

FS-25-2060_Nir Eyal_V3_1

MAF: [00:00:00] Welcome back to behavioral science for brands, a podcast where we bridge academics and practical marketing. Every other week, we sit down and go deep on some of America's most successful brands and some of the biggest ideas affecting our industry. I'm MichaelAaron Flicker. And I'm Richard Shotton. And today we're sitting with Nir Eyal, author of *Hooked*, *How to Build Habit Forming Products*, and *Indistractable*, *How to Control Your Attention and Choose Your Life*.

Let's get into it. Nir, welcome to Behavioral Science for Brands. Richard and I have made it our little mission to be on the hunt for behavioral science in the world, how to apply it to brands, how it can help improve our lives and improve our companies. Um, and we're so excited to have you with us today.

NE: Thank you so much. It's an honor to be here with you.

MAF: Yeah. Uh, so I'd like to give our listeners just a little bit of background, if you'll indulge me.

NE: Sure. [00:01:00]

MAF: I'll introduce you and correct me and improve on my introduction, um, but, uh, a little bit of background. Uh, you write, you consult, and you teach at the intersection of psychology, technology, and business.

Uh, you have called it behavioral design, which we're excited to talk a little bit about today. Uh, you've co founded two 2003 and exited them both, uh, MIT Technology Review. Says you are the prophet of habit forming technologies and Bloomberg wrote that you're the habit sky your two books have resonated with readers worldwide selling over 1 million copies and No one should miss your blog NirandFar.com Where you've taken in my estimation some of your most compelling, uh, writings and put them all together in a super easy to go through format.

So [00:02:00] we're excited to have you today. We're excited to talk behavioral science, behavioral design, and just have a very interesting conversation. Um, and our listeners, they love stories, Nir. So I thought maybe you could start with a story. How did you get introduced to the concepts of behavioral science? How did you get, where was your personal story that led you, um, to behavioral design?

Uh, then we'll get into the HOOQ model and a lot of other things, but maybe you start there and just tell us a little bit about your background.

NE: Sure thing. So let's see, how far back do we want to go here?

MAF: I've read that your family immigrated here from Israel.

NE: Yes, that's right. That's right. I came when I was three years old on my, on my third birthday, actually, uh, and, uh, if I fast forward from three years old to where I really began my interest in the field, uh, I would say it started when I was in my teen years.

Um, I was clinically obese as a, as a teenager up until [00:03:00] Like early adulthood, young adulthood. And, um, I remember distinctly feeling that food controlled me. And I remember I saw this, uh, special, some kind of show on Nickelodeon or one of these channels at the time. Uh, about Like consumer marketing, how the brands were, were making kids buy, uh, sugary cereal by the tricks bunny looking down from the shelf to look at the kids to catch the kid's eyes.

And I remember thinking that was really fascinating because I think it kind of helped explain. what I was struggling with as a clinically obese, uh, kid. And I wasn't just overweight. I remember my mom took me to the doctor and the doctor said, you know, here's a chart. Here's the green zone. That's normal weight.

Here's overweight. That's the yellow zone. Here's the red zone. This is you. You are obese. And, uh, I remember really struggling with my weight. I still struggle with my weight today. I'm, you know, 46 years old. I'm in the best shape of my life. But I think it, [00:04:00] it started from This feeling that I was being controlled, and that was equal parts terrifying and fascinating.

And so I think I, I always kind of gravitated to try and figure out how products are designed to change consumer behavior. Uh, sometimes for the good, sometimes for healthy habits. That's what I try to do with my first book, Hooked, How to Build Habit Forming Products. It's all about how to design healthy habits in users lives.

And then sometimes it's used for ill, right? Sometimes these, these tactics can be used, uh, to, to get people to do things that they later regret. And so that's why I wrote Indistractable, my second book, which is all about distraction. So,

Hooked is about how to build healthy habits. Indistractable is about the other side.

It's about how to break bad habits to different things, right? Uh, we want to get hooked to the app that helps us save money or learn a new language or exercise more. And we want to also disconnect from the product or service that maybe we overindulge in or that we get distracted by. So it's, it's two sides [00:05:00] of the same coin.

MAF: And you know, hearing you describe it that way is so helpful to me. I've spent time with both books. I saw Hooked more for brands and product owners that want it to, to, to improve their product and Indistractable more for. Uh, people, uh, consumer, actual, uh, folks that wanted to design, uh, and control their focus and, and be more indistractable.

Do you see it in that way too? Uh, obviously you

NE: could use them on both sides. Absolutely. No, you, you hit the nail on the head. That's exactly right. So Hooked was very much for. Uh, people in business. I like to say it's anyone who touches the product, uh, meaning anyone who, who touches the consumer facing side of the product experience because, you know, from a business perspective, you know, I taught for many years at the Hays Supplier Institute of Design at Stanford and then at the Stanford GSB as well.

And uh, You know, the, the, the stats are overwhelming that [00:06:00] the return on investment to keeping a customer is so much higher than acquiring a new customer. It's almost always a better investment. And yet we spend so little time thinking about how do we keep our customers coming back. And I think part of that is that it's so easy.

