Habit forming products

Tech seminary 7

Hooked

- NIR EYAL creates, builds, and successfully sells 2 startups

- **Hook Model**
  - Building User Engagement
  - Creating Habit-Forming Products (designing features that encourage regular use)
  - Enhancing Customer Retention
  - When Offering Value to Users
  - In Competitive Markets
  - When Building Brand Loyalty

Ethics

- Encourage positive habits
- Not exploiting them for addictive behaviors

Ethics

- **Responsibility in design:**
    - + fitness App encourage healthier lifestyle
    - - make user obsessively check their progress and compare (negatively) with others

- **Avoid manipulation:**
    - + build engaging products
    - - a social media platform where users spend excessive time, ignoring real-life relationships and responsibilities

- **Create positive habits:**
    - + learning app that encourage users for regular practice

Ethics

- **User Autonomy**
  + make the user more efficient, and let him decide
  - constant notifications and interruptions, causing stress and dependence

- **Transparency**
  + allow the user to know why they are engaged, if a game uses rewards to keep playing, it should be transparent

- **Balancing business goals with user well-being**
  - Streaming service might want to increase viewing time, but should avoid binge-watching at the expense of sleep time

Hook Model

The goal should always be to **enhance the user's life** and **provide value**, rather than **exploiting psychological vulnerabilities** for profit.

Hook Model:

Trigger

Action

Variable Rewards

Investment

Trigger

- **Externs** (what makes the user getting the product):
  - Marketing, press releases, videos, newsletters, shares, …
- **Interns** (what does the user really want)
  - Fear of losing precious moments (Instagram)
  - Social connection (email app, WhatsApp, Facebook)
  - Boredom: Twitter, TikTok

Action

- For a behavior to be adopted, 3 elements are needed:
  - Trigger
  - Motivation: pleasure-seeking, hope, pain avoidance, social acceptance
  - Possibility of acting:
    - Time
    - Money
    - physical effort
    - intellectual effort
    - deviation from the social norm
    - lack of routine

(Variables) reward

- The reward from **the tribe**:
  - Our behavior is influenced by the people we admire
  - Facebook, League of Legends, Stack Overflow

- Reward from **hunting**:
  - The outcome is important but let's not forget about the process
  - This unpredictability stimulates continued usage.
    - online shopping, searching for information on the internet
- The reward **for ourselves:**
  - Self-progress
  - Ex: games, Mailbox (acquired by Dropbox for $100Mil)

Bad example for variability. *FarmVille* which was very popular, but the next versions (City, Chief) kept **the same suspense elements** and consequently lost 80% of the users.

Investment

- Psychological, we are **over-evaluating our work**

- **user** puts something into the **product** (time, data, effort, social capital, or money)

- likelihood of returning due to a **sense of ownership**

- Examples:
  - o IKEA, you have no problem ensemble it, and you care more about it because you "build" it
  - o Instagram/Facebook account where you "acquire" a lot of followers
  - o Photoshop (as you grow your competences)
  - o Stack Overflow (as you grow your reputation)

Conclusions

- The main purpose is **NOT** to create **manipulative** or **destructive** products, but tools that frequently connect users' **problems** to **solutions** and create **habits.**

- "**Hook Model**" includes the following elements: "**Trigger**", "**Actions**", "**Variable Reward**", "**Investment**"

- I hope the "hooked model" will shine a spotlight on your **success**
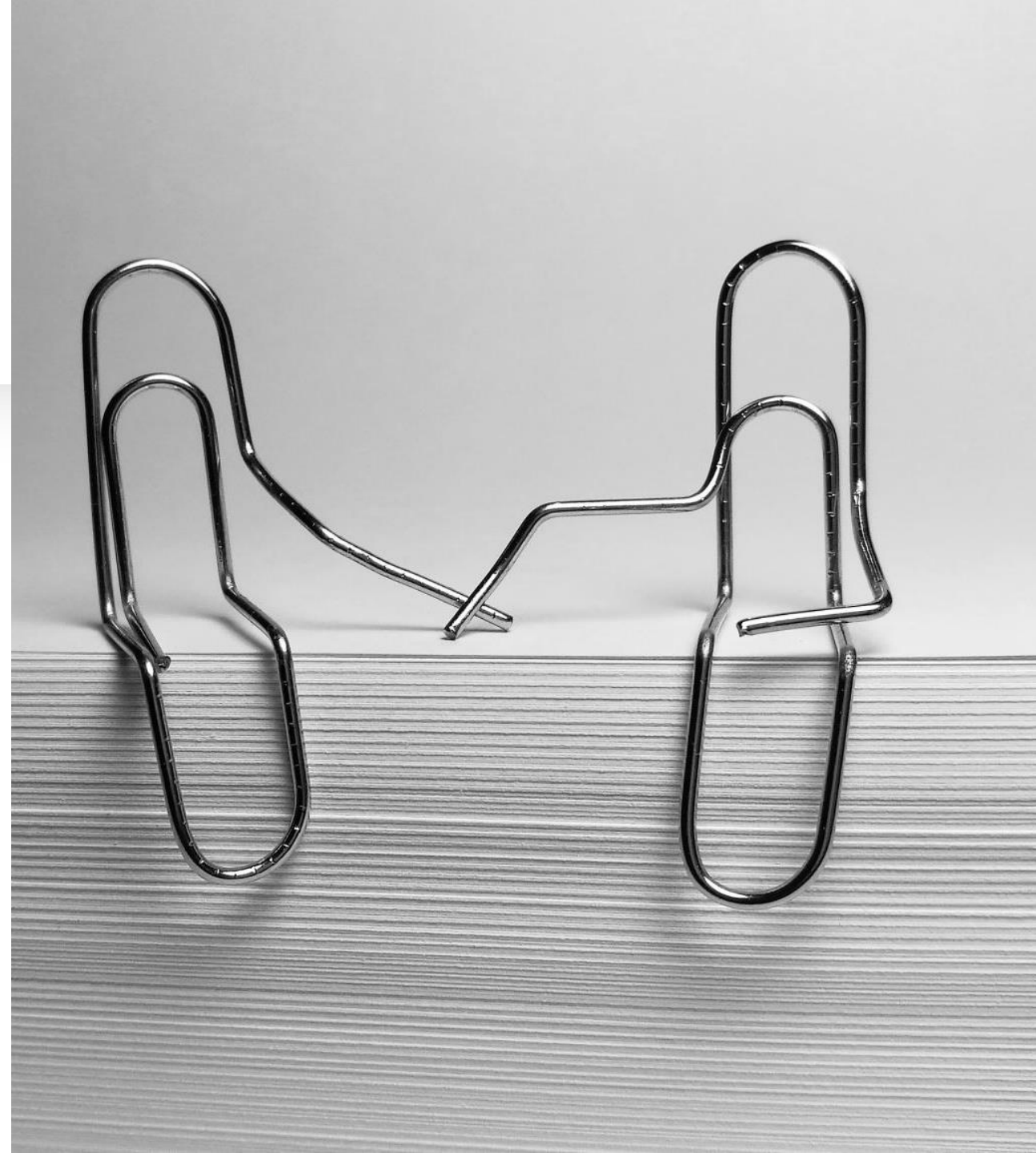
References

- **"Hooked. How To Build Habit-Forming Products" – Nir Eyal**