

# **How to Build Habit Forming Products**

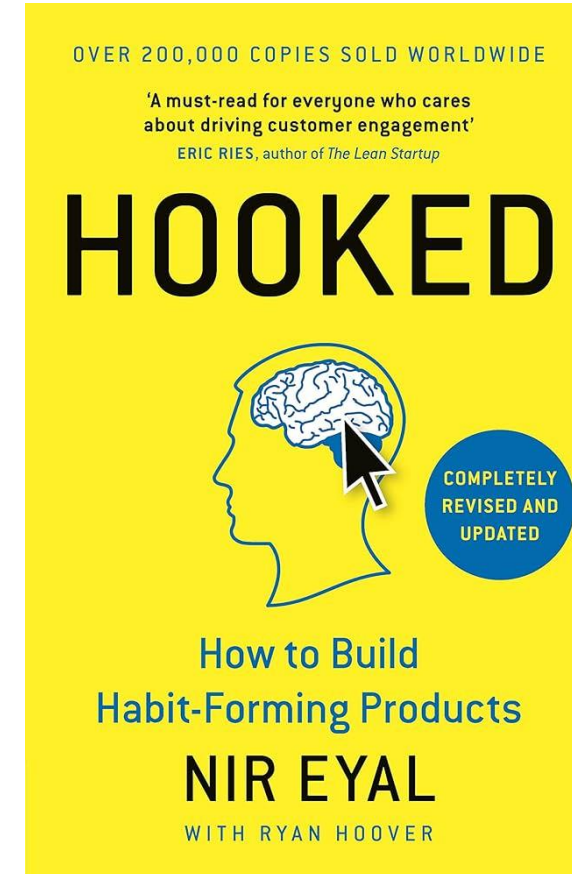
**A summary of Hooked, by Nir Eyal**

# Who is this summary for

**With the increasing rates of advertising, every startup should consider implementing the framework described in this book.**

**Creating a habit-forming product will drive users to your product and make sure they stay. It will drive your marketing costs down and increase your virality creating an amazing product everybody wants to use.**

**This is a must framework for every entrepreneur...**



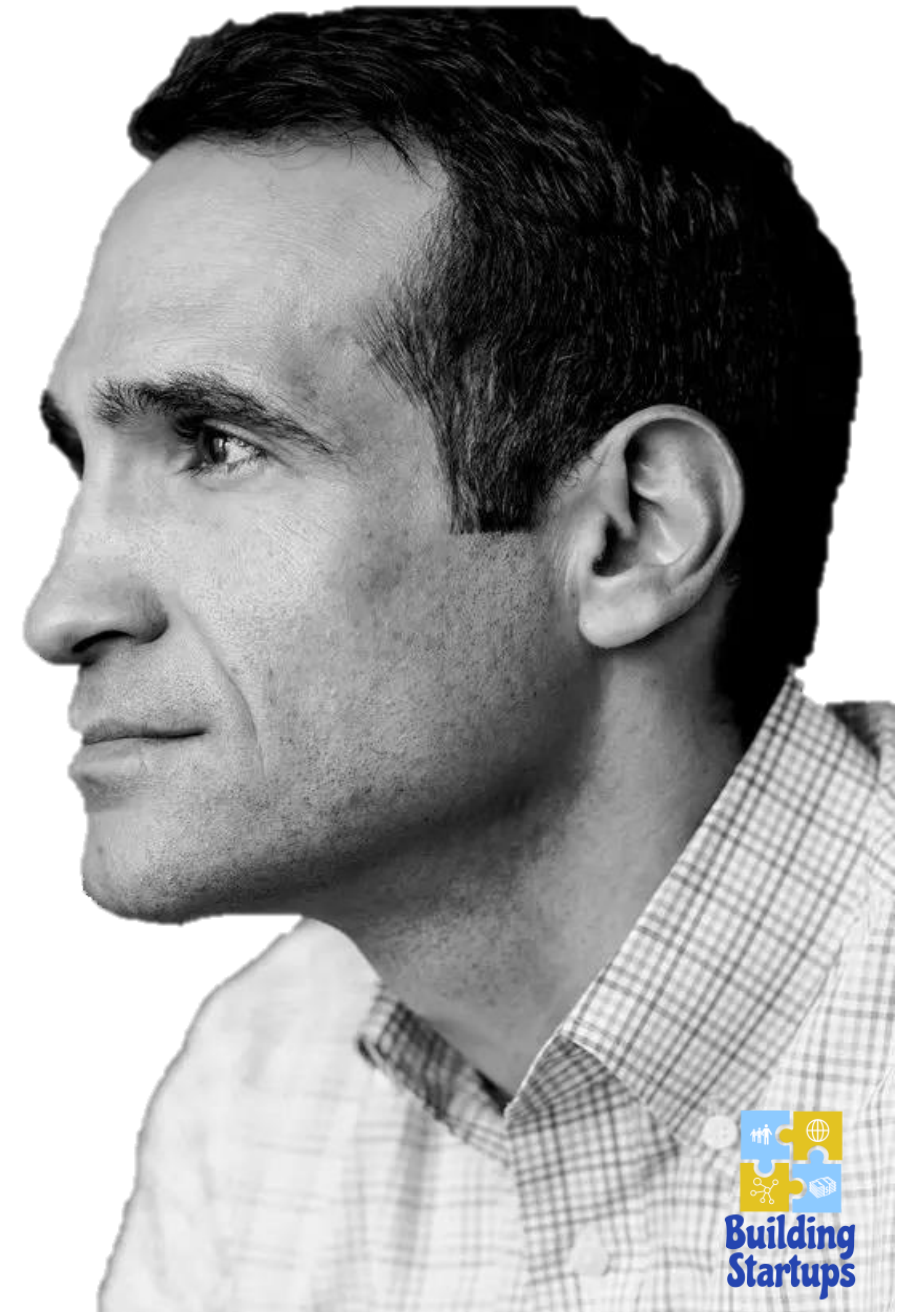
Before we start,

# About the author

**Nir Eyal is an Israeli-born American author, lecturer, and investor known for his bestselling books:**

- [Hooked - How to Build Habit-Forming Products](#)
- [Indistractable - Control Your Attention and Choose Your Life](#)