To acquire more customers, you can always buy new customers. You back up the truck of money, you give it to Facebook, you give it to Google, you give it to brand, you know, display advertising, you give it to the television stations, you give it to the billboard companies, you can always buy growth, you cannot buy engagement, engagement and retention must be designed.

Into the product experience. And so that's why it behooves us to understand what are the central tenants of a product that keeps people coming back rather than throwing good money after bad and funding what we essentially call a leaky bucket business, right? Where you have customers coming in and they're all churning out.

What the heck is the point of that? Much better to invest time in figuring out how to keep people coming back. [00:07:00]

RS: I think that's certainly an area, you know, many of our listeners are interested in this idea of how do I retain customers? How do I build a habit of forming products? Now, you've created one of the most influential, I think, interesting models out there.

Could you take people through that Hooked model? What are the key stages? What do people need to know about that model to try and use

NE: it? Absolutely. Yeah. So, so I want to, uh, preamble a bit that I'm, I'm standing on the shoulders of giants that, uh, I, none of what I describe in this model is my own original research, uh, partially because I didn't want anything too new.

Uh, I'm sure many of your listeners have been following the replication crisis that happens, that's happening in the social sciences. It's a disaster, which made me so happy that, uh, over 10 years ago. Almost all of the research studies that I cite, and by the way, there's over 30 pages of citations to peer reviewed studies.

Almost all of them, I think something like 90 percent of them, are like pre 1970s, right? They're like very old, established research, [00:08:00] uh, B. F. Skinner type stuff, like basic stuff around consumer psychology. And I think most people just don't get their head around. They really don't think about it very much.

And so I'll just walk you through very quickly what the hook model is from a 30, 000 foot view. A hook model is an experience designed to connect your user's problem with your product. with enough frequency to form a habit. And frequency is key here. We know that there's a precipitous drop off in the likelihood of changing a consumer habit if the behavior does not occur within a week's time or less.

So frequency is very, very important, which is why, you know, most of my clients that I work with these days are companies that, you know, build products for digital devices because the average smartphone owner looks at their home screen 150 times per day. So there's a very high propensity to changing the consumer habit.

When there's that level of frequency. So, uh, so, so today, you know, every product is now a digital product. And if, and if you're not, your competition will

be, I don't care what business you're in, whether you're, you know, travel, [00:09:00] entertainment, hospitality, it doesn't matter. Every business today needs to figure out how to keep people coming back.

And so every business that needs people coming back needs a hook. So a hook starts with what's called a trigger. There are two kinds of triggers. We have external triggers, which you'll be very familiar with. These are the pings, the dings, the rings, anything in our outside environment that tells you what to do next with some piece of information.

That's an external trigger. There's another kind of trigger we're going to get back to in just a moment. The next step of the hook model is the action phase. The action phase is defined. As the simplest behavior done in anticipation of a reward. Open an app, scroll a feed, push a play button. These very simple actions done in anticipation of an immediate reward.

The third step of the hook model is the variable reward phase. And the variable part is very, very important. We know that one of the drivers of behavior change. Is this element of variability, what we call an intermittent reinforcement. We can talk about that. If that's interesting, what are the different types of variable [00:10:00] reward?

This comes from, you know, classic BF Skinner type stuff, intermittent reinforcement. I'm sure many of your listeners know, but there are also three kinds of variable rewards. Only one of which is monetary. Most businesses, when they think about rewarding their customers with some kind of incentive, it's discounts, it's coupons, it's deals.

And that's the last line of defense. Unfortunately, people jump to that very, very quickly. Without realizing that comes straight out of your bottom line, right? Every percentage off, every discount, every coupon, not only is that coming out of your bottom line, you are training your customers to be cheapskates.

You are attracting and training people to always expect more and more discounts. It's called the bed, I call it the bed, bath and beyond effect. You know, bed, bath and beyond it's an American retail. I think they just went out of business and I'll tell you why they went out of business because nobody shopped there without a discount.

Everybody was flooded with these stupid coupons. You would get a hundred of them at a time in your, in your mailbox. So you were dumb if you didn't shop with a discount, it was silly to pay full price. So [00:11:00] nobody did. And so

of course that came straight out of the bottom line. So there are non monetary, uh, variable rewards, rewards of the tribe, rewards of the hunt, rewards of the self.

We can talk about that more. So that they're not constantly defaulting to the very intellectually lazy solution of always giving deals and discounts. That should be only the last, last line of defense. There are much better non monetary rewards that you could give as part of your product experience.

Then last and most importantly is called the investment phase. The investment phase comes after the reward phase. This is where the user puts something into the product. To improve it with use. And this is really where the revolution in information technology take hold, because for the first time in manufacturing history, we can make products and services for markets of one.

Meaning, you know, Henry Ford famously said, you can have any color of Model T, as long as it's black. Now, why did he say that? Because making a black car and a blue car and a red car and a purple car back then, that was very, [00:12:00] very difficult. Well, today companies can use customer information to tailor the product experience to each and every consumer.

And now with the dawn of AI, I promise you in the next five to 10 years, if you don't do this, you will be out of business. Your competition is going to eat your lunch because consumers are going to expect customized generative experiences to tailor the experience. To each and every consumer, just like exactly what tick talk and meta and these companies are doing based on algorithmically projecting what's in the newsfeed, all sorts of companies are going to have to do this in order to tailor to consumer preferences.

