

business bitesize



business breakthroughs
in minutes

PENTLANDS
Accountants and advisors
for growing businesses

pentlands.ltd.uk
01926 424455

You catch more customers only when you hook into their regular routines...

It's easy to admire the business success of Facebook, iPhone or IKEA.

It's harder to work out what they've done to grow so big, so fast, and with so much customer loyalty.

What if you could learn from their way of doing things? And enjoy some of their success too?

Dive under the surface of these businesses and you see a formula.

Apply the formula and you secure a profitable future for your business.

Ignore the formula and you miss out on greater customer loyalty and win fewer new clients. Ignore the formula and you'll sell less than you could.

In a nutshell

You achieve greater success in your business when you make your customers habitually use your product or service.

Get your customers habitually hooked on what you do and your future is secure.

The power of habit is undeniable

A recent study by Nottingham Trent University asked a group of 18 to 33 year



olds about their mobile phone usage.

They were asked to estimate the amount of time they used their phones.

Their phones then had an app installed to track their real usage. Real usage was twice as much as they estimated themselves.

In fact, on average they checked their phones 85 times a day, spending a total of 5 hours per day on their phone.

A third of their waking hours on their phone, half of which they were unaware of – on autopilot!

Psychologists define habits as:
"automatic (habitual) behaviours triggered by situational cues"

Or put another way – things we do with little or no conscious thought.

Tee-off with technology

Just 2 years after launching in 2010, Pinterest was named the third most popular social network behind Facebook and Twitter (all three are habit driven products).

Here's a proven solution for your business...

Achieve greater success by applying the **4-phase process** of habit-forming products to your business.

But Pinterest has nothing on Snapchat! From a 2011 start it now has 10 billion habitual views a day!

You'll find more on Snapchat's and Pinterest's stunning statistics in the tools and resources accompanying this Bitesize report.

Not just limited to tech products and services...

You'll have seen the rise of vaping – believed to be a less harmful form of smoking. A new habit-forming product.

Do you have a Nectar card in your purse or wallet? Or the Tesco equivalent? Or any other loyalty card? What about a credit card? All hook into habitual behaviours.

Let's see how you can make habit-forming products pay off for your business.

The 4-phase process of habit-forming products...

TRIGGER an **ACTION** (1 & 2). The action delivers a **REWARD** (3). Then an **INVESTMENT** (4) reinforces the process.

In his excellent book *'Hooked – How To Build Habit-Forming Products'* – Nir Eyal has distilled many years of research and real world experience into 4 phases.

This 4-phase sequence gives us an X-ray view of the success of Nescafe, Pinterest, Facebook, IKEA, Twitter, Candy Crush, Amazon, Instagram and more.

We're hard-wired for habit!

Language habits. Decision making habits. Driving habits. Brushing your teeth habits. Buying habits.

Research suggests that we humans spend between 50% and 90% of our waking lives on autopilot. It's unavoidable.

So it pays to build habit into your products and your services too.

Make your products habit-forming products too

Habits are not created – they're built upon an itch that needs scratching.

Like a pearl is built layer upon layer on a small piece of uncomfortable grit in the oyster.

No grit, no pearl.

A habit won't form unless you get an initial (and then a repeating) action.

1. Use TRIGGERS to get started...

All habit-forming products start with external triggers:

"External triggers are embedded with information, which tells the user what to do next." – Nir Eyal

An advert, an email, an iPhone app icon, a recommendation, a push notification – these are all external triggers. There are four types of external triggers you can use:

- Paid triggers
- Earned triggers
- Relationship triggers
- Owned triggers



Vaping and coffee, habit-forming products hook into habitual behaviours

You'll find more on these four triggers and the five sources of habit triggers in the online tools and resources – **click the button on the page opposite**.

However, substituting external triggers for **internal triggers** creates a truly habit-forming product.

Instagram starts with external triggers but soon, thanks to sharing photos and lighthearted banter, Instagram also dispels boredom (itch). Instagram also dispels the fear of missing out (itch). These itches become mini, internal, pain-driven habitual triggers that have resulted in millions of regular users.

2. Triggers then prompt ACTION...

You need to manage your customers' ability to act and motivation to act. Your goal? To make **doing** easier than thinking.

