

Case Study

# Increasing User Activation by 64%

How Behavioral Economics and Controlled Experiments  
Unlocked Growth for a Leading Gifting Platform

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# The Growth Bottleneck

High acquisition spend was failing to translate into meaningful long-term engagement

1.

High drop-off rates immediately following *account creation*

2.

Critical failure in users adding their *first item* to the platform

3.

Low viral coefficient due to users *not sharing* with their network

4.

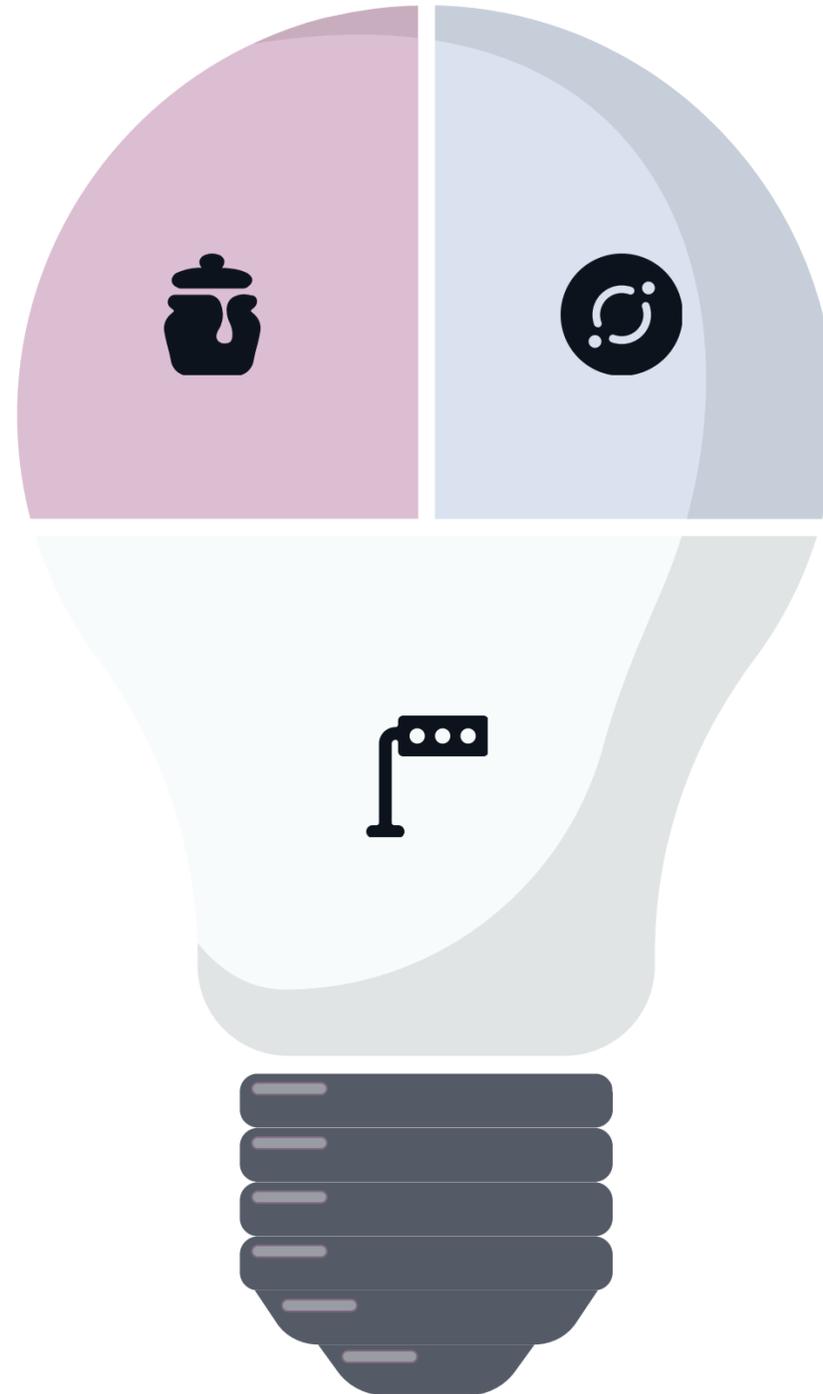
Marketing investment yielding *negative ROI* due to activation gaps

# The Myth of the Rational User

Traditional product design assumes logic, but human behavior is driven by friction and bias

## Unclear Choices

Users hesitate and stall when the path forward is not explicitly defined or highlighted.



## High Perceived Effort

Any task that feels cognitively heavy leads to immediate procrastination and abandonment.

## Decision Paralysis

Being overwhelmed with options causes users to avoid making any choice at all.

# Mapping Behavioral Frictions

Connecting observed user behavior to root psychological causes and biases

User Behaviour	Root Cause	Psychological Bias
Not adding first item	Too many initial options	Choice Overload
Drop-off after setup	High perceived effort	Decision Fatigue
Not sharing with others	No clear trigger	Status Quo Bias

# Redesigning the User Journey

Moving from generic interfaces to specific, guided decision-making pathways



## Action-Specific Prompts

Replaced vague CTA buttons with prompts that describe the exact next step for the user.



## Guided Onboarding

Introduced a singular, guided first action to eliminate the confusion of multiple paths.



