Endowed Progress Effect

Idea In Short

Give people a visible head start and they often work harder to finish. That is the managerial value of the Endowed Progress Effect. Consultants, growth leaders and commercial teams can use it to improve onboarding, loyalty design, activation and sales motions, but only when the progress feels credible and the reward remains worth the effort. The practical recommendation is simple: do not begin every customer journey at zero. Instead, design an honest initial advance that makes the goal feel underway, then support it with clear progress cues and a reward structure that still feels earned. Used well, this can raise completion, shorten time to action and improve repeat behavior. Used badly, it turns into gimmickry and weakens trust

The Endowed Progress Effect is one of the clearest examples of how framing changes behavior. Two journeys can demand the same amount of actual effort, yet the journey that feels underway often gets completed more often and more quickly.

A surprising amount of commercial design assumes people will gladly begin from zero. In practice, zero is often where hesitation lives. Prospects delay sign-up, new users stop before activation, loyalty members forget to return and buyers postpone the next step because the finish line feels too far away. Endowed progress changes that perception. It gives people a reason to feel that the journey has already begun.

What the effect means in practice

Joseph C. Nunes and Xavier Drèze defined the Endowed Progress Effect as greater persistence toward a goal when people receive artificial advancement toward that goal1. Their classic framing made an important point:

> the number of steps people still need to complete can stay the same while motivation rises because the task is perceived differently

That distinction is commercially useful. Managers often focus on the absolute size of the task, such as the number of purchases required, the number of onboarding steps, or the amount of data a user must enter. Customers experience the task differently. They respond not only to effort, but also to whether the task feels started, visible and finishable.

This is why a small head start can produce a material shift in behavior. A person who feels midway into a process behaves differently from a person who feels stuck at the starting line, even when both still have identical work left to do.

Why people respond to a head start

The mechanism is not magic. It is a mix of perception, motivation and momentum. When people see progress already recorded, the goal looks nearer and the effort seems more worthwhile. The task no longer feels like a blank commitment. It feels like something underway.

Research summaries and practitioner analyses describe the same dynamic in loyalty settings: when people are given an initial advance, they engage more readily because the remaining distance appears shorter and the reward feels more attainable2. That matters because the hardest point in many journeys is the first meaningful action, not the last one.

There is also a managerial lesson here. Businesses often invest heavily in rewards while neglecting the psychology of getting started. A reward that sits too far away can be technically attractive and behaviorally weak. Endowed progress narrows that psychological gap.

Where leaders can use it

The most obvious application is loyalty design. A member who joins with a few starter points, a partially completed stamp card, or a visible progress tracker is more likely to continue than a member who sees an empty ledger. The reason is not simply generosity. The structure makes the next step feel justified.

The same principle applies to onboarding. New users frequently abandon products before reaching first value. If the journey begins with partial completion, a setup bonus, or a visible indication that the hardest step is already done, completion can improve. Product teams use this logic when they pre-complete profile fields, unlock a first milestone, or frame setup as mostly finished except for a few user actions.

Sales teams can apply the idea as well. Consider a sales process that asks a buyer to complete several steps before seeing a tailored proposal, a pilot, or a pricing path. If the first step feels empty and administrative, momentum dies. If the process begins with a visible gain, such as a pre-built assessment, a baseline score, or a partially completed diagnostic, the buyer is more likely to continue. The point is not to manipulate. It is to reduce the dead weight of starting.

The classic loyalty example

The best-known demonstration comes from the car wash card example described by Nunes and Drèze. One group received a card requiring ten stamps with two already granted. Another received a card requiring eight stamps with no stamps granted. Both groups still needed eight paid visits, yet the endowed-progress group completed the card more often and did so faster3.

That result matters because it rules out a simplistic explanation based on actual workload. The burden was identical. What changed was the framing of the journey. One group felt it had already started.

For executives, this is the practical insight: people do not only calculate effort. They interpret position. A commercial path that begins with visible motion can outperform a mathematically equivalent path that begins at zero.

How to design it well

The strongest endowed-progress designs share a few traits. First, the initial advance is credible. A welcome credit, a starter status boost, or a completed setup stage can make sense to the user. Second, the remaining path is visible. Progress bars, completed steps and clear milestones help sustain motion. Third, the reward remains meaningful enough to justify continued effort.

