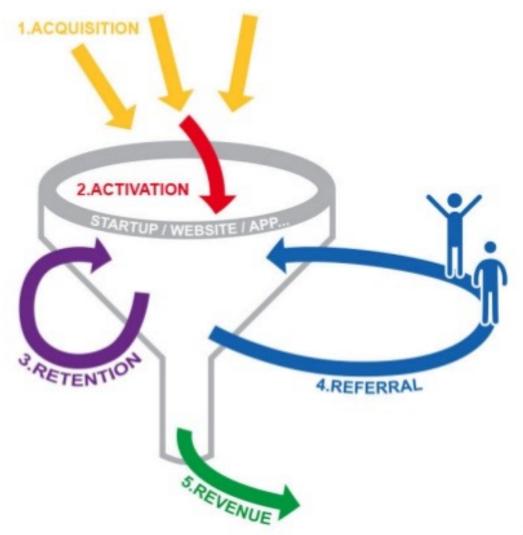
# Design for Execution Part 2: Retention and Growth

Shan-Hung Wu CS, NTHU

### Product Launched... and Then?

- User funnel
  - Acquisition
  - Activation
  - Retention
  - Referral
  - Revenue



## Outline

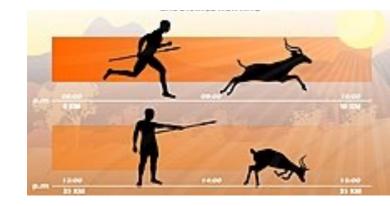
- Design for retention
- Design for growth

## Outline

- Design for retention
- Design for growth

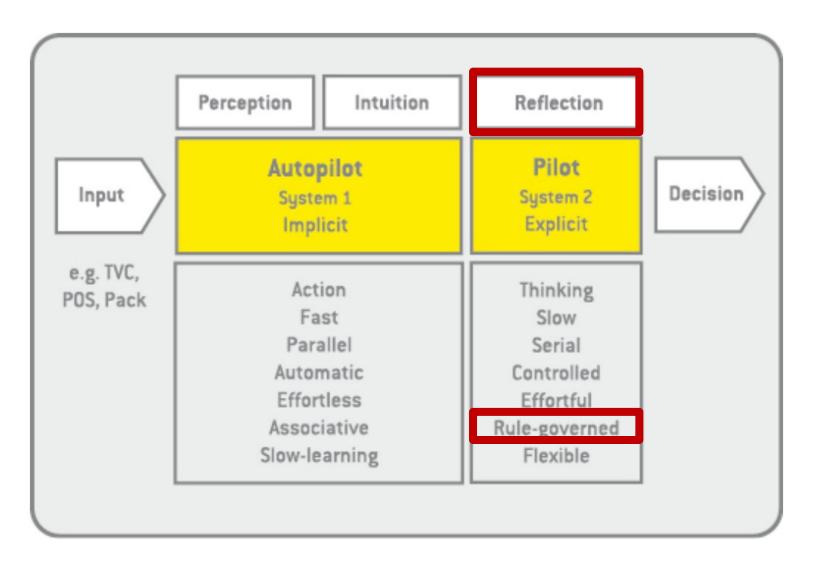
# Why Are You Addicted to Facebook/Instagram/YouTube...?

- Information hunting
  - Mindless scrolling for "the next interesting thing"
- Evolution supported!
  - How primitive mans hunt?
  - Persistence hunting

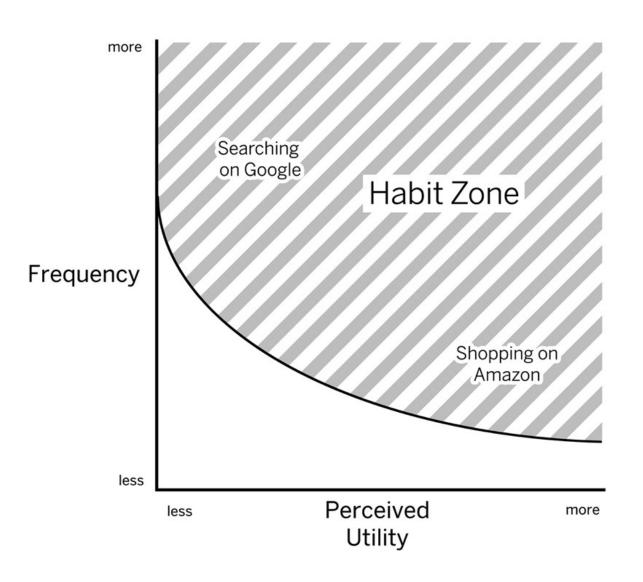


But how exactly is the "addiction" is formed?

