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### Building a hook for success

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# Building a hook for success

31 May 2021

*Nir Eyal rode the Silicon Valley wave and created the Hook model that keeps customers coming back for more. He sees shades of 2006 Silicon Valley optimism in Singapore*

In a 2019 research finding by tech insurance company Asurion, Americans were found to check their phones 96 times a day. Other research across the world produced even higher numbers, some putting it [as high as 160 times](#).

Boredom is often cited as a reason for the high figure. Boredom is also what best-selling author Nir Eyal calls an 'internal trigger'.

"Internal triggers are uncomfortable emotional states that we seek to escape from: boredom, loneliness, fatigue, stress, anxiety etc.," he explains. "These are the triggers that prompt us to use a product with little or no conscious thought.

"From 2-4pm in the office, people check stock prices, sports scores – 'Let's worry about somebody else's problem halfway around the world so we don't have to think about our own internal triggers.'" Holding up his mobile phone, he emphasised: "A product that associates itself with that psychological itch is the thing we turn to with little or no conscious thought."

## THE HOOK MODEL EXPLAINED

Eyal was explaining the Hook model from his 2013 book *Hooked: How to Build Habit-Forming Products* at a recent SMU Institute of Innovation & Entrepreneurship (IIE) sharing session, where he spelt out the four parts:

1. Trigger
2. Action
3. Variable Reward
4. Investment

Eyal, who explained to the audience that he invests only in companies that build habit-forming products and services "because that's what I understand", points to the importance of identifying "the internal trigger that I am going to attach my product's use to".

Once that is identified, it is time for *Action*.

"The action phase is defined as the simplest behaviour done in anticipation of an immediate reward," he elaborates. "It's the simplest thing a user can do to get relief from that psychological itch; it's a scroll on FB, a search on Google, a click on YouTube.

“There’s a formula: Any behaviour, B, is a result of three things at the same time: (M)otivation, (A)bility, (T)rigger. In any UX, if the user is not doing what we have designed for them to do, it’s either because they lack sufficient motivation, ability (how easy or difficult something is to do), or a clear trigger isn’t present.”

For *Variable Reward*, Eyal cited the Brain stimulation reward (BSR) research of James Olds and Peter Milner in the creation of pleasure and desire while using a product or service. In the case of social media, the variability comes from not knowing what comments a post will garner, or how many likes or reposts it will generate.

“Things that feel good and have this element of variability, and come from other people” are characteristic of ‘Rewards of the tribe’, one of the three Variable Rewards. There is also the Reward of the hunt, which is what happens when people scroll through social media: “You’re just searching for the next bit of interesting content, the next bit of variable reward.”

Then there is Reward of the self, which are “things that feel good and have the element of variability but don’t come from others or the search for material things; these are things that feel good in and of themselves. These are intrinsically pleasurable and involves the search for mastery, competency, control.

“Best example: gameplay. Angry Birds, Candy Crush. You don’t win anything. You’re not even necessarily playing with somebody else. But there’s something fun about getting to the next level, the next accomplishment.”

## INVESTMENT: OFTEN OVERLOOKED

*Investment*, Eyal articulates, is the most overlooked part of the Hook model.

“It’s where the user puts something into the product to make it better with use, and increases the likelihood of the next pass through the hook,” he elaborates. “Investments do this in two ways. One, loading the next trigger.

“For example, when you send someone a message on WhatsApp, there is no immediate gratification. Except that when you send someone that message, you’re loading the next trigger because you’re likely to get a reply. That reply comes coupled in the form of an external trigger [of a notification alert] that sends you to the hook once again.”

The second way that investment increases the likelihood of the next pass to the hook is by what Eyal calls ‘stored value’. “For example, the more data a company collects on you, the better the product becomes. Social networks are the most obvious examples.

“Reputation is another form of stored value. On platforms such as eBay or Airbnb, my reputation is directly proportional to how much I can charge for my goods and services. How likely am I to leave these platforms after I have accrued all this positive reputation even if a better service comes along? Not likely because I have all this stored value here.

"It's not the best product that wins. Oftentimes it's the product that captures the monopoly of the mind. The first product that we turn to without conscious thought is the one that wins."

## MAKING BETTER TECH...TO MAKE TECH BETTER

Eyal, who moved from New York City to Singapore at the beginning of 2020 – "I googled, 'Which is the best place to go during a pandemic' and the list said Taiwan, Singapore and New Zealand" -- has stayed on despite a planned three-month visit.

While his family enjoys being in Singapore, Eyal, who has built and sold two technology companies, sees a lot of similarity between the island state and Silicon Valley in 2006.

"There's that same optimism," he observes while noting that the current ethos of Silicon Valley is cynicism. While acknowledging that companies such as Google and Facebook have made serious mistakes in recent years, Eyal invokes philosopher Paul Virilio: When you invent the ship, you invent the shipwreck.

"The way to make things better is more technology," he says. "When was the last time you heard about a shipwreck? Do we stop sailing ships? No! We make ships better.

"The way we fix the existing generation of technology is the next generation of technology. So we need more entrepreneurs and tech people. Sometimes I feel that this techno panic, this pessimism is harmful in the long term.

"The good news is the Silicon Valley vibe is not the same as that in Singapore. The vibe here is that there are blue skies ahead."

*Nir Eyal was the speaker at the SMU Institute of Innovation & Entrepreneurship (IIE) Business Innovations Generator (BIG) sharing session "Building habit forming products with Nir Eyal" on 11 May 2021. Register your interest for the next BIG cohort today!*

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