

CEI 025: Interview with Nir Eyal on Creating Habit Forming Products

Megan Dougherty

Hey, there, and welcome to episode number 25 of Connect, Engage, Inspire, the Firepole Marketing podcast with Danny Iny, creator of Firepole Marketing and bestselling author of engagement from scratch.

Online entrepreneurs like you tune into this podcast every week to learn how to build an engaged audience that connects with the humanity and drives the business to success. Today's episode is part of our old favorite series where we republish a really good piece of content that's disappeared into our archives.

In this case, an excellent interview with Nir Eyal author of the new book "Hooked", all about creating products that form habits. Let's get on with the show.

Danny Iny

Hey, Nir. So let's start by just getting everyone situated, who are you and what do you do?

Nir Eyal

Sure. So my name is Nir Eyal. I'm a blogger for my site called Nirandfar.com. I'm also a contributing writer for few publications including Psychology Today, Huffington Post, TechCrunch, and a few other publications. And I study, and teach, and build products that form user habits.

Danny Iny

So what does that mean?

Nir Eyal

So I study how products create what I call unprompted user engagement. So we define a habit as a behavior that occurs with little or no conscious thought. So these are things that we do day in and day out. They're of large part of our daily behaviors. And these are behaviors that we don't necessarily think about, we just do them. And many of these behaviors involve technologies and products that we use. And so, what I've spent the past two years studying is how do products form these habits for us?

Danny Iny

So what are few examples just to help our listeners kind of get their heads around this?

Nir Eyal

Sure. So you think about the products that you find yourself using without really thinking. So something that gets me all the time is email. Email is a

technology that we have become so habituated to that many times I find myself checking my phone for email when I really don't have anything to look at right now, but it just become a habit.

I've had to find methods to get myself back under control when it comes to other habit forming technologies like Twitter and Facebook, and the list goes on and on; Instagram, Pinterest. If you think about many of the breakout hits of the past decade when it comes to social media or other forms of technology, many of them have this habit forming component.

Danny Iny

And so, you've done a lot of this research and you've actually broken it down into this multiple step model, your Hooked Model which is how I initially discovered your work. I stumbled across a video that someone sent me. Tell us about the Hooked Model?

Nir Eyal

So the Hooked Model is this four phases that I've found in my research are endemic to habit forming products. And these four phases are a trigger, an action, a variable reward, and an investment. So the acronym that I like to use is ATARI, A is a hook has four parts, T is trigger, A is action, R is reward and I is investment.

And when we look at habit forming products, products that create unprompted user engagement, we can many times find these four steps. And by the way, that's not only in digital technology but other technologies, other things that we find that we form habits around also have these four phases.

And so, what I did over the past two years now is look for the principles of consumer psychology as well as user interface design, as well as behavioral economics, and try to figure out how product makers can utilize what we now know about human behavior to build better products.

And so, the Hooked Model is really a template if you will to help product designers, product builders, entrepreneurs get it right sooner, right? We know that entrepreneurs should is this process of perpetual failure until we figure out what works. And so, my hope is that entrepreneurs and entrepreneurs so to speak, can use the Hooked Model to build healthy habits in users and build products that users love sooner.

Danny Iny

So does this only apply to tech start-ups? I mean, if someone is listening to this, and they're running a small business, let's say they're building a blog, they're building an audience. They're providing information at helping people do better with their business; build a more successful or more balance lifestyle or supporting them in their pursuit of a hobby or something like that. Would this apply or is this just if you're building the next like social media smartphone app?

Nir Eyal

Yes. So a few things; one if your business model requires habit, so if your

business model requires unprompted user engagement, you need to have these four basic elements, right? You need these four critical components that we see time and time again in habit-forming products, it doesn't matter if it's a digital product or not. If your product requires unprompted user engagement, you need to figure out these four components.

Now, that being said, this is not a one size fits all solution. Lots of businesses don't need to be habit forming, right? You can drive users to use your product in all different kinds of ways that don't require them to form habits, to form automatic behaviors. You know, lots of businesses can drive traffic with advertising, with email messages, with all kinds of different channels. So only if your business model requires habits, requires unprompted user engagement, then this is a pattern for you.

That being said, I think that there's going to be an explosion of different business opportunities that help us cope with our bad habits. So every day now we're seeing new research and new insights from people who are trying to develop products to not only help us gain control of our bad habits but help us create new healthy habit. So my work is kind of on both sides. I want to teach people how to build products that create healthy habits, but also teach us all as consumers how to be aware of how unhealthy habits get formed so that we can do something about them.