This is where many implementations go wrong. Teams sometimes overuse the device and create progress that feels fake. If the customer is told they are almost finished before doing anything meaningful, the design can feel manipulative. Instead of motivation, the result is skepticism.

The best approach is modest and explainable. Give a head start that reduces friction, not a head start that insults the customer's intelligence. In practice, that might mean awarding two of ten points, not nine of ten. It might mean showing that account setup is 30 percent complete because the system imported existing data, not because the interface wants to flatter the user.

Where it breaks down

The Endowed Progress Effect is not a universal fix. It cannot rescue a weak offer, an irrelevant reward, or a badly designed process. If the product is poor, the value proposition is unclear, or the remaining effort still feels excessive, early progress alone will not sustain behavior.

It can also backfire if the endowment lacks a reason. Nunes and Drèze noted that moderators include the explanation for the endowment and the currency in which progress is recorded4. In business terms, that means the head start should make contextual sense. Welcome points for joining a loyalty program make sense. Random status without logic may not.

Leaders should also distinguish between short-term conversion gains and long-term value creation. A head start can increase action at the beginning, but the full economics still depend on retention, margin, repeat use and customer quality. This is a behavioral lever, not a substitute for product strategy.

How consultants should use it

For consultants, the effect is most useful as a diagnostic and redesign lens. Look for journeys where customers stall before receiving value. That is where endowed progress can help. High drop-off in onboarding, dormant loyalty programs, low completion of self-assessments and abandoned sales follow-through are all candidates.

Then redesign the opening sequence. Ask four questions.

1. Where does the user experience zero momentum?
2. What small, honest head start could shift the frame?
3. How will progress be shown clearly over time?
4. What proof will tell us whether the change improved real business outcomes?

This turns a psychological insight into an operating intervention. It also keeps the team disciplined. Endowed progress should improve a measurable journey, not decorate it.

What to measure

The right metrics depend on the use case, but the logic is consistent. Measure whether more people take the next step, whether they finish more quickly and whether the downstream economics hold up. Completion without value is not success.

In loyalty, that could mean redemption rate, repeat purchase frequency and spend per member. In onboarding, it could mean activation rate, time to first value and conversion to paid use. In sales, it could mean progression to the next stage, meeting attendance, pilot completion and win rate.

The cleanest way to validate the idea is through an experiment. Compare a journey that starts at zero with one that begins with a modest, explained endowment. Then look beyond surface clicks. If completion rises but downstream quality falls, the design needs work. If completion rises and quality holds or improves, the intervention is doing real commercial work.

Why the effect endures

The Endowed Progress Effect has remained useful because it solves a common design error. Businesses often build for rational completion while customers behave through motivated perception. People need to see that the path has begun, that the reward is reachable and that each next step counts.

That insight applies well beyond stamp cards. It belongs in product onboarding, subscription design, education journeys, fundraising, community programs and complex business-to-business [B2B] sales processes5. Any time a team asks a person to complete a sequence, the starting frame matters.

The broader lesson for business leaders is clear. Progress is not only something customers make. It is also something companies can design. When that design is honest, visible and proportionate, a small head start can produce outsized behavioral change.

- 1The Endowed Progress Effect: How Artificial Advancement Increases Effort
- 2Loyalty Psychology Series: Endowed Progress Effect
- 3Why Starting Ahead Wins: The Endowed Progress Effect In Marketing
- 4The Endowed Progress Effect: How Artificial Advancement Increases Effort
- 5Best Practices For Using The Endowed Progress Effect

Summary

The Endowed Progress Effect matters because many commercial systems fail at the starting line. People delay, postpone, or abandon actions that feel distant, abstract, or effortful. A modest, believable head start changes the frame from not started to already in motion. That shift can improve the odds that a customer finishes onboarding, redeems a reward, books a follow-up meeting, or completes a purchase path. For business leaders, the lesson is not to manufacture false urgency. It is to reduce starting friction without diluting the standard for completion. The best programs make progress visible, keep the path credible and preserve the sense that the final reward was earned