Your emails get a better response when you have a blatantly obvious call-to-action button – like the Instagram example you'll find in the tools. It's also why Instagram and LinkedIn have endless scrolling for more pictures or more contacts – less action is needed to view more. It's why Tesco make their loyalty card a key ring – it's easier to find and scan.

Making 'doing' easier than 'thinking' means managing the six elements of simplicity as suggested by behavioural scientist B.J. Fogg:

To become habitual your actions must:

- use less time
- use less money
- need less physical effort
- need less brain effort
- be more socially acceptable
- connect with existing routines

Check out the post-it note exercise in the downloadable tools to help you apply these six powerful ideas to your business – **click the button on the page opposite**.

3. After action comes a REWARD...

...a variable reward ideally.

One of the reasons Candy Crush is so popular is that each reward on a new level varies in difficulty. Some are easier, some are harder.

Variable rewards beat predictable rewards hands-down because novelty sparks our interest and makes us pay attention again and again. We quickly get bored of the same old, same old.

Eyal suggests that types of variable reward fuel habit-forming products:

- Rewards that make us feel accepted, attractive, important and included – **rewards of the tribe** – think Facebook and Snapchat
- Rewards of the hunt** tap into our natural built-in need to acquire things – think Instagram and Pinterest and collecting pictures
- People have a deep desire for competency and completion. It's why you want to empty your email inbox. It's another reason Candy Crush is such a success. **Rewards of the self** is also why Sudoku and other puzzles are so popular

Only by understanding what truly matters to your consumers can you correctly match the right variable reward to their intended behaviour. When you do, you're another step closer to building your habit-forming service or product.

4. Reward is followed by INVESTMENT...

Eyal's research tells us there's lots of evidence to suggest that our labour leads to love. It's why we 'value' our home-built IKEA wardrobe more than it's actually worth.

The stored effort in your iTunes or Spotify account is what keeps you using it, again, again and again.

Even the airlines have 1st class customers investing time/effort in self-service bars rather than waitress service, to hook them into flying with them next time.

TIME TO DISAGREE

“Isn’t it a contradiction to create an easy action process but then build effort into the investment process?”

It’s a fair question. Eyal suggests that it’s very important you make the first action as easy as possible otherwise people won’t take it.

Afterwards, in the investment phase, he suggests more difficulty increases loyalty (as long as it’s not so difficult that people quit).

“I can see how habit-forming product design works for consumer products – but I sell to companies!”

It’s easy to show you the habit-forming process with consumer-facing tech companies like Facebook, Pinterest and Amazon.

The people in companies have habits too – why not work out how you can use the 4-phase process?

Office supply companies are good at getting admin people hooked on variable rewards when they order stationery.

How could you use ‘external triggers’ in a better way to stimulate greater usage of your service or product?

Could you make your enquiry or quotation process simpler, easier or faster to gain a competitive advantage?

“We do large one-off projects for people. We don’t have a chance to apply habitual process.”

With larger projects there are usually several interactions between you and your customer.

What triggers and actions could you build to make the processes habit-forming and prompt your customers to recommend you more?

“Designing products to hook people sounds morally bankrupt!”

It’s a valid argument. If you mean to do people harm then you’d be morally bankrupt in the pursuit of habit-forming product design.

Like Eyal says, addictions are self-destructive. However, habits are not always self-destructive and can be healthy (although some are unhealthy too of course!).

“Please tell me more”

A great next step is to get your hands on the book that inspired this edition of Business Bitesize.

The ideas in Eyal’s book are simple and too powerful to ignore.

It’s why the founder of ‘WordPress’ (the world’s most successful website platform) says about the book:

“Hooked gives you the blueprint for the next generation of products. Read it or the company that replaces you will”
– Matt Mullenweg

Want more? See some examples and try some exercises to make more of ‘Hooked’ – check out the downloadable tools here...



Get Your Bitesize Support Tools Now

Your feedback is important to us. We’d love to know what you think of this edition of Business Bitesize and how you use it or plan to use it. Also we’d welcome your suggestions for future editions of Business Bitesize. To give us your thoughts please use the simple feedback form here: www.businessbitesize.com/pentlands



4 helping hands for you...