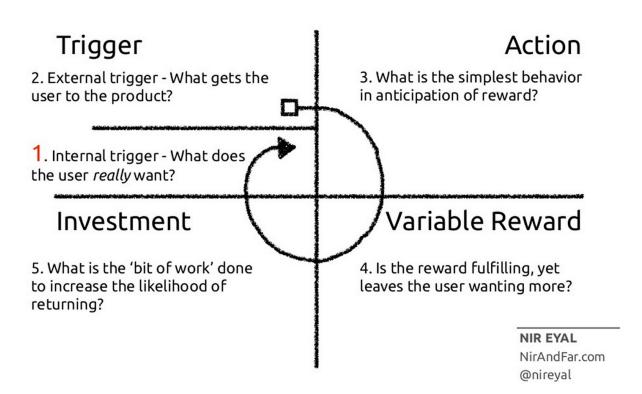
# Thinking, Fast and Slow

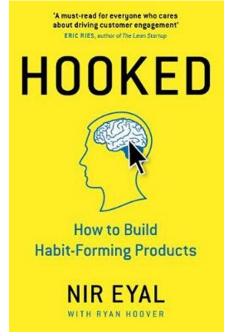


# **Habit-forming Products**



# A Cycle for Habit Forming





# Triggers

External vs. internal triggers

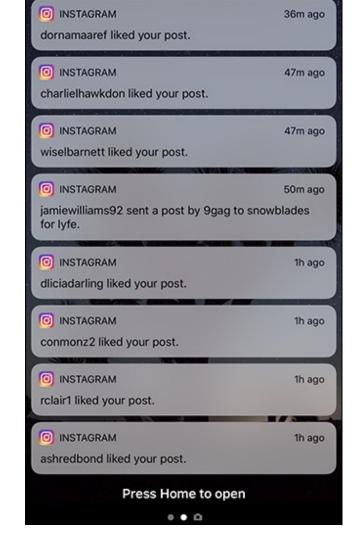
Internal triggers:



- Google?
  - Security (certainty) + discipline (knowledge)
- Only exist for the *leading brand*

# **External Triggers**

Target: from life events to internal triggers

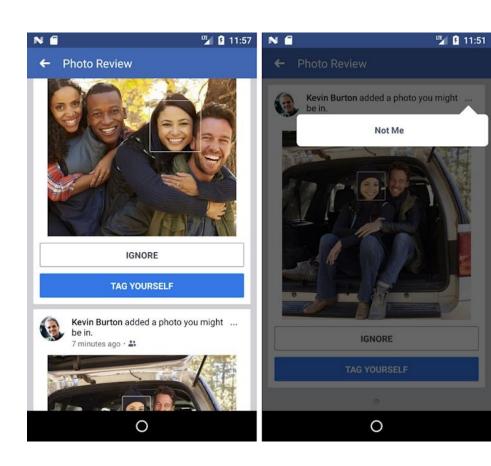


- What context?
- What's the right time (touchpoints)?

#### **Actions**

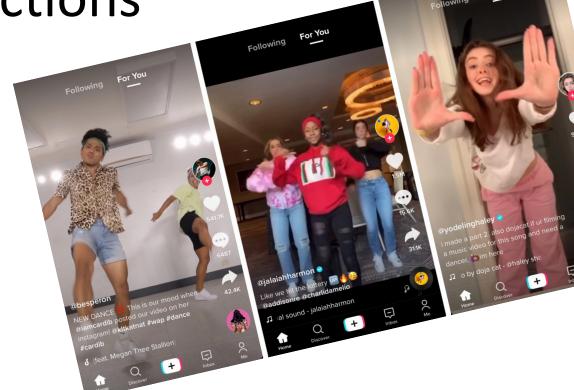
Necessary conditions:

- Trigger (tangibility)
- Immediacy
- Certainty
  - Expected rewards vs.
  - Costs



Costs of Actions

- Time
- Money
- Effort
- Brain power
- Deviation from social norm
- Breaking convention



#### Rewards

- Bio fact: dopamine are released (by nucleus accumbens) at the time people want to get rewards
- Rewards must align with user goals
  - So, dopamine can triggers actions in the next cycle
- Rewards must be dynamic
  - If you don't get it this time, you want it more
  - E.g., gambling

