Hooked

Summary by Ahmad AlNaimi
anaimi.com

#1 Introduction

- Blog: nirandfar.com
- Relevant literature: Choice Architecture, Nudge, Mental Notes
- The Hook Model:
  - Trigger: internal (emotion) or external (email or push)
  - Action: anticipation of a reward, such as call to action button
  - Variable Reward: predictable rewards don't create desire
  - Investment: commitments to improve experience, such as inviting others

#2 The Habit Zone

- Habits are formed because they are associated with rewards or satisfaction
- Converting users to customers is best done at a later stage (after they invested time or emotion) - typical in the game industry
- *Viral Cycle Time*: the time required to invite users - essential for habits
- *Habit as a Strategy*: Amazon advertises its competitors' offers in order to reinforce its image as an authoritative source to find and buy things
- <u>Actionables</u>: what habits do your business model require? what behavior do you want to make into a habit?

#3 Triggers

- External triggers:
  - Simple, clutter-free, minimizes choices
  - Embedded with information
    Example: call-to-action
- Internal triggers:
  - Emotional, manifested within the users' mind
  - Ask "five whys" to identify (and later reinforce) internal triggers for an activity
    Example: boredom, frustration, confusion
- Habit-forming products associate themselves with internal triggers as a relief
- <u>Actionables</u>: what is the user doing before your intended habit? identify internal trigger, list three potential external triggers, how can you couple external and internal triggers?

#4 Action

- Behavior = motivation + ability + trigger (B = MAT)
- Motivation is to seek pleasure vs. pain, hope vs. fear, acceptance vs. rejection
- Steps to Creating Truly Innovative Products (Denis J. Hauptly)
  - Understand why people use the product
  - Lay out the steps how people use it
  - Remove the steps until you reach the simplest possible process
- Analyzing advertisements shows motivation strategy and segment
  - Obama = hope - appeals to mainstream
  - Carls Jr. = sex sells - appeals to young audience
- Adoption increases with easier ability/simplicity
  Example: content contribution on Pintrest and Twitter is higher than Blogger
- Elements of simplicity: time, money, physical effort, brain cycles, social deviance, non-routine
- Increasing ability is more effective than increasing motivation for tech companies
  Examples: Pintrest infinite scroll, Twitter share button, Google search bar
- Use case: Twitter landing page went from cluttered text, to search box, to signup screen - evolved by better understanding the priority of the user
- Exceptions to the effectiveness of increased ability:
  - *The Scarcity Effect*: amount shapes perceived value
    Example: Amazon often shows “Only X left in stock”
  - *The Framing Effect*: context shapes perceived value
    Example: violinist in a Hall versus violinist in a subway
  - *The Anchoring Effect*: benchmarks shape perceived value
    Example: an item is on 30% sale
  - *The Endowed Progress Effect*: progress towards a goal increases motivation
    Example: LinkedIn “Complete Profile” progress bar
- Actionables: how simple is your process? list three ways to make it easier, apply heuristics to make habit-forming actions more likely

#5 Variable Reward

- "What draws us to act is not the reward, but to alleviate the craving for the reward"
- Products must have an on-going degree of novelty - i.e. non-predictability
- Reward Types:
    - *Tribe*: need to feel accepted, attractive, important, and included
      Example: Facebook endless stream of shares, StackOverflow karma points
    - *Hunt*: need to acquire physical objects desired information
      Example: slot machines, relevant Tweets, interesting Pinterests
    - *Self*: need to feel competent or to unveil a mystery
      Example: video games, reaching inbox-zero, Code Academy instant badges
- Considerations:
    - Understand what truly matters to users or lose them
      Example: Mahalo gave money(failed), Quora gave social status (successful)
    - Give people autonomy (make routines easier, don't teach dictate new actions)
      Example: "but you are free to accept or refuse" increases donations and survey participants
    - Beware of finite variability
      Example: FarmVille was successful, but franchises (CityVille etc.) did not
- Actionables: speak to customers to identify delight or surprise, brainstorm ways to integrate some or all the three reward types

#6 Investment

- "The more users invest time and effort into a product or service, the more they value it"
- Request for investment typically comes at a later stage, after several variable rewards, and they are progressive in difficulty
- Investments are anticipation of longer-term returns, such as curating a playlist
- Rationalization and Human Tendencies:
    - Irrationally value our own efforts
      Example: people like their IKEA furniture more (IKEA Effect)
    - Consistent with our past behavior
      Example: start by hanging a small "drive carefully" sign, later agree to bigger
    - Avoid cognitive dissonance
      Example: we change our perception of bitter bear as we see others enjoy it
- Investment Types:
    - Have users *Store Value*
        - Content (iTunes)
        - Information (LinkedIn)
        - Following (Twitter)
        - Reputation (eBay)
        - Skill (Photoshop)
    - Have users *Loading the Next Trigger* (set triggers during investment phase)
        - Integrate with other applications - Any.do connects with Calendar
        - Investment increases future triggers - Tinder
        - Easy response/trigger-cycle model - Snapchat
- <u>Actionables</u>: where can you add investments in your process? how can you add *Stored Value* and *Next Trigger* investments? How can you shorten the *Next Trigger* time?

#7 Ethics

- Distinguish between habits and addiction - where do you fall?
- Consider monitoring usage and controlling addictive use

#8 Case Study - Bible App

- Built around curated "plans" targeting personal struggles
- Trigger: place interesting content first, push notifications for daily versus
- Action: versus are split into small chunks, easier to read
- Reward: variable daily versus, completion of plans
- Investments: comments, highlights, history of readings

#9 Habit Testing

- Steps:
    - Identify: how often should a user use your product?
    - Codify: find the series of actions shared by your most loyal users (habit path)
    - Modify: identify ways to nudge users towards the habit path - emphasize, incite, etc.