Danny Iny

Now, is this the same thing as gamification or is that something different?

Nir Eyal

So gamification I think is a tool within habit-forming products. A gamification type approach doesn't necessarily have to be habit forming, right? It can just be engaging. You can have a gamification type product that gets people very engaged, but it may or may not actually be habit-forming, right?

So a great example to think of, a game itself. So Farmville, at the time it was the most popular, fastest-growing game in history I believe, that was all full of gamification, right? It was a game. But then users eventually tired of it and stopped playing. And so, the Hooked Model actually explains why and it's because the variable reward portion of the game eventually was exhausted. And some games have what I call finite variability. So Farmville would be a great example of that.

The users of the game at first it was very novel, and then the game did very well, but then what was the next game that Zynga had after Farmville? I think it was CityVille, and then came ChefVille, and then FrontierVille, and then CityVille 2 and then Farmville 2, and users figured out that it was the same game again and again and again. And so, that variability that's so important to habit-forming products was gone. So it was a very engaging game, a very engaging experience but not necessarily

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habit-forming.

Danny Iny So what are some interesting examples of things that has been habit-forming, that have use these principles really well but are not the really obvious ones like email and Facebook and Twitter and so forth?

Nir Eyal It's a good question, you know, I think we're still looking for the awesome examples that help us have healthier behaviors. Using these products and depending on these products is a matter of moderation. And I think for a lot of people, they can be use for good. You know, I think the founders of Facebook, and Twitter and many of the companies that have now formed habits in our lives—Instagram is a great example. I think the founders really do believe and started their companies because they wanted to help people. They wanted to help bring people together.

Now, some people go overboard and become addicted to these products. But communication is a very important aspect of our lives and it helps bring meaning and connectedness to our distance. And so, I think in many ways, these products have built healthy habits.

Danny Iny I think anything in moderation and nothing too extreme obviously, but I think a great example, I don't know if you're familiar with it or if you look at but for example the Nike FuelBand, is that something you've looked at?

Nir Eyal I have, and I can't say I'm all that impressed

Danny Iny You're not impressed. How come? I don't own one but I've heard very good things. So tell me.

Nir Eyal Yes. So I don't think there is necessarily lasting habits there. And I could be wrong, I'm one person. But what I've seen in my observation is that people tend to use these products for a while, and then they kind of fall off. There seems to be like this 90-day, 120-day threshold, and then people stop using some of these products. And I think it's because they're missing part of this critical element of the hook which is the investment phase.

The investment phase of the hook is the fourth step. And it requires the users to put something of value into the system. So time, money, data, something of value into the system that makes the system better over time.

And so, what we find with a lot of these products that try and change consumer health is that, it's just data, right? The quantified self-movement has this problem now for years that for those who aren't playing for the numbers, it gets tiresome after a while like you just see the number day in and day out, but you don't know what to do with it or how

to make it any better.

So one of the traits of habit-forming technology, which I think is incredibly exciting because if you think about things in the real world, everything in the real world depreciates, right? Our tables, our chairs, our computers, our phones, they all get less valuable over time. But software and habit-forming technologies have the possibility of appreciating in value.

And so, I think that's part of the problem with some of the health tech products we've seen today that they don't appreciate in value. They don't get better. They just tell you the data but then they don't actually get better, whereas a product like Twitter, the more followers I have; the more valuable the product is for me, right?

On Instagram, the more pictures I've taken, the more followers I've accrued, the more it becomes my album, right? It becomes my collection of photos.

If you look at eBay for example or on AirBnB, my reputation becomes a form of stored value in the product. They can literally take my store value to the bank and earn more money based on these products and services I sell because of this form of stored value. So a lot of these health tech companies need to find a way to get users to invest in the product so that they'll keep coming back.

Danny Iny

It's really interesting that you mentioned that 90-day or 120-day hump because I'm just reflecting now. So I wanted to get back in shape, I hired someone to work with me kind of like a trainer. And it went pretty well, you know, got back in shape, started doing stuff, and he went on vacation for a month and half. And during that time, you know, as it happened just serendipitously the day before he left, basically, I hurt my shoulders so I couldn't exercise for a couple weeks. And then I don't remember what was going on, things were busy.

And here I am like three months later, I haven't exercised once since he went away on vacation. And so, like it was great when the hand holding was there and the enforcement was there but these habits are so easy to fall away from. And I'm just thinking to our listeners who are business owners who often maybe they're trying to start something on the side or they're trying to branch out into something new; that requires a lot of work, it requires a lot of discipline.

They set themselves like this regiment or routine of what they're going to do. And, you know, I'm going to put in an hour every day or whatever the

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thing is, and I stick to it for like a week, two weeks, three weeks, but at some point often it falls off. And I'm just thinking out loud. I mean, what are your thoughts on that? How might—because I mean, software is really just a way of systematizing an existing experience, right? So what might be done there?

Nir Eyal

It's a great question. I think there is—part of the problem is that we apply the right change method for the wrong behavior. And let me explain what I mean. I believe that there's four big buckets of behaviors that we try and change. And if you think about it like a four quadrants, and on one axis is behaviors that we want to do and behaviors that we want to not do, along the one axis called it the Y-axis.

And on the X-axis, think about it as behaviors that require a high degree of willpower, a high degree of control and then behaviors that require a lot degree of control. And when you classify things into these four buckets and you can go on my blog nirandfar.com and look at the behavior change matrix, then there's a much more explanation there about it. But if you look at these four different behavior types, you realize that the way we change these behaviors is vastly different.

So for example, if you want to change a behavior that is a low willpower behavior that you want to do. For example, I want to go on a walk every day. I want to get a little bit of physical exercise every day. Well, the right way to change that behavior is not to punish yourself, is not to restrict what you're doing, is not to, you know, beat yourself up. Turns out the right way to change a low will power behavior that's a doing behavior is to find the joy in it. Is to be mindful about the pleasure of doing the behavior, right?

Whereas, to do a high will power stopping behavior, for example, to quit smoking, well, there's no way to enjoy quitting smoking. That's a wrong change method. It's also wrong to beat yourself up, and punish yourself, and keep track. That also turns out to be the wrong method. It turns out that mindfulness and surfing the urge, and there's a whole another set of science around how to change those type of behaviors. So the first step is to align the behavior you're trying to change with the method that you want to change.

Danny Iny

Well, I guess the first step is to identify where on that quadrant is the behavior you want to change fit.

Nir Eyal

Exactly, exactly. That's the first step. And then the research, what works best? So for example, if you want to attain high-skill, let's say you want to be a masterful pianist or a computer programmer, an engineer. That is not something you can do slowly. It's also not something you can do by beating yourself up. It turns out that that's a different change method. To

get a high skill and high expertise, it requires diligent practice. And there's some great books around the concept of the 10,000-hour rule that had been popularized by Malcom Gladwell and others. There's a whole another set of change methods for those type of skillful behaviors.

Danny Iny

And so, what are the change methods for those? I think that's what eludes a lot of people. They want to develop like a consistent diligent practice for something and they're trying to force themselves to just kind of stick to it for one more day, one more day until it becomes automatic. Is that all it is?

Nir Eyal

Yes. So there's a couple of shortcuts. So you illustrated one shortcut, which is you get a coach. And a coach has an amazing ability to force you to do something, right? But as soon as that coach left, you actually didn't have a habit, right?

So any people for a lot of different behaviors. For example, learning to the program as a lot of people want to learn how to code these days. Well, unless you can afford somebody to sit next to you and make sure that you're going to learn code every day for four hours a day, that's not something that most people can access.

Danny Iny

And nor is it sustainable.

Nir Eyal

And nor is it sustainable, that's right. So what I recommend is to first start from the box to the left. The box to the left is to first make it a low will power behavior, and do what I call MEA, a Minimum Enjoyable Action.

So let me teach you about how—or let me tell you about how I learn to run. So I was actually clinically obese as a kid, and I hated exercise. I just thought it was a stupidest thing in the world. You get sweaty, it's uncomfortable, I was always out of breathe and of course that lead to this vicious cycle of because I didn't get enough physical activity, I didn't want to take my shirt off to go in the pool when other kids were jumping in the pool. And so, I stayed home on the couch watch TV and the cycle perpetuated.

So up until about two and half years ago, I decided that I was going to not run, right? I was going to learn how to love running. And I learned how to love running by finding my MEA, my Minimum Enjoyable Action. MEA, a Minimum Enjoyable Action.