And so that's part of the investment phase where the user puts something into the product, data, content. Some kind of, uh, relationships in some kind of learning that they might do. Something that the more effort you put into the product, the better it becomes with you. So that, unlike other products that, that are not habit [00:13:00] forming, that depreciate, right?

Your car, your couch, your clothing, all of these things lose value with wear and tear. Habit forming products do this amazing thing where they appreciate. They should get better and better. The more you use them so that as a result through successive cycles, through these hooks, eventually, you no longer need those external triggers.

You don't need the pings, dings, and rings anymore because your consumer begins to associate your product with what's called an internal trigger. Remember I told you earlier we would get back to these internal triggers. Internal triggers. Are uncomfortable emotional states that we seek to escape loneliness, uncertainty, fear, anxiety, every product or service we use fundamentally has to scratch a user itch.

It doesn't matter what business you think you're in, whether you think you're in clothing or food and beverage or hospitality. Nope. You are scratching a consumer's psychological itch. That is the business you are ultimately in. So the goal of a habit forming product [00:14:00] is to attach that psychological itch, no matter what it might be, to the use of your product defined release.

When you can do that, when you know you have actually formed a consumer habit is that you don't even need expensive advertising. You don't even need spammy messaging. People start triggering themselves based on their associations. Imagine what would happen to your bottom line if you didn't have to spend so much money on all that expensive advertising and outreach.

What if people came to your product because they wanted to use it, not because they had to use it? That's really the promise of building a habit from the product.

RS: Um, so I think that's a fantastic overview of the model and I'm fascinated by this idea of the need for a trigger and especially an internalized one.

And lots of businesses are pretty keen to do that. How is it the one person is successful in associating their product with boredom or hunger? Yeah. Yeah. And other companies [00:15:00] fail to, fail to do so. Right,

NE: right. So this is exactly what, what my research has, has been around. And, and I think it's the companies that have successfully figured out the four steps of the hook model.

Uh, some companies come and go when they figure out one, two steps of the hook model, but the companies that really succeed are the ones that do all four. Understanding the internal and external trigger. Making sure that the action is as easy as possible to get to the reward, providing that variable reward, whether it's tribe hunt or self, and then asking for an investment that improves the product with use, very few companies can nail all those few steps, uh, four steps, but the ones that do are the ones that can build these longterm habits.

RS: And is there an area in particular that you think companies often fail at? You know, are they very good at creating the trigger, but they. Don't do the ease part, or are they bad at doing the trigger and much better at ease? They're, they're predictable pitfalls that you see, uh, businesses falling into.

NE: Yeah, the biggest, uh, problem I [00:16:00] see is that people think that, uh, that you just need to build a better mousetrap. That's all it takes. Just serve the customer, which is true, but that's table stakes. Like you're pretty naive if you really think that. Uh, Facebook and Amazon and Google and, uh, Snapchat and, and, uh, uh, TikTok and Salesforce and, uh, all these companies, these tech behemoths, if you really think they got as big as they got just because they made a better product, it's pretty naive.

That's table stakes. There's lots of great technologies out there. There's lots of great products. The product that captures the market is the product that captures the monopoly of the mind. It's the first to mind solution that we turn to with little or no conscious thought, because when you have a consumer habit, when you own that habit, consumer doesn't even consider the competition, right?

When you do something with little or no conscious thought, you know, how many times, uh, do you, do you look at your phone? And you know, use one of those compulsive apps that we're [00:17:00] using all day long and think to yourself, huh, I wonder which would be a better product or service. No, you just do it with little or no conscious thought.

And so that becomes a huge competitive advantage. What Warren Buffett calls a moat around your business. It's not the only way to build a moat. You know, you can build economies of scale, you can build IP, but having a consumer habit is a huge, huge competitive advantage. So the biggest mistake I see to answer your question is that people think that these, these companies that are habit forming exam, examples.

That they just got lucky. Right? They just stumbled into it. And I, I got to tell you, nothing is further from the truth. I know from the inside, these companies know what makes you tick and what makes you click better than you understand yourself. And so my idea behind Hooked was to democratize these techniques, right?

Why should it only be the Silicon Valley giants and the gaming companies that use these techniques? We should all be using these techniques to build better products and services. So that's the biggest mistake I see is thinking. Ah, these companies just got lucky. The, the, if you ask if there's a specific part of the

hook model that's neglected, I, I can't say [00:18:00] that there's one that's neglected for all companies.

What I tend to see in my over a decade of consulting and teaching this work is that every company, uh, that's not seeing the kind of consumer retention engagement that they, that they believe they should have, they're always deficient in one area or another. Meaning, the hook model is meant to be a diagnostic tool.

It's meant to be a framework that you could sit down around a table with your team and say, okay, where are we deficient? Have we identified the right internal trigger? Are we prompting the right external triggers? Is the action easy enough to do? Can it be made easier? Are we offering the right variable rewards to scratch the psychological itch?

Are we asking for investment that improves the product with use? These become prompts to then figure out, okay, where's my specific product? I'll go, I'll, I'll say one more thing, which I think, uh, a good question to ask is where is the biggest opportunity right now? Where's the biggest untapped opportunity?