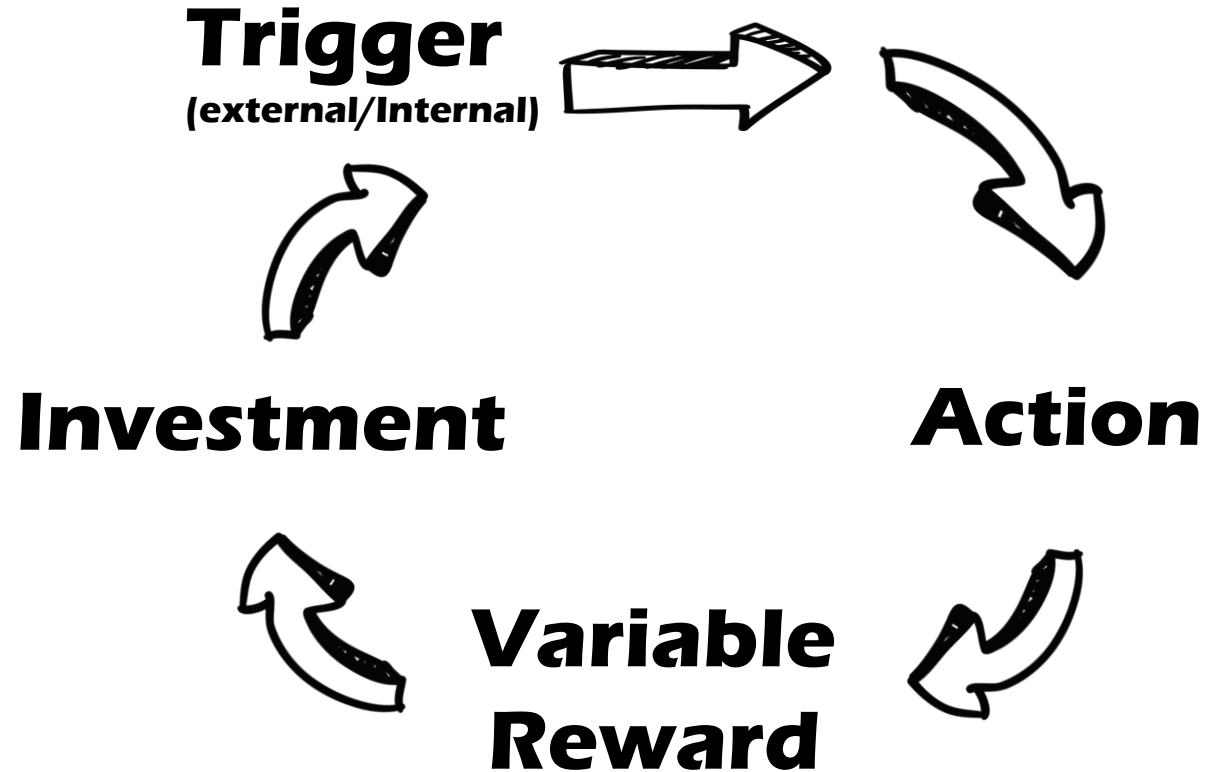
**Nir has a great blog at [NirandFar.com](http://NirandFar.com)  
Where you can read more about habits,  
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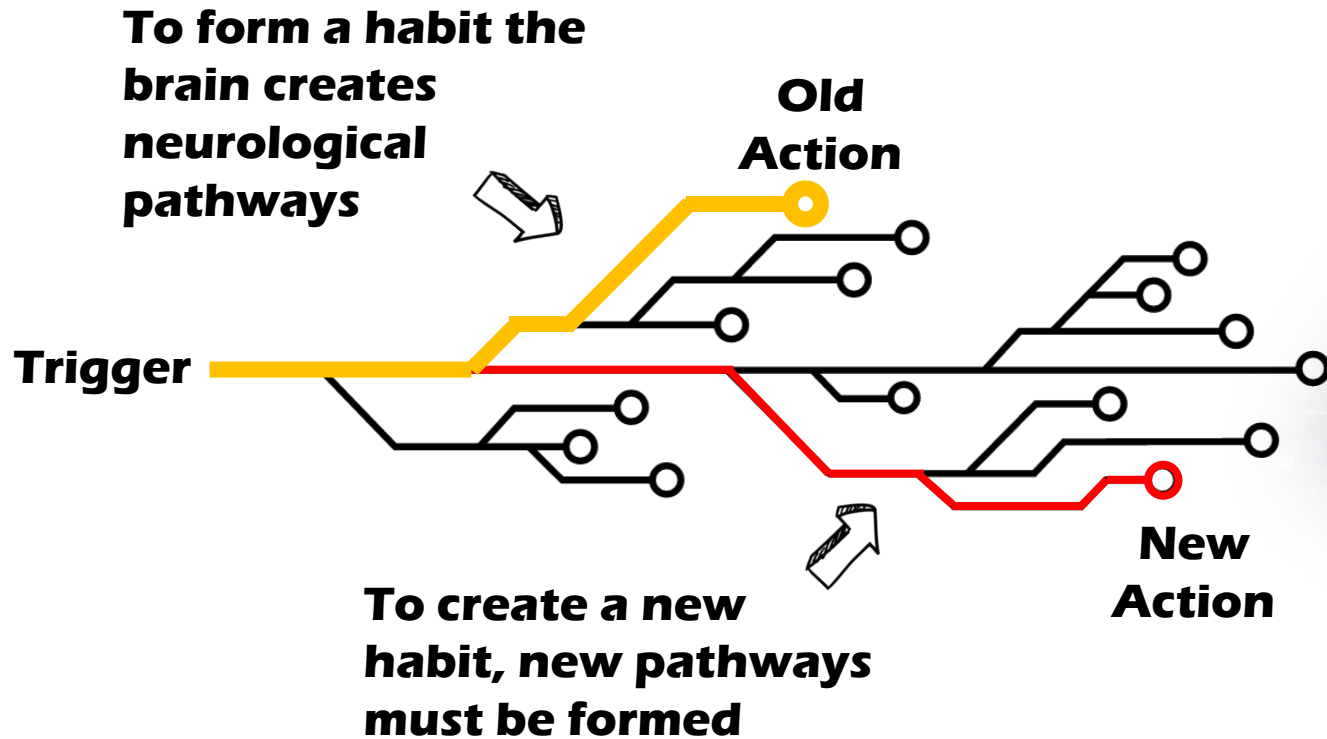
# The Habit Loop