## Behavioral Nudges

Added light UI cues to reduce ambiguity and encourage immediate interaction.

# Validating the Hypothesis

A randomized controlled experiment to measure the impact of behavioral CTAs

Test Group	Call to Action (CTA) Text
Control	Generic 'Continue' button
Variant	Specific 'Add Your First Item' prompt

# Significant Activation Growth

Behavioral changes led to record-breaking improvements in user conversion



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## CTA Clicks

Significant increase in primary interaction rates after using specific wording and button shape.

52%

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## First Action Completion

Growth in users successfully completing their initial platform task.

63%

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## Overall Activation

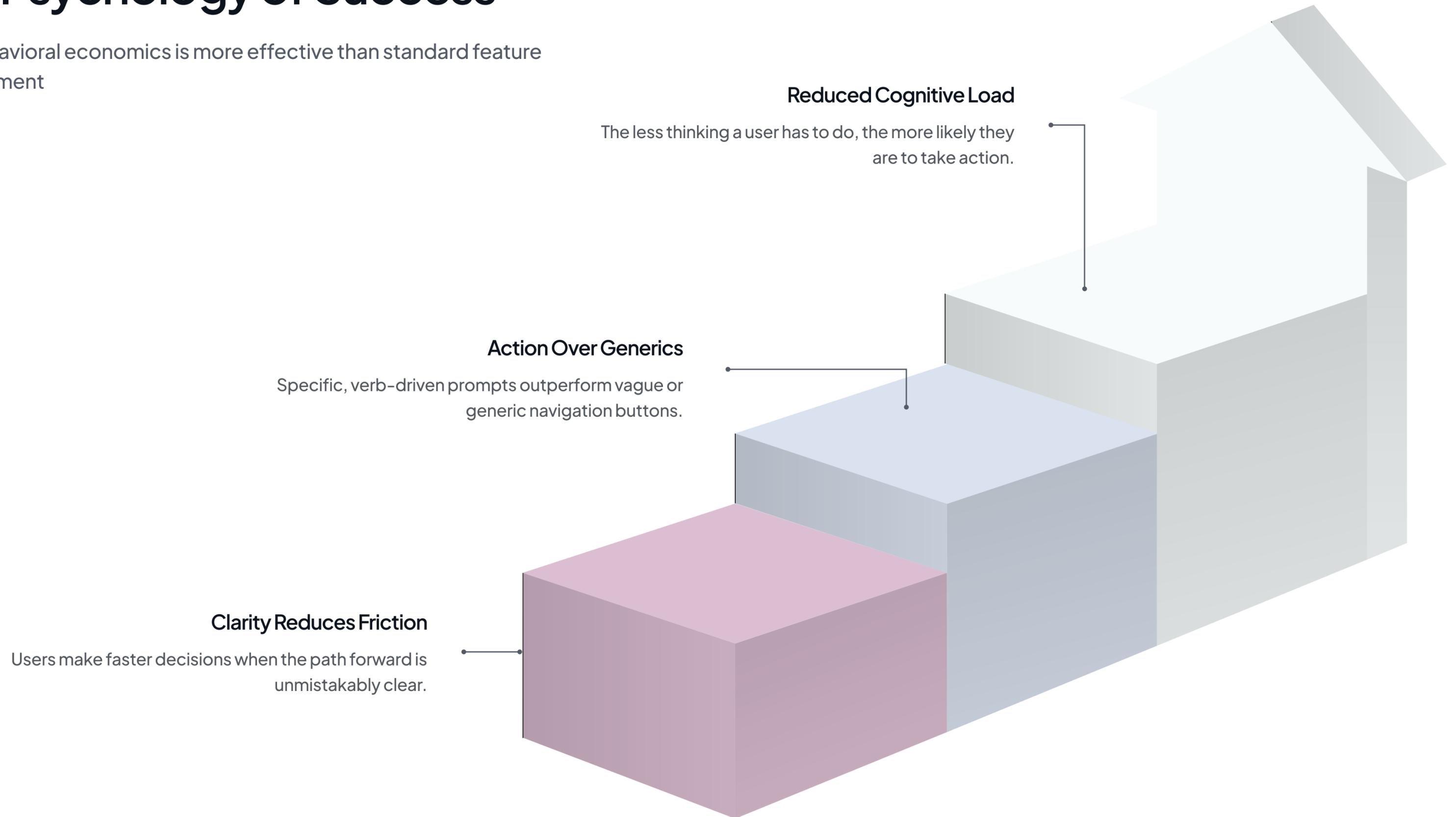
The net increase in active users reaching the 'Aha!' moment.

64%

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# The Psychology of Success

Why behavioral economics is more effective than standard feature development



## Key Takeaways

# Strategic Lessons for Growth

Most growth challenges are behavioral, requiring design rather than code

## Behavioural vs. Technical

- Most friction is *psychological*, not a software bug  
Small design changes drive *massive* outcomes

## The Role of Experimentation

- Data is the only way to *validate* impact  
Controlled tests reveal *true* user preferences

Next Steps

# Unlock Your Growth Potential

Contact EndlessROI for a growth strategy session and funnel audit to identify your hidden revenue gaps