Because, you know, the fact of the matter is that once Uh, an incumbent has a consumer habit. It's very, very hard to shake. Right. Uh, if you're the kind [00:19:00] of person who just goes, you know, reflectively, if you get every night, uh, after dinner, you sit down on the couch and watch Netflix, uh, or, or check Google or watch YouTube or any of these, you know, these habitual products.

Uh, it's very, very hard for a competitor to come in and swoop that customer away. It does happen. So where is the opportunity? The opportunity, I believe the most, I guess you would say neglected part of the hook model for most companies. And if we ask ourselves, where should companies focus their attention?

I think it's with the investment phase. And you can already see incumbents starting to topple. You know, if you think about Google, uh, when I first started doing this work, not even, maybe even just a year ago, uh, Google was kind of an impenetrable habit. Because when we Google something, we would do it with little or no conscious thought.

Right? You don't ask yourself, Ooh, who has the better search engine? Uh, you just do it. Well now, with AI, uh, I have to say, I'm, I'm using a lot less Google. They have really changed my habit, because Because AI, uh, specifically I use

chat GPT [00:20:00] probably 20, 30 times a day. They've come out with a much better hook model and they've killed it.

It's so much better than the Google habit. And that doesn't happen often. That happens. You know, once a generation really of, of a product's lifecycle, and now we see this opportunity, we are now seeing this crack, uh, where a new technology has allowed the habit deck to be reshuffled, namely because of the innovation in the investment phase.

I, I,

MAF: and I would say the other thing about investment being, the area we're talking about right now is in much of behavioral science, it doesn't address. What you're going to ask the user to put back in to get more out of it. It talks a lot about how you will make the product. You know, you've talked in your work about the BJ Thog model.

Motivation, ability, trigger. But it doesn't talk about, so how do you have somebody put something back into the experience with the hope of getting more out of it. So I would say the other. The other build of [00:21:00] investment is that it completes the circle, and you may be in the show notes will drop. I think you've called it the hook canvas, which is, uh, what looks like an infinity circle that we can let everybody look at.

But investment brings you back into the, into the, into the

NE: circle. That's exactly right. That's exactly right. And that, and you know, uh, so Fogg's work is definitely something I cite in the action phase of, of the hook model where it's the simplest action done anticipation of reward. That's the model to use when it comes to, and I think Fogg has done fantastic work when it comes to personal habits.

I've learned a lot from him. Uh, but I wanted to focus specifically on product habits and products that don't have the investment. I see this all the time, uh, where a product. Team will think, well, you know, they read Power of Habits or Atomic Habits and you'll see, you know, Wendy Wood's work and it's fantastic work.

I'm not deriding it at all. It's just a tool for a specific job. And that specific job is changing individual habits. When it comes to product habits, I think there's a [00:22:00] slightly different formula. You need to really think about internal triggers. That's typically not something you see in the typical habit loop.

Internal triggers are, are something I think are very, very important when it comes to product design. You really have to think about variable rewards. And you really, really have to think about investments because exactly as you said, it's something that improves the product with use and brings the consumer back the second time.

RS: Um, you, you've mentioned a few times about variable rewards rather than just rewards themselves. Could you, could you talk about, about that a bit more? Why is it the intermittent and variable rewards trump, uh, consistent and, and, and fixed rules?

NE: Yeah. Yeah. So the, so the, the metaphor I like to use is, uh, you know, if I don't know if you guys are snackers, one of my vices is that I'm, I'm kind of a snacker.

RS: Yeah. Crisps. Yeah. Or you, whether you've gotten chips or whatever. Yeah. At my bank.

NE: All right. I'm not alone here. Right. So I tend to get a particular kind of craving around this time of night. Right. When I've already finished dinner, I'm done for the day. And [00:23:00] then I kind of get the munchies and what I, I think a lot of what drives that.

Is that I kind of want to see what my wife has put in the cupboard and what she's put in the fridge that I may not know about, right? If, if I bought groceries this week, I find that I actually don't check that much. I don't get that, that sensation because I opened the fridge and I know exactly what's in it, but imagine what would happen if every time you open the refrigerator.

There was something else in there, right? One time you open the refrigerator, it's ice cream. The next time you open the refrigerator, it's chopped liver. The next time you open the refrigerator, it's broccoli. You're going to keep opening and opening and opening. It becomes like a slot machine. And so we see these variable rewards.

I mean, this is, this is, you know, 70, 80 year old research. Now it's been around for quite some time, but this idea that when there's a reward that has some kind of uncertainty. That is very engaging. It causes us to engage, it causes us to focus, and it's highly habit forming. So, it's what makes a book interesting to read, is what's going to happen at the end.

It's what makes a movie fun to watch. It's what makes sports, [00:24:00] right? How much time do we spend watching spectator sports? Some stupid ball or puck bouncing around. Why are we so enamored by sports? There's nothing wrong with it. It's that we love the variability. We love the mystery. If you think about news.

Right? Why do we care about some war, you know, tens of thousands of miles away that has nothing to do with us? Well, because we want to know what's new, what's different, what we don't know. Nobody wants yesterday's news. They want today's news. So we are absolutely captivated by variability, by mystery. And this, and this has an evolutionary basis, which, which we can talk about if you're interested, but if your product doesn't have some kind of variability, some kind of uncertainty.