To create a habit, a person will have to run through the habit loop multiple times

Initially we will use external triggers to pull that person in, but our motivation is to replace the external triggers with internal ones



# Old Habits Die Hard



**Behaviors  
are LIFO  
(Last In, First Out)**

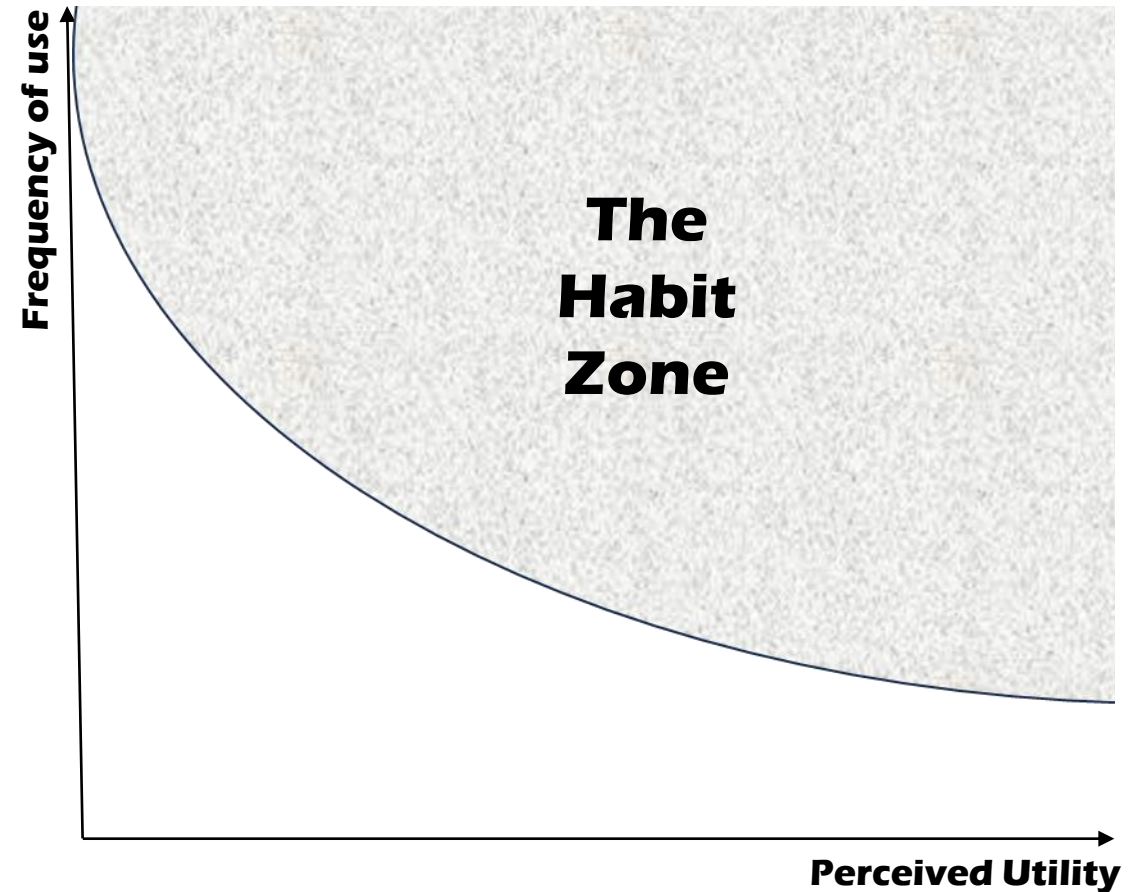
**But old pathways still exist  
making the shift much harder...**

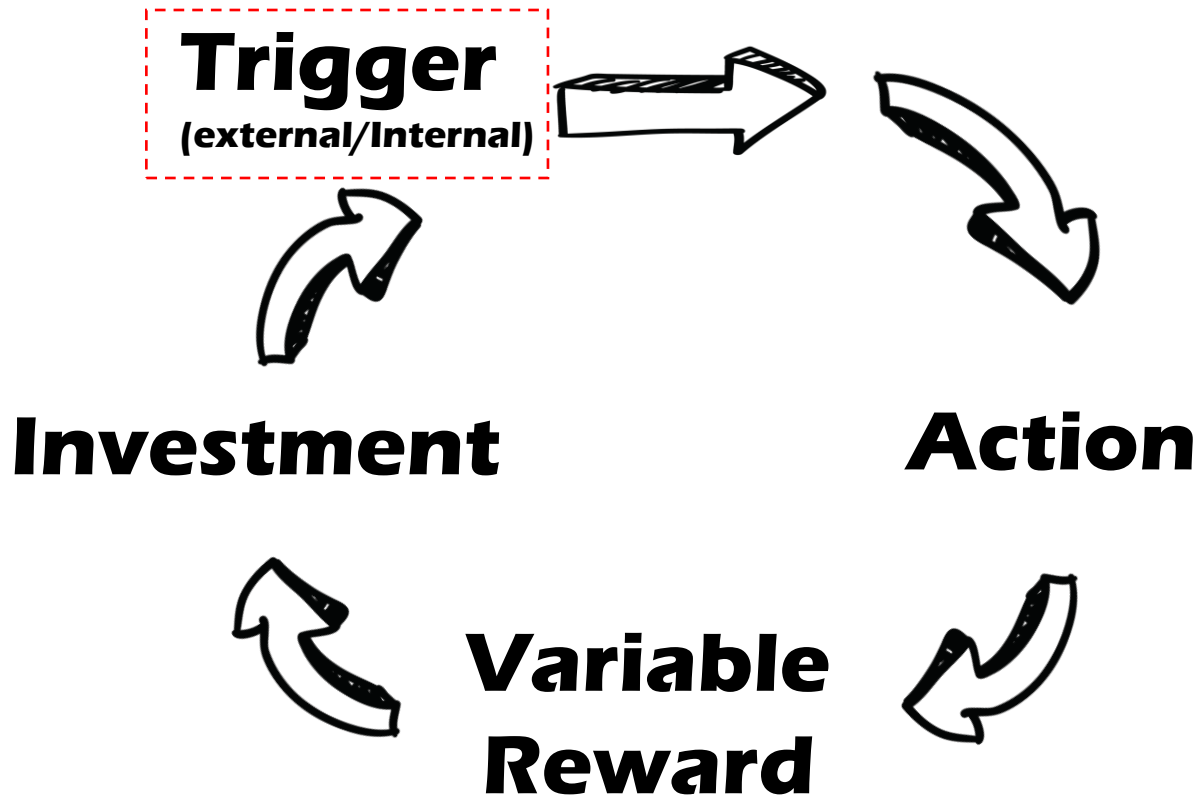
# Will this be a **Habit-Forming Product?**