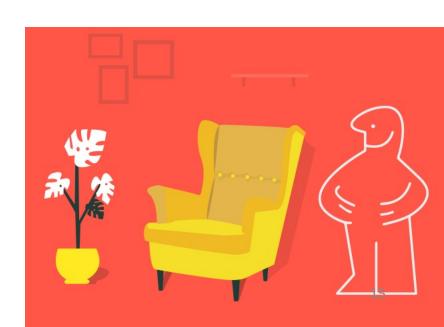
# 3 Types of Dynamic Rewards



# Input/Investment

- Goal 1: for the next triggers
  - Increase action frequency
- Goal 2: to make users like your product
  - The more people input, the more they like you
  - Commit and consistency
  - Rationalization
- Input after rewards
  - Reciprocation





### at right time

#### of low cost

### Trigger

2. External trigger - What gets the user to the product?

1. Internal trigger - What does the user *really* want?

#### Investment

5. What is the 'bit of work' done to increase the likelihood of returning?

for the next trigger

#### Action

3. What is the simplest behavior in anticipation of reward?

Variable Reward

4. Is the reward fulfilling, yet leaves the user wanting more?

accrue desire





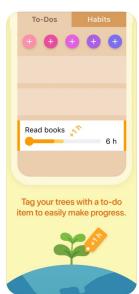




# Can you identify a hook cycle?



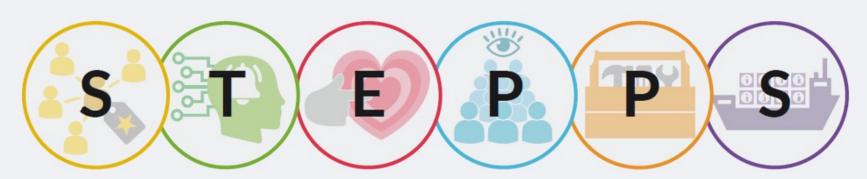






## Outline

- Design for retention
- Design for growth



#### Social Currency

We share things that make us look good

#### Triggers

Top of mind = Tip of tongue

#### **Emotion**

We share when we care

#### Public

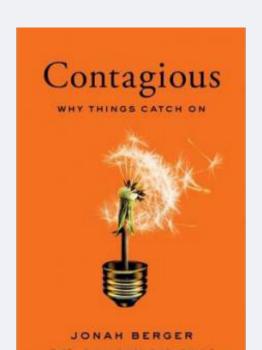
Build to show = Built to grow

## Practical Value

We share news that others can use

#### Stories

Info travels via stories & idle chatter



# Social Currency

 People share products/ideas that make them appear smart, cool or informed

- Help create social currency by
  - Making your product/idea remarkable
  - Leveraging game mechanics
  - Using scarcity and exclusivity

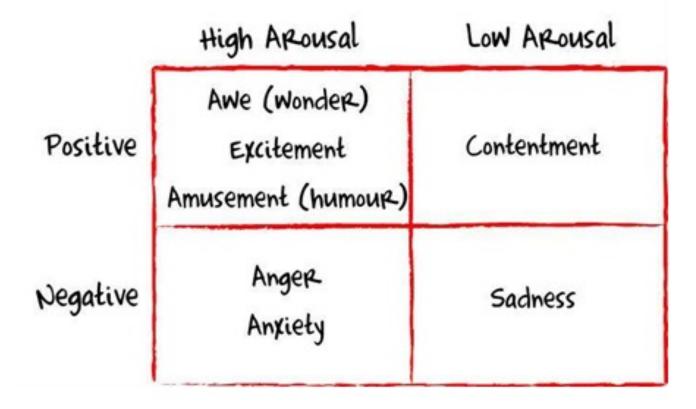
# Triggers

 People tend to talk about whatever's at the top of their minds

- Create effective triggers that meet 3 criteria:
  - Frequency
  - Relevance
  - Context

#### **Emotion**

- Not all emotions spur action
- Focus on arousal emotions:



#### **Public**

 We're more likely to discuss and imitate something that's public and observable

- Turn private to public using
  - Self-advertising
  - Behavioral residue



### **Practical Value**

 People like to pass on content with practical value that'll benefit the recipients

Can we help users help other users?



#### **Stories**

- People like to pass on information in a vivid, engaging, and persuasive way
- Embed your product/idea in a captivating story
- Make sure your brand/message is integral to the story











## Where are the STEPPS?









# Demo 3: Your Final Design

•	Acquisition	25%
	<ul><li>A pitch</li></ul>	
•	Activation	25%
	<ul> <li>Design for the promised value</li> </ul>	
•	Retention	25%
	<ul> <li>Design for retaining users</li> </ul>	
•	Referral	25%
	<ul> <li>Design for growth</li> </ul>	

- All based on your hi-fi prototype
- Work tightly with your usability testers

# Best Design Award



- Based on problem, solution, and execution
- 1<sup>st</sup>: +20%, 2<sup>nd</sup>: +10%, 3<sup>rd</sup>: +5%