Or solve for a situation that is inherently variable, then you're going to have a very tough time creating a long term habit.

RS: I'm intrigued by the point about evolution, because I know the Skinner studies that you mentioned were first run on animals, rats, and pigeons, but I've not heard the evolutionary explanations.

I'd love to hear

NE: that. Sure, yeah, yeah. So I'm not sure if you guys are runners. I'm, I'm, I'm uh, [00:25:00] an avid runner. I used to be more so, but I still, I still run a few times a week. And so, while I was writing Hooked, uh, I wanted to know, uh, you know, where these variable rewards came from, and why are they part of, of our species in particular.

But, you know, many different species have the same effect. In fact, Skinner's work was originally on pigeons. So, many, many species have this, uh, phenomenon. Uh, so, so there's, there's, there's the deeper brain science around what's called predictive processing. That the brain causes us to focus, uh, On things that are different and variable, uh, whenever we have what's called a prediction error.

So when something is not the way we expect, we, it causes us to engage in focus, because this is exactly how we learn. So most of what we experience, most of perception is not real, it's, it's, it's a hallucination. We are actively predicting what I'm going to say, as you guessed, before I even said it. All right, so we don't wait for the information to filter into our brain.

We [00:26:00] actively predict what's going to happen. So this is constantly happening. And when things don't happen exactly the way we predict, we, we, we wake up. This is actually why jokes are funny. It's called benign violation. When there's a benign event, that's not threatening, but violates what we think is going to happen.

That is actually the formula for humor. Uh, and there's nothing you can do that's less funny than talking about the science of humor. But that, that's just a quick explanation. And then the last thing I'll say that why do I get back to running is that for our species in particular, and I think why we are so susceptible to variable rewards is because our species needed variable rewards to survive.

It actually made our species. And what do I mean by that? If you look at a very obvious fact that. We are the only hairless primates. We're the only primates that don't have hair. Do you know why? Like, if you look at chimpanzees, the great apes, they're all covered with hair. Why don't homo sapiens have fur?

Like, why don't we have hair all over us? You know why?

RS: Oh, no, no. No, I've not heard this. It's because Is it to read people better so that [00:27:00] we're easier to, you know, we can read people's faces and their tics and their eyes and communicate better in groups or

NE: That's a, that's a great conclusion, but even chimpanzees and gorillas don't have hair on their faces.

They can also see facial expressions. Okay, yeah. But why do, why do we have hairless arms, right? And legs, and, you know, backs? Well, it turns out that we are the only homo sapien that hunted its prey By running after it. You know, when you see those, uh, you know, ancient arrows and spears, people think that, oh, humans must've been very far away and we shot the arrows and spears at animals and we killed them that way.

No, that's not true at all. The way, if you ever shot an arrow, uh, of, uh, you know, a primitive arrow, today's arrows are a little bit better, but even then it doesn't go very far. And actually, you know, after, you know, 50, maybe a hundred meters, I'm not an archery expert. There's really not that much power. You have to get pretty close to actually penetrate thick animal hide with, with an arrow.

Uh, and, and with the technology that people had 200, 000 years [00:28:00] ago, that really wasn't possible if you were using, you know, sticks and thread. What

we actually did was called persistence hunting. Persistence hunting still exists today in some parts of Africa. And what we do that no other species can do. is that we can run down animals until exhaustion.

So a lion, the way a lion kills its prey, a lion finds the smallest, the sickly, the animals that are about to die anyway, and the lion will pick off the sick by running after it as fast as possible for a short period of time and eating its prey. That's not what our ancestors did. Our ancestors would find the biggest antelope out there, the big male with the huge horns, and they would separate them from the group, right, a few of our ancestors, maybe a small group, and they would run them down, meaning they would run for about a marathon's length of distance until the animal that was covered with fur and had no way of, of, of dissipating heat other than [00:29:00] through panting, Eventually, they would just collapse.

Whereas humans, because we don't have fur, we can perspire, we can exhaust heat, in a way no other animal can. If you want to kill your dog Take them on a long run. Dogs and every other animal other than humans are not meant to run long distance. We are because that's exactly how we killed our prey. And then at the very last minute, when we were, you know, a foot or two away, that's when we would stab them, uh, or, or, or kill them with an arrow.

That's how we actually use those primitive tools. So how does this relate to variable rewards? In the process of tracking our prey, we had to be very aware of any changes to our environment. The pursuit of that antelope for. 28 miles or whatever the distance might be until that antelope gave up and keeled over required us to constantly stay super hyper focused and be incredibly aware of small changes in our environment.

And that mystery, that uncertainty, [00:30:00] that variability That is the same key driver that keeps us hooked to Netflix, and to slot machines, and to sports, and to everything today that captures our attention. The very same evolutionary advantage. Fascinating, Nir. I mean, just

MAF: super interesting. Is that, is that, um, that research that, that you're, you're sharing with us now, work that you, that you, that you've been reading yourself, stuff that others have written about, just out of interest, we'll put it in the show notes for folks.

But I think that type of stuff is the stuff our listeners love. Where, where, generally, where is that coming from? It's so helpful to hear.