The two factors which affect a product's habit-forming potential are:

1. **Frequency of Use**
2. **Perceived Utility**

**Utility alone is not enough for habit formation, but high frequency is a must. Also, The complexity and importance of the action dramatically affect the time it takes to form a habit**





# Triggers

# Types of Triggers

## External Triggers



### Paid

Triggers we can pay to put in front of our user (ads)



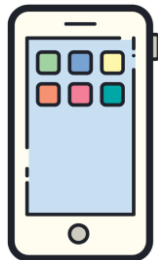
### Earned

Triggers that cannot be bought but require another form of investment



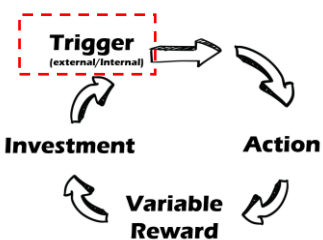
### Relationship

A person telling another person about your product



### Owned

Triggers that take up space in the user's life (like an app icon)



## Internal Triggers



### Memories

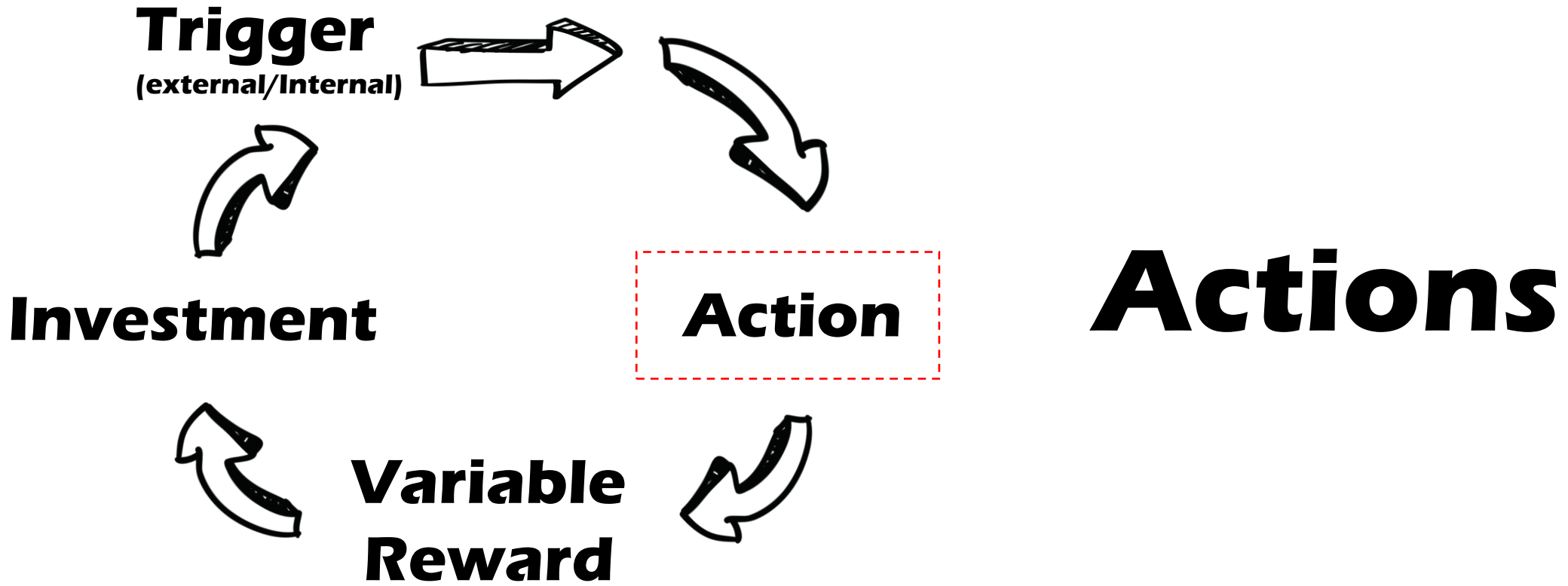


### Thoughts



### Emotions





# How to Induce a Behavior

$$B = M + A + T$$



**Behavior**

To induce a behavior a person must be:

**Motivation**

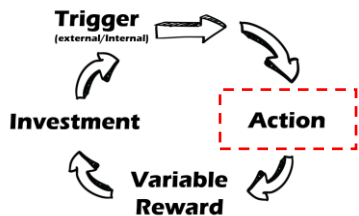
Motivated to perform it

**Ability**

Able to perform it

**Trigger**

Reminded to perform it

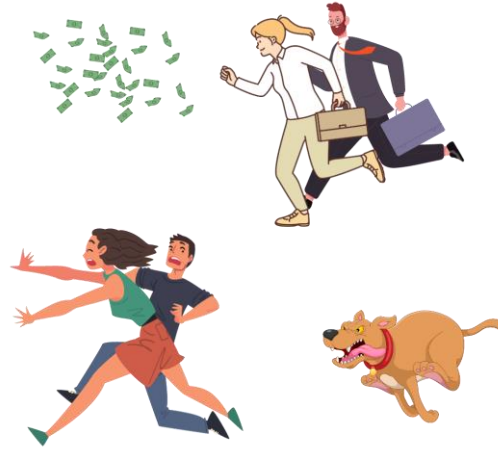


# Types of Motivations



## Sensation

We all have urges and needs that motivate our behaviors



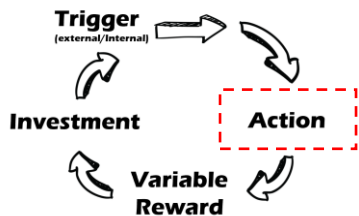
## Anticipation

The anticipation for a future event can also motivate our actions (toward pleasure, away from pain)



## Belonging

People are a social animal and the need to belong, be loved and accepted is a strong motivator

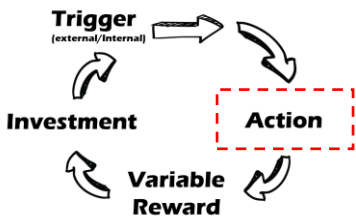
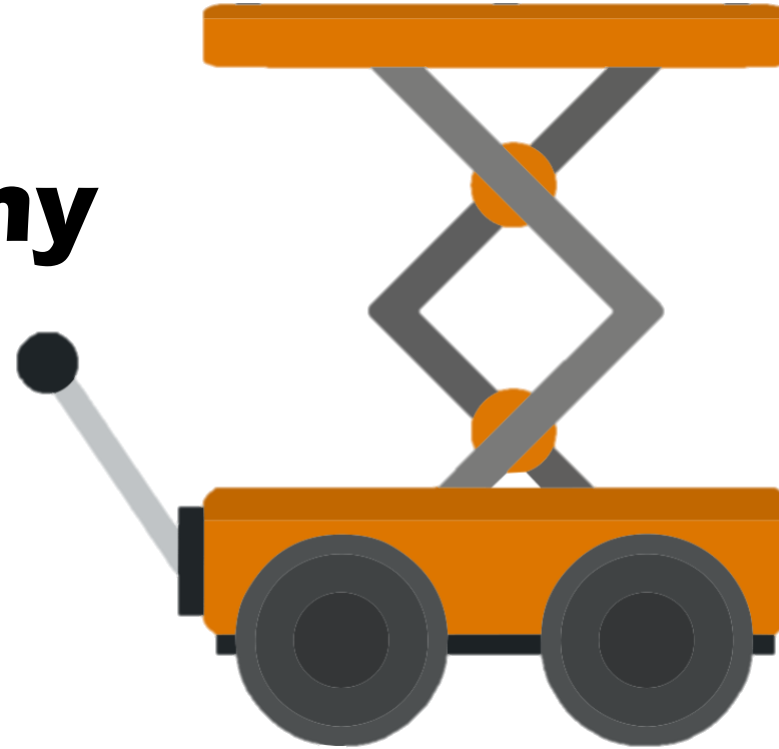


# Users Need A Sense of Control

## Increase Intrinsic Motivation

### Autonomy

What to do  
When to do  
With whom to do it  
How to do it



# Heuristics that change Behavior



**Context**  
The context and way we frame a situation affect our behavior



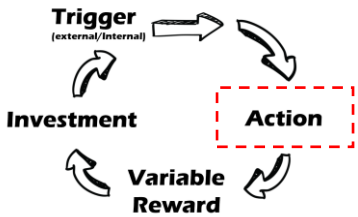
**Scarcity**  
Lack of resource changes people behavior

