

Book Review "Hooked: How to Build Habit-Forming Products" by Nir Eyal with Ryan Hoover, Penguin Group, New York, 2014

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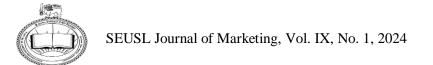
The development of a product to capture hearts and minds of customers is a daunting task for many entrepreneurs and product managers. From the initial ideation to the commercialization, they need to search for being different to create value for the customer by deeply understanding the insights in the market place. This process should be super creative while being strategic where the entrepreneurs and product managers have to understand that customers do not purchase inventions whereas they are seeking for solutions to remove the pain points in lives. Moreover, a great product has to evoke a strong customer emotion. Today, marketers have to position and invent their products by focusing on customer habits which is unavoidable to be competitive in the market place. The inability to do this will result in products which hanging in isles of supermarkets without being purchased by the customers.

Nir Eyal is a writer, consultant and teacher having focus on intersecting psychology, technology and business. He has worked as a lecturer in Marketing at the Stanford Graduate School of Business and the Hasso Plattner Institute of Design at Stanford. Eyal was dubbed by The M.I.T. Technology Review as, "The Prophet of Habit-forming Technology" as a tribute to his contribution. Eyal has written two books in the relevant field and the interest here focuses on "Hooked: How to Build Habit-Forming Products" which was published in 2014 but still after 10 years it has a greater relevance for marketers and entrepreneurs with relevance to crafting their products to the market place. Eyal has deep dived into the psychology and science behind the products which is overlooked in the conventional consumer behavior. Therefore, this book is intended to be a complement to traditional texts in marketing, not a substitute by adding a different flavor grounded in modern day products.



The book's primary goal is "to uncover the Hook model which is a four-step process that, when embedded into products, subtly encourages customer behavior". Eyal has compiled this book through years of research, consulting, and practical experience. This book has written not to present an abstract theory whereas, it guides the marketers and entrepreneurs with applied insights with respect to the influence of products on customer behavior. Hence this is useful for readers who intend to build products that the people love ranging from physical products like iPhone to social media platforms like Twitter and Pinterest. To see how Eyal achieves this goal requires examining the book's organizational design where he contended the Hook Model consisting of steps including the trigger, action, variable reward and investment. This book consists of 08 chapters. Chapter 01 has provided a foundation by explaining the 'Habit Zone' which contended someone's addiction to habits which he or she finds it difficult to escape. It highlights that some of our human behavior is driven by little of no conscious thoughts and sometimes this is counted for half of our daily activities. Habits are something good for business is the notion underlying in this chapter since some products can change the human behavior to a greater extent and develop unprompted user engagement. It seems that this development has led marketers to avoid advertisements since the customer is automatically triggered towards the product.

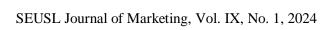
Chapter 02 explains the first stage of the Hook model and that is the 'Trigger' which is the actuator of human behavior and it can be either external or internal. If the trigger derived from external forces, it is called external trigger which is easier to make. For example, advertisements can have welcoming images to motivate the customer towards a product. On the other hand, internal trigger is a psychological push to purchase a product, which is more often a negative emotion. For example, some who feels stressful may log into Facebook to see the updates of acquaintances mostly without conscious thoughts. Eyal has pointed out that internal triggers are painful in nature and the products should be viewed as solutions for these negative emotions to qualify as habit-forming products. Further, the frequency of occurring these painful triggers needs to be higher to change the consumer habits through the particular product.



Chapter 03 examines the second stage of the Hook model which is 'Action' and it is where the customer needs to engage in a simplest behavior by anticipating a reward. Eyal has referred to Dr. B.J. Fogg, Director of the Persuasive Technology Lab at Stanford University to explain the notion of action in detail. Accordingly, an action is a result of customer's sufficient motivation, ability to complete the desired action and availability of a trigger to activate the action. The lesson for practitioners in this case is to embed the product to the customer's regular routine where it becomes an unavoidable object.

Chapter 04 explains the third step of the Hook model which is to provide a variable reward to the customer to drive the consumer actions. Eyal contended it as a gratification token delivered occasionally anticipating a repeat action from the customer. The companies which created habitforming products have not just reward the customers with what they want instead they left the customers to demand it more using a variable reward. Eyal has referred to the work of B.F. Skinner who contended operant conditioning. Eyal mentioned that the most habit-forming products capture the attention of customers both online and offline through three types of variable rewards. The first is tribe rewards which is driven by a person's connectedness with other people and this is where a customer is encouraged to feel accepted, relevant, included and empathetic. The second is hunt rewards where the customer is encouraged to satisfy basic needs by helping them to acquire what is important to them. Notably, the acquiring of physical products which aid the survival is part of the human's brain system. In modern society, people are even hunting for information in addition to satisfying their basic necessities. The third is self-reward where the customer is continued to take actions for intrinsic rewards which are addressing our desire for competence, consistency, mastery and completion. Players of video games seek to master the skills, competency and progression. Further, this chapter recommends that customers should be offered a sense of autonomy for repeat engagement.

Chapter 05 examines the fourth stage of hook model which is the most overlooked step and this is referred to as investment phase. Eyal contended habit-forming products are backed by the customers' investments in the form of personal contribution. The example of IKEA is used to



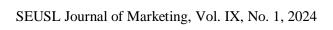


explain this notion where IKEA customers prefer assembling of furniture by themselves and it has generated a high value on this leading furniture brand. This chapter has extended to discuss the investments that the users are making in habit-forming technologies like social media consisting of increasing the content, adding data, collecting followers, enhancing reputation in online platforms, and investing time and skills to learn a product. Eyal is in the view that users of social media and internet are hooked for the products due to these investments.

Chapter 06 discuses regarding how someone can use the knowledge of Hook model contended in previous chapters. Particularly, Eyal pointed out that the product designers have to assess the morality behind the manipulation of users in developing habit-forming products. Accordingly, the work of a product designer can be belonged to one of the categories including facilitator, peddler, entertainer and dealer. In chapter 07, Eyal has extended the idea of chapter 06 by highlighting that the entrepreneurs have to work with a purpose to improve the lives of others by being a facilitator. Also, this chapter reiterated that Hook model is a framework based on human psychology and has illustrated using the example of Bible App.

In the last chapter, Eyal has explained the habit testing which is useful for ensuring the habit-forming potential of a product including the stages namely identify, codify and modify. Also, observing one's own behavior is also crucial for uncovering new insights and habit-forming product opportunities. Finally, the book concludes that many companies were successful in habit formation by changing the user interactions which creates new routines for the people.

The content of this book is grounded on the understanding of several disciplines namely psychology, sociology, anthropology, and economics. Therefore, this is clear evidence to justify that disciplines like marketing and consumer behavior are having their strong roots in fundamental disciplines of social sciences. Also, this implies that the managers and entrepreneurs who intend to make a change in the society through their innovations have to comprehend those through multidisciplinary perspective. The checklists contain at the end of each chapter are useful for





practitioners to apply learnings of this book to drive user engagement and create sticky user experiences.

The book is masterfully written so that readers can understand the content easily and identify how each stage in the Hook model leads to the next stage to develop a habit-forming product. A notable feature of this book is the blend of rigorous academic research with actionable insights for practitioners. Eyal has effectively communicated the main points by using real-world examples and stories that captivate interest and attention. Therefore, for someone who needs to comprehend how to develop a habit-forming product with deep an understanding on consumer psychology, "Hooked" is an indispensable guide.