurb4wu

42. Soll, J.B., K.L. Milkman and J.W. Payne, 2016. “A User’s Guide to Debiasing,” in G. Keren and G. Wu (eds.), The Wiley Blackwell Handbook of Judgment and Decision Making, John Wiley & Sons, 924-951

43. Surowiecki, J., 2004. The Wisdom of Crowds: Why the Many are Smarter than the Few and How Collective Wisdom Shapes Business, Economies, Societies, and Nations Doubleday

44. Thaler, R.H. and C.R. Sunstein, 2021. Nudge: The Final Edition, Yale University Press

Author

Martha Lucía Férez Blando
Managing Principal

About Capco

Capco, a Wipro company, is a global management and technology consultancy specializing in driving transformation in the financial services and energy industries. Capco operates at the intersection of business and technology by combining innovative thinking with unrivalled industry knowledge to fast-track digital initiatives for banking and payments, capital markets, wealth and asset management, insurance, and the energy sector. Capco's cutting-edge ingenuity is brought to life through its award-winning Be Yourself At Work culture and diverse talent.

To learn more, visit **www.capco.com** or follow us on LinkedIn, Instagram, Facebook, and YouTube.

Worldwide Offices

APAC
Bengaluru – Electronic City
Bengaluru – Sarjapur Road
Bangkok
Chennai
Gurgaon
Hong Kong
Hyderabad
Kuala Lumpur
Mumbai
Pune
Singapore

MIDDLE EAST
Dubai

EUROPE
Berlin
Bratislava
Brussels
Dusseldorf
Edinburgh
Frankfurt
Geneva
Glasgow
London
Milan
Paris
Vienna
Warsaw
Zurich

NORTH AMERICA
Charlotte
Chicago
Dallas
Houston
New York
Orlando
Toronto

SOUTH AMERICA
São Paulo

capco.com

CAPCO
a wipro company