So the idea was I was going to do my minimum enjoyable action, which at that time was going out to walk but I scheduled that walk. So I literally put in my calendar, go for 15-minute walk. That's it. I threw out this idea of no pain no gain. I threw out this concept of punishing myself about goals. I threw out all of that. And instead what I did was my MEA. But I did it

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every day. I scheduled that MEA every day, but it was not hard to do. It was fun to do. It was my MEA, it was enjoyable action. And if it was too hard then it wasn't MEA. I brought it back.

What happened was is that because I found the right change method for that behavior, I started the consistency around that behavior. And I started to find the pleasure in that behavior. And you know what? Over time, this took a long time, but over time that 15 minutes, turned into 20 minutes of walking and then 30 minutes of walking. Not because I had to. Not because there was a goal. Not because there was a coach, but because I like it, because I always like it.

And then it turned out that that 30 minutes of walking turned into 1 minute of running and 29 minutes of walking, and then 2 minutes of running and 28 minutes of walking, and so on and so forth until today, three days a week, I love running. I don't have to set strict goals; I don't have to measure anymore. I just like running. And it turns out that's the secret of all my friends who at the time when two and half years ago, when I thought running was crazy, it turned out that was the secret of all my friends who are running consistently. They weren't beating themselves up, they just like it. And so, the goal should be not to do the activity, it should be to figure out a way to love the activity.

Danny Iny

That's really cool. So usually we're coming up on 20 minutes, which I tried to keep these interviews to and I usually don't succeed. And usually the last question I'll ask is if someone has been listening to this. They're super-impressed. They want to put some time into their calendar today. They're going to clear some time and start applying what they've just heard. What should they do?

What I'm hearing from you right now is that what they should do, if they want to develop a habit, is identify what is that minimum enjoyable activity that they can start doing. And further if you want to help someone else develop a habit whether they're a friend to colleague, a love one or a customer; likewise identify what is that minimum enjoyable activity for them. Is that a fair start?

Nir Eyal

That is a great start. And if you look actually at the history of all of these habit forming products that's so engage us today, Facebook, and Twitter, and Pinterest and even email, all of these started as a pleasure seeking behaviors. Nobody forced the world to start using Facebook. It starts because it's fun. That's how all these things start. They start as toys. And that's why they tend to fly under the radar, people often dismissed these revolutionary product that so change our behavior because they think of them as toys.

Well, toys are fun and they engage our reward centers. And because we

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start consistently using these products time and time again, they become lasting routines

Danny Iny

Awesome. So Nir, usually at this point, I'd have just one last question, which is tell people where they can find you. But in your case, I have a double question because I know you've got your upcoming ebook about the Hooked Model. And I remember we discussed previously how you're looking to do something really interesting and different. You weren't quite sure what it is yet.

So tell people about the book. Tell people about where they can sign up to hear about it when it's available. And tell us if you got any ideas about how it's going to be new and innovative and different like what are you contemplating?

Nir Eyal

Yes. I don't know. Just like I told you the other day, I try to cultivate this love of running. Well, I have been working on this love of writing for quite some time. And that started from just writing my blog little by little. And that's why I'm writing this book. I enjoyed the process. I enjoyed learning. I didn't use. I used to hate writing. So I've taught myself how to love writing.

And the goal is to get this book out by the end of the year. It's going to be given out for free in electronic form to everyone who subscribes to my blog. And you can sign up at nirandfar.com. Nir is spelled N-I-R, my first name, nirandfar.com and you'll get an electronic copy when it's available, which hopefully will be by the end of the year.

And if you have really cool ideas for how to make an electronic book better than the standard PDF that we've seen today, I'm all ears. I'm really looking forward to a more engaging medium. You know, my problem is if I'm going to write a book about engagement, my book has to be engaging. So I'm trying to figure out how to do that. So I'd love any advice that your readers might have.

Danny Iny

Awesome. And I'm sure you're going to get some good ones. And I'll just tell our readers that in addition to getting Nir's book when he releases it, which is at the end of the year, it's not that far off. He publishes infrequently on his blog like once a week. It's not going to overload your inbox, the posts are immediate, they're interesting, they're valuable, they're going to get you thinking.

So definitely head on over there. I am subscribed there and there's not a lot of blogs that I subscribe to. So that's as much of an endorsement that I can give.

So, Nir, thank you so much for taking the time to do this today.

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Nir Eyal

Thanks. It's been my pleasure.

Danny Iny

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