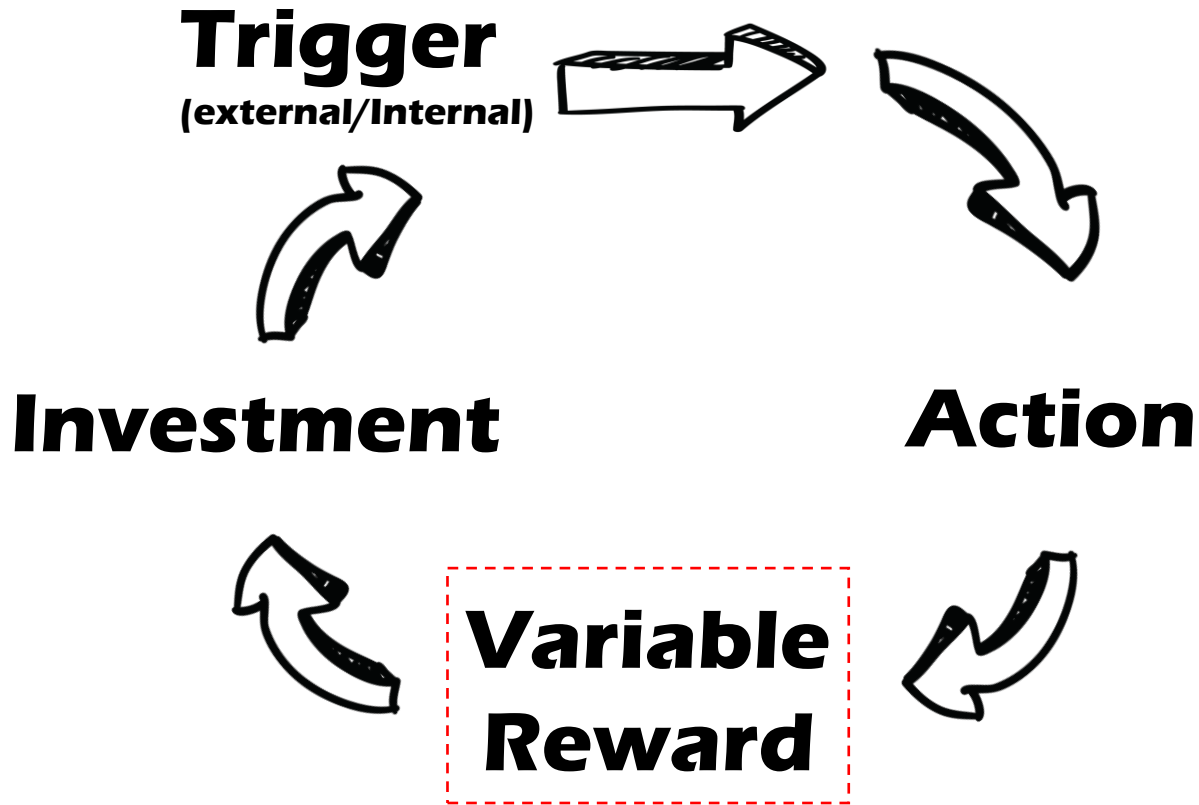


**Anchoring**  
People tend to anchor to a specific data point which alter their behavior



**Endowed Progress**  
People are more likely to continue when they think they already started an activity





# Variable Rewards

# Types of Rewards



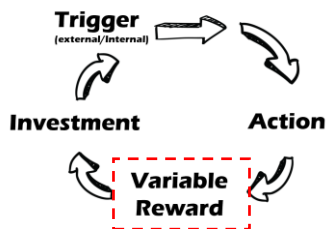
**Rewards of the Tribe**  
Rewards that make us feel loved and accepted



**Rewards of the Hunt**  
We have an inherent desire to own things and enjoy when we acquire objects



**Rewards of the Self**  
This is intrinsic motivation.  
The need to feel competency



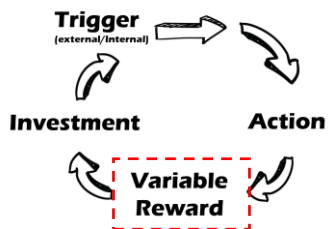
# Why introduce **Variability?**



In the 1950's Dr. Skinner showed that if you introduce **variability** to a reward system a bird (or a person) would quickly get addicted to pressing a button that provides food (reward).

Later research showed that this is caused by the increased dopamine release connected to the constant anticipation that the variability creates.

**Variability** → **Constant Anticipation** → **Addiction**





**Trigger**  
(external/Internal)



**Action**

**Variable  
Reward**



**Investment**



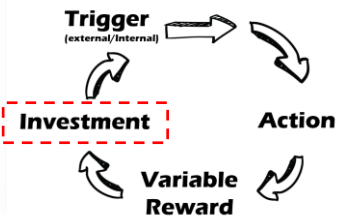
**Investments**

The



Effect

**We tend to like things more if we've invested effort to create them**



# How to Strengthen A Habit

The challenge is to create a product that grows in **perceived value** with more **usage**

Examples:



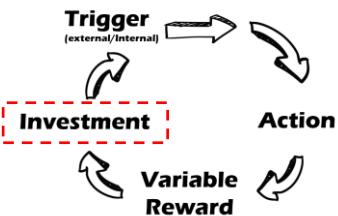
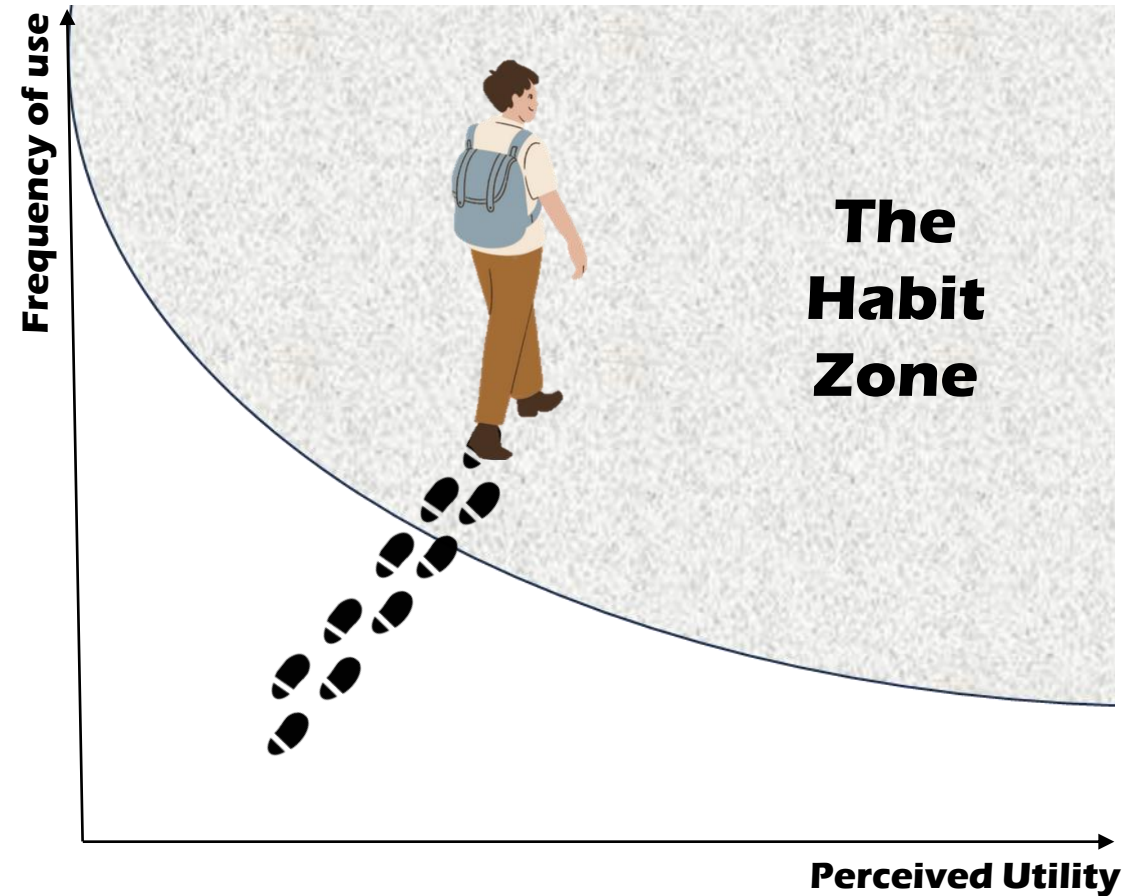
**Store user information**