NE: Sure, it's, it's in Hooked, uh, under the chapter of Variable Rewards. And there's a whole list of citations of, of different authors. I, and I have to give them credit. I didn't come up with any of these theories.

I just put them together into an application for people building product. Amazing. We'll, we'll give, we'll give some links to that stuff from

MAF: the, from the book. That's

RS: great. Thank you. Let's say [00:31:00] with the model, if some of the underlying drivers have an evolutionary explanation, you know, therefore the book was written, what, 10, 11 years ago, it's barely a blink of an eye in an evolutionary sense.

Would you say, therefore, that the findings are as relevant in 2025 as they were when you wrote, or have you seen any nuances? Yeah,

NE: that's a terrific question. Thank you. So the model itself hasn't changed over time and it doesn't change verse, uh, over demographics or nationality. None of the key four steps of the hook model trigger action, reward, and investment.

None of that changes. What does change, not only between socioeconomic conditions or nationalities or even individuals, what does change is. What in the reward the user finds rewarding. So for example, in the United States, if I feel the internal trigger of boredom, a reward that many Americans find [00:32:00] entertaining, that That solves the problem of boredom might be American football, right?

But in Japan, it might be sumo wrestling. So the fundamental human need for satiation from that internal trigger doesn't change. What might change is the flavor of the reward from culture to culture or person to person. Very clear.

MAF: Nir, you've spoken a lot, uh, in your work and today about, um, how digital products are, uh, uniquely, uh, are uniquely tuned, uh, to take advantage of the hook model.

And yeah, I heard you, uh, say, uh, in some of the, in some of my research for today, that digital products are unique in that. Physical products, the more you use them, the quicker they depreciate. You cited cars in closing and then digital products, the more you use them, the better they get. Can you talk a little bit about.

examples of when physical products have [00:33:00] taken, uh, been successful with the hook model, just for those of our listeners that may not be involved in digital businesses, just so they can apply the same thinking, um, to, to their brands and their businesses.

NE: Sure. Yeah. So, so physical products are kind of a, a blessing and a curse.

They're a curse because physical products require a heavy Upfront investment, when I buy my coffee maker or my toaster or my car or whatever it is, I have to make that initial upfront investment, whereas if, if it's an app on my phone, well, I get a free trial and I can just start using it immediately, which is why, by the way, when you think about companies like Meta and Google and Amazon.

They spend almost no money on consumer acquisition, right? If you look at their financial statements, it's a fraction of the company's market cap, how much money they spend every year on advertising. They spend a little bit. It's a joke, right? Compared to how much money Coca Cola has to spend, how much money McDonald's have to [00:34:00] spend, how much money, uh, you know, uh, um, uh, I don't know.

What's that? What's another manufacturer? If I like the, uh, that, that, uh, what's that company that makes ovens that, um, Anyway, you get the idea. And now I don't even remember their name. We're not spending enough money.

They need to spend a lot of money on, on what's called the mere exposure effect that, you know, that mere exposure effect says that the more you are exposed to a brand, a jingle, a spokesperson, the greater your affinity for the product. And so that's how they create these consumer habits. Is by building their brand through the mere exposure effect.

But these other companies I mentioned, the, the Metas and the, the, the Googles, the Amazons, the Salesforce, they don't have to do very much of that, right? Because the product experience itself is what changes consumer perception and create these habits. Um, so, so that's, that's a, a big, big difference between this old generation of products and these, these newer products.

Um, but I, can you remind me of the question? I'm sorry. I forgot. I think I got, [00:35:00]

MAF: uh, yeah, of course. I. I was asking how people, uh, brands that are physical products can take, uh, examples of where the hook canvas works. And

you said there's a, um, it's a blessing and a curse. So we heard the curse part. Exactly.

NE: So that's the curse part. Yeah. What's the blessing? The blessing is that when you have a physical product. Now, you have this external trigger, which is manifested in the real world, as opposed to the hundred apps that we have on our phones, that if you're not on someone's home screen, you might as well not even exist, right?

Because there's just so much digital clutter on this tiny screen that we all have, and the screens are shrinking. Now, the screens we have on our wrists, we have, uh, Amazon Alexa that we talk to, there is no screen anymore, right? So, the screen's real estate is shrinking. With a physical product. Now you have that external trigger, right?

The reason I use the same toaster every morning, the same coffee machine every morning and the same oven and the same car is because there's a physical manifestation of the external trigger. So if you're not building a consumer [00:36:00] habit with a physical product. You got a problem. You got a big problem because that means customers really don't like using your product.

You've crossed the big problem of getting them to buy it. The least you can do for them is make sure that they like the product quality enough to keep using the product. So what do you do? However, if you have the kind of product or service. That is not bought frequently. Maybe it's used frequently, but it's not bought frequently.

What do you do then? And, and, and by the way, there are many products out there, uh, that just are not bought with enough frequency to build a habit. For example, there's a company, Williams Sonoma. You guys know Williams Sonoma? They sell all kinds of fancy pots and pans and cookware. They have a big problem in that you can't make buying fancy pots and pans into a habit.

It's never going to happen. But the definition of a habit is behavior done with little or no conscious thought. People don't buy fancy cookware with little or no conscious thought. It's very expensive, right? And it's not something you buy with enough frequency. You're not doing it at least once a week.

It's maybe you're doing a couple times a year. So what did they do? They bolted on a [00:37:00] consumer habit on top of the product experience because they knew that buying pots and pans was not going to be a habit. So what did they

do? They created what's called a content habit. They have this website called taste where people subscribe.

To content from William Sonoma. So every day, if you subscribe, you get into the habit of opening your email inbox and seeing what William Sonoma has sent you. And sometimes they send you a video from a famous chef, or maybe they send you a recipe, or maybe they sent you some kind of event that's in your area.

That's the variable reward that gives people hooked to the content consumption habit so that the result of all that engagement is monetization. That's a very important rule to remember that monetization is a result of engagement, not the other way around. So many e commerce companies, so many physical product companies are so dead set focused on getting people to check out.

They just want them to buy and leave. They're so focused on getting them to check out that they don't focus on getting them to [00:38:00] check in. It's much more important these days to build that consumer habit and get them to check in because the result of all that engagement will be, Hey, when I am in market for a pot or pan.

Guess where I'm going to go. I'm going to go to a Williamson up. And is this,

MAF: is that fair to say, this is what you mean by all brands have to be digital or all brands must be engagement brands because even in a low frequency purchase product, you must have some check in relationship with your, with

NE: your consumers.

That's right. Right. So the two big ways to do that. Number one is content, which we just discussed. The other is community. So many products, you know, I, I, I gave a talk in Las Vegas not too long ago, and, uh, I have, I, I gave a talk in front of a thousand real estate agents, and the lady who hired me to speak, Said, now we're going to hear from Nir Eyal, he's a, an expert on habit formation.

He is going to teach us how to make home buying into a habit.

Welcome to the stage, Nir. Yeah, exactly. That's exactly what happened. I went to the podium, I said, I'm [00:39:00] so sorry, there must've been a misunderstanding. Let me be very clear. You are never going to make home

buying into a habit. That's never going to happen. It doesn't fit the definition of a habit. A habit is a behavior dealt with little or no conscious thought.

People don't buy houses out of habit. It's not going to happen. So, I gave my talk, right, I've been doing this research for years, I didn't have a special talk for real estate agents, but then afterwards, many people came up to me and said, hey, here's what I'm going to do. I'm going to start sending local newsletters to my, to people in my area, anybody who might be interested about, you know, the, the high school football game, what movies are playing in town, the sales that are going on in the local mall, all this stuff about local information.

So that over time when you are in market to buy or sell a house, guess who you're going to come to? Creating content, creating a community around your product that maybe isn't bought as frequently as you need to form a habit, but you can bolt on that habit with either content or community.

MAF: The real estate agent we bought our home for in New Jersey, um, delivers pies every holiday season and it's a big deal.

[00:40:00] They have a pie party where you can pick it up or you could deliver pies. And I couldn't understand why it was important for them, years after buying our house, that they kept doing that. But it's a fair point, Nir. I know that they are going to have a pie party every holiday season. It is a community of sorts.

And maybe the learning from that is, you can be overwhelmed. By the need to create a Nike style community, you know, where it is or a William Sonoma level daily email blast with celebrity chefs Or, you can find a thing that is unique and believable to your business that is, even if it is, maybe once a year may not be enough, as we're saying, but enough to keep you relevant in the mind of the, of the, of the target audience and, um, something where it can continue, it can continue to keep

NE: you top of mind.

That's right. That's right. And then I'll mention one more thing. I mean, you articulated that perfectly. [00:41:00] One more thing that we see is that we see that a lot of products that previously did not have an investment phase are now starting to have that. So for example, we're seeing with the, uh, with the internet of things.

That many products are, are, are, are, are integrating some kind of interactive component. So for example, there's a company, uh, that, uh, they started out as a coffee of the month club and they had this problem, you know, they would send a coffee every month and probably everybody subscribed to some kind of, of the month club.

And the problem is that it's very difficult to know when to send the next shipment. Sometimes I drank too much coffee and I need more right away. Sometimes I didn't drink enough and now I've got too much coffee laying around. So what they did, it's, it's genius. They send you this tiny little scale, okay?

It's about the size of a deck of cards. And it's, it's a Wi Fi scale, so it's connected to your internet account. You get, you connect it to your Wi Fi as soon as you get it. And they ask you to put the bag of coffee they send you on the scale. And so they're constantly measuring every day how much [00:42:00] coffee you're consuming.

So now, the more you use their coffee, the more you drink their coffee, which is not inherently, the coffee itself is not habit forming. Drinking the coffee is a habit we have every day, but whether I buy from that bean or this bean, you know, that, that's whatever's in the house. Now, they know exactly how much coffee to send you because of how much you're consuming.

They can also draw a conclusion to say, wow, you drank that coffee really quickly. Was that because you liked it more? Tell us what you thought of that particular coffee and we'll send you more blends that are like that cup of coffee. So we can, we start seeing that all kinds of products that we previously thought were not able to improve with use now through these, these innovative technologies, they're doing exactly that.

So cool. Very, very helpful. Um.

MAF: We talked about a lot of, uh, very interesting, uh, ways that physical brands, uh, can think about, uh, can think about becoming more habit forming, uh, near anything we didn't get to talk about on that side of it, [00:43:00] uh, that would be helpful for everyone to hear that came up for you that you want, you might want to share.

NE: Yeah. I think in summary, it's content, community, and then connection, right? Figuring out how you can connect to the physical product in such a way that improves it with use. I think there's a lot of opportunities. If, if folks just sat

down with their executive team, if they sat down with, with their designers and say, okay, how can we make sure that we have our hook model?

How can we make sure that our product experience has a trigger, an action reward investment Just having that conversation, you'd be amazed how much further along you can, you can, uh, innovate your product with that lens, as opposed to, you know, what does the consumer say they need? Right. That, that, that's good.

We should listen to the consumer. Absolutely. I'm not going to argue against that, but we've all seen how consumers can say they want one thing. And yet. When they have the product, they do something else. So as opposed to just relying on, on customer development and consumer surveys, we also want to have some kind of framework.

We want to have some kind of model based on decades of consumer psychology research to plan our future development. So great. [00:44:00]

MAF: Nir, you, um, the, the story that you told about your two books from, uh, from Hooked to Indistractable, I wonder where your interests are going next. Where, what are you thinking about as you're evolving your own views of where you're putting your time and energy?

We could ask the big question, what's coming up next for behavioral science and behavioral design? What's coming up next for Nir? Um, uh, where are you putting your

NE: energy and your efforts? Yeah, so I'm working on a third book and, uh, this book is about beliefs. Yeah, so I became really fascinated by, um, when I wrote Indistractable, uh, I started having people call me or email me and say, Hey, I, I really want to ask you about, uh, this book.

I, it's not working. The book isn't working and not, not very many, but a few people would ask me this question and I'm actually do these office hours with anybody who, who wants, uh, they can book 15 minutes with me right on my website. If they've read either of my books and they have any [00:45:00] questions, they get 15 minutes for free.

We can talk about anything you want. And so every once in a while, I would get someone who, who was on these, these office hour calls. Who would say something to the effect of, yeah, it didn't work. And, uh, I would kind of

interrogate them a bit about like, you know, wow, tell me more. I spent five years writing this book.

What about it? Didn't work. So I became kind of, you know, fascinated with like, here's the solution to your problem. And who doesn't talk about this? Everybody talks about, oh, my kids are addicted to technology and I'm super distracted and I have so many emails and I can't get anything done. And the big, bad tech companies are hijacking my brain.

We whine, whine, whine, whine about how everything is hijacking our brains these days. And yet here's the answer here. I'm giving it to you on a silver platter. After five years of research, here's the answer to your problem. And people would rather complain than actually take action. And so, uh, I became really intrigued with that.

I'm like, well, how do I solve this problem? And, and frankly, my book wasn't the only book that, that did this to some people. I mean, all of us, [00:46:00] you know, we, we, we all have these books with tons of wisdom and yet how much of it do we actually put into practice? So that's what I'm trying to tackle next is, is the, the, this age old, uh, intention behavior gap.

RS: Um, when it comes to your own products, like your books, do you apply the, the hooked model? Is that something that you've used to, to generate interest in and sales?

NE: Oh, absolutely. So, uh, I write, I'm a little different from other authors. I think a lot of other authors. They write books about what they know.

I write books about what I want to know. So, when I, uh, when I was looking for a book on how to build habit forming products, and I couldn't find one, I decided to do my own research and write my own book. Not because I didn't intend to write a book, I actually just started blogging about it, and then I wrote so much about it that it became a course at Stanford, and then it became a book.

Uh, but it was very much for my own problem. I, I, I had I sold two tech companies. I wanted to start a third and I knew it had to be habit [00:47:00] forming and I didn't find a book on how to build habit forming products. So that became my next business, uh, with Indistractable. I found I was constantly distracted.

And the reason it took me five years to write the damn book is because I kept getting distracted while I was writing it and it wasn't until I learned these

techniques, uh, that I changed my life. And today I'm more productive at work than ever. I have a better relationship with my family than ever before.

I'm in better shape than ever before. Not because I'm special or smarter in any way, it's just that I do what I say I'm going to do because I know the techniques, the skill like any other. Uh, and, and so with, with, with beliefs, I'm fascinated by how beliefs affect our, our behavior, uh, and there are many problems I want to solve in my own life based on, on, uh, what I think I'm going to find in the, in researching this book.

So it's, it's, it's, it's what we say, uh, research is me search. Brilliant. We wish

MAF: you all the best of luck with the third book that you're working on. Thank you for giving us a teaser of it. Uh, you know, we are always looking for new ways to help, uh, our listeners [00:48:00] not only build better businesses, build better products, but also be more introspective into their own lives, lead happier and healthier lives.

And so, uh, Nir, we're Thank you very, very much for spending time with us. We're excited to follow what you do next and, uh, until next time, uh, we'll make sure that we put, uh, all of the show notes from what we discussed today at the bottom of, uh, of the website. For those that want to learn more, um, you can visit the consumerbehavioralab.

com where we'll have today's episode. We'll have show notes, a transcript, uh, Please don't miss NirAndFar. com, Nir's blog, uh, where there's lots of information about both books and I'm sure where the new book will be featured. And, uh, until next time, I'm MichaelAaron Flicker. And I'm Richard Shulton. Nir, thanks so much for being with us.[00:49:00]

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