Learning and using the 4-phase process can improve the sales and repeat sales of your products and services. It can help you build your network of customers, build profits and build capital value into your business.

On the other hand. Allow your competition to get ahead of you with the science of habit-forming products and you run the risk of losing out in a big way.

- 1. Put external and internal triggers to work for you**
- 2. Make customer actions simpler and easier for them**
- 3. Use variable rewards that match their behaviour**
- 4. Then work out how to get customer investment**

ULTIMATE ARGUMENT:

“How do I know the 4-phase process of habit-forming products will benefit me and my business?”

The fastest growing and most successful businesses of the 21st century are using the science of habit-forming products.

Assess your products or your services against the 4 parts – Trigger; Action; Reward; Investment – use the downloadable tools to help you.

STOP leaving your business success to chance by avoiding the power of habit-forming product design.

START using external and internal triggers to make using your product an automatic behaviour by your customers.

Use the Business Bitesize Support Tools And Resources

to help you make the most of this edition of Business Bitesize – go here: www.businessbitesize.com/pentlands



Your next steps:

Whether you run a technology company or not, the 4-phase process of habit-forming products can help you get better results for your business.

Trigger, Action, Reward, Investment provides you with a brilliant 4-part sounding board to judge your products.

Use the habit-forming insights to filter out bad ideas with low-habit potential.

And use the habit-forming framework to find ways to improve the habit-forming nature of your existing products.

Start by working out how to trigger your customers' behaviour...

The 4-phase habit-forming process starts with external triggers you control.

Make your external triggers relevant enough and you're on your way to habit-forming success.

More tools and information for you:

As well as the steps on this page, use the insights, stories and tools by downloading the supporting resources at the URL link below.

The 4-phase process of habit-forming products helps you avoid average results...

Facebook, iPhone, Snapchat, Amazon, Tesco, IKEA, Pinterest and many more of the world's fastest-ever growing and largest-ever companies use the 4-phase habit-forming process. Shouldn't you test it too?

1. Work out which **EXTERNAL TRIGGERS** you can use, then work out how to connect with **INTERNAL TRIGGERS** to prompt more customer action...

Like Mars did with their 'Paid Trigger' advertising slogan - 'A Mars a day helps you work rest and play.'

Like Facebook and Twitter have connected with the internal FOMO trigger (fear of missing out) and not being in the tribe.

2. Make **ACTION** easier than thinking using clear and obvious commands...

3. Instead of predictable (boring) rewards, work out how to provide **VARIABLE REWARDS** for actions taken

Work out which variable rewards work best for your product or service and your customers - rewards of the tribe, rewards of the hunt or rewards of the self.

4. After simple, easy to action and variable, relevant rewards, now work out an **INVESTMENT** that further hooks customers

How do you adapt what iTunes, Twitter, Facebook and LinkedIn does to get users to invest time and effort into profiles, content and invites?

Find out more by downloading the support tools and resources from the URL link in the box below. And why not get Nir Eyal's brilliant book for greater insight for the success your business deserves?

YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a selection of practical support tools to help you work out how to apply the 4-phase process of habit-forming products to your business.

Find the support tools to help you here - www.businessbitesize.com/pentlands

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You catch more customers only when you hook into their regular routines...

Start by asking yourself:

What are you doing to make your product or service one that your buyers use habitually (better than your competition)?

CONTENTS:

- 1. The one 'Hooked On Success' question you must ask yourself if you are determined to tap into the success strategies of Facebook, SnapChat or E-Lites**
- 2. The science of habitual triggers** – Understand the importance of triggers and how you put them to work for your products and services
- 3. Make doing easier than thinking** – Examples that show you how to make action easier than thinking
- 4. Make doing easier than thinking post-it note exercise**
- 5. The 'Hooked On Success' checklist exercise** – You can be certain you are doing everything you can to habitualise your customers to your product or service when you use this checklist.
 - a. Make TRIGGERS work checklist**
 - b. Make ACTION easy checklist**
 - c. Make REWARDS variable checklist**
 - d. Make INVESTMENT work checklist**
- 6. The book and other powerful resources** – '*Hooked – How To Build Habit-Forming Products*' – Nir Eyal

STOP leaving your business success to chance by avoiding the power of habit-forming product design.