**Network Effect**

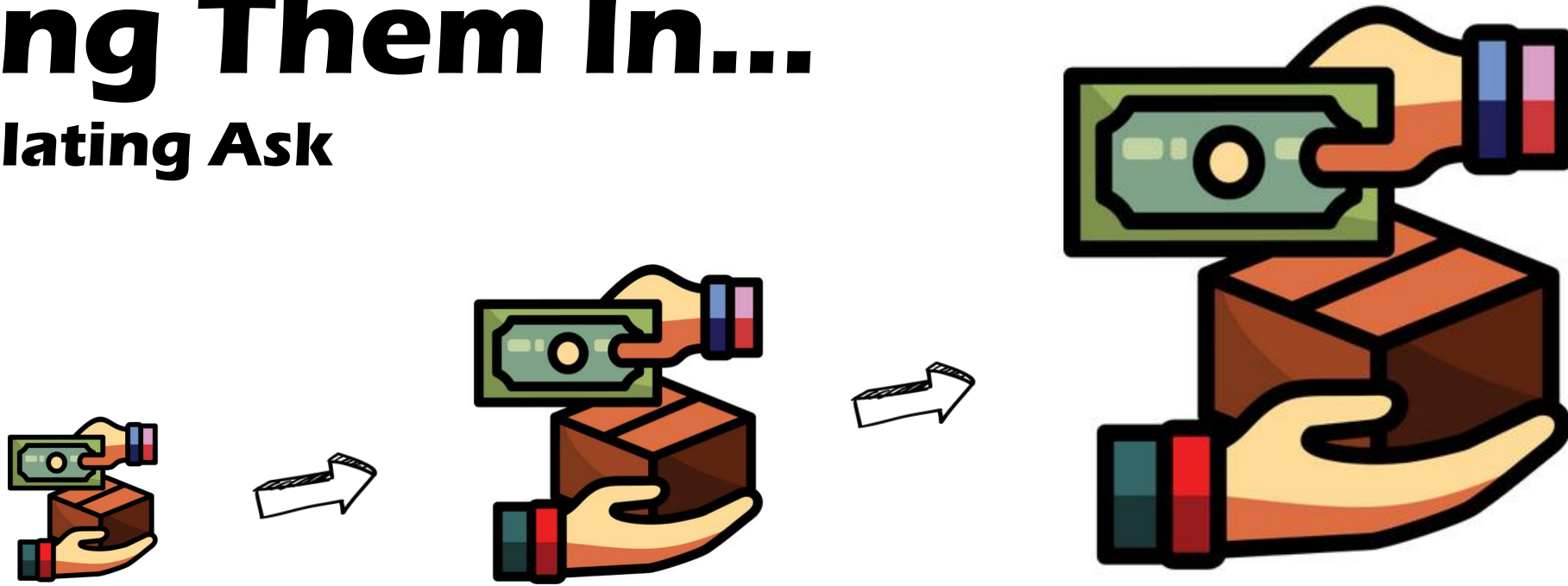


**User Generated Content**



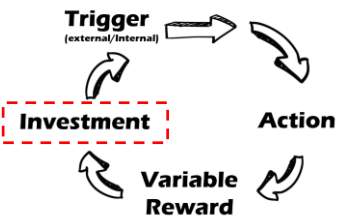
# Pulling Them In...

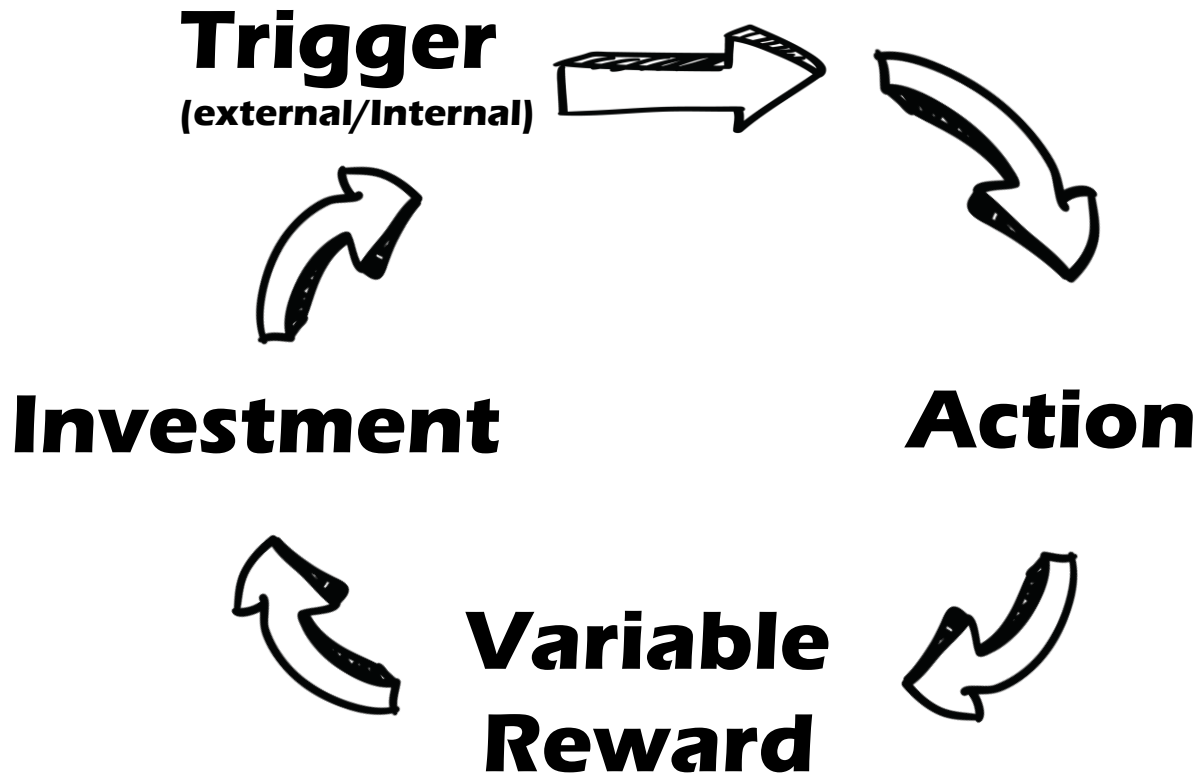
## The escalating Ask



**Deploy Cialdini's consistency principle by starting with a small and easy to accept ask and slowly ask for more**

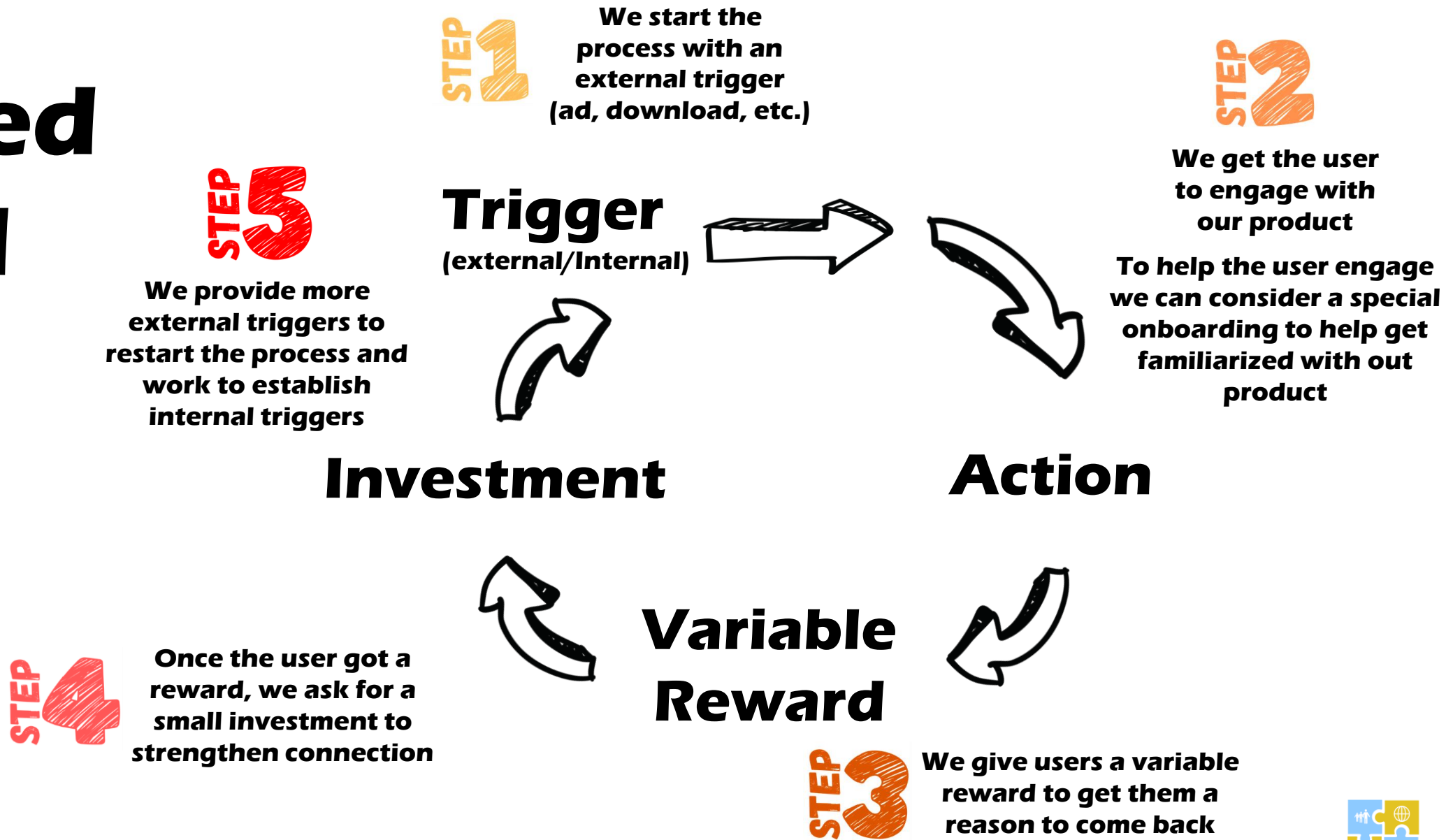
**The consistency principle states that people will tend to behave in a manner that supports their previous behavior**





# Recap

# The Hooked Model





# Bonus

**How to  
Engineer ingenuity**

# Engineering ingenuity

**STEP 1**

**Understand how people are using your product**

**STEP 2**

**Create a detailed list of the required steps users take**

**STEP 3**

**Eliminate steps to simplify the process using technology**

## Ways to simplify (add value):

- 1. Save the user time**
- 2. Save the user money**
- 3. Save the user effort**
- 4. Improve ease of use**
- 5. Make it socially acceptable**
- 6. Create a daily routine around product**



Do you want to

# Build Habit-Forming Products?

**Let's talk, I am here to help...**

**You can schedule [a virtual coffee](#)  
You can also [send me an email](#)  
and a [WhatsApp message](#)  
and learn more [on our website](#)**