START using external and internal triggers to make your product an automatic behaviour by your customers

1. If you're going to tap into the success patterns used by the likes of Facebook, Instagram, Pinterest, Tesco, Airmiles, Credit Cards and many more you need to answer this question:

What are you doing to make your product or service one that your buyers use habitually (better than your competition)?

Where is the value in this question?

The value lies here...

...the degree to which your product or service connects with the habits of your buyers determines your business success.

Repeat use is made more likely if you help make using your product or service more of a habit.

Repeat purchase is made more likely if you help make buying more of a habit.

Repeat use and repeat purchase are a major foundation of your business success.

More importantly...

...there's a race, there's a battle, there's a fight going on. Whoever makes their product more habitual (you or your competitors) will most likely sell more and make more profit.

You gain a competitive advantage when you understand the science behind habit triggers – see section 2 below.

You beat your competition when you understand the ways and means to apply the 'Hooked' habit loop to your products and services.

Warning: The insights about habits are so obvious and such common sense it's easy to take them for granted or ignore them. Snapchat, Facebook and LinkedIn do not take them for granted because they are too valuable. If you're committed to growing your revenues and profits put the resources below to good use.

2. The science of habitual triggers – Understand the importance of triggers and how you put them to work for your products and services

Your goal is to have your buyers or users automatically (habitually) act in favour of your product, your service, your business.

Before anyone acts, a trigger prompts them to act. No trigger, no action.

External and internal triggers:

For example: You deal with emails either because an **external trigger** prompts you (your phone pings to tell you an email arrives).

Or you may deal with emails because your **internal trigger** prompts you to:

- master a game called 'emails' - your email inbox to show zero emails or less than 10
- or is it because if your email inbox has more than 10 emails you feel incompetent, disorganised?
- or is it because your internal FOMO (Fear Of Missing Out) trigger has driven you to act?
- or is it because you feel out of control when email inbox numbers get high?

Five personal habit triggers: setting; time; people; preceding action; emotional state: - All act as triggers. (All but emotional state are external triggers).

For example: brushing your teeth

- *Where* are you when you brush your teeth? Ensuite or family bathroom? Where's your toothbrush? In a cup next to the tap? Where's the toothpaste?
- *When* you brush your teeth what time is it? 7.00am or 10.45pm?
- *Who's* normally in the bathroom when you brush your teeth? Your spouse, nobody?
- *What* happens just before you brush your teeth? Shower, shave?
- *What emotional* state are you normally in when you brush your teeth? Drowsy, raring to go?

Can you see how all these triggers are happening every day which is one reason that brushing your teeth is such a well entrenched habit. For more on the 5 personal habit triggers check out what James Clear has to say about them - <http://jamesclear.com/habit-triggers>

To help people buy more, what do FMCG (fast moving consumer goods – soap, cereals, tea, wine) products do to influence 'setting' and set off a trigger for you to act/buy? Packaging, point-of-sale, sale stickers, these are all designed to trigger an action.

What can you do to make better use of the 5 personal habit triggers with your products and services?

FOUR HOOKED TRIGGERS

- a. **Paid triggers** – Can you name the chocolate bar that used one of the most successful paid-for triggers in advertising history? The ‘slogan’ tapped into three of the 5 triggers – ‘setting’ and ‘preceding action’ and ‘emotional state’. Finish the slogan if you can...

“Have break, have a.....”

*‘A **** a day helps you work rest and play’*

- b. **Earned triggers** – To trigger audiences to go see a film the actors and the film executives work hard to earn the exposure so that they are seen on chat shows and in other interviews. Earned triggers are about keeping your product in the limelight, in the press, being talked about.
- c. **Relationship triggers** – For relationship triggers to work for you and your business you need to establish an enthusiastic and engaged fan base. It’s as old as the hills, but getting people to tell other people about your product is one of the most powerful triggers available to you.
- d. **Owned triggers** – You own the apps on your phone and these apps act as triggers for your behaviour. You’re more likely to say yes to push notifications in your ‘tripadvisor’ or ‘facebook’ app which makes the owned trigger even more powerful as an external trigger.

Making best use of external triggers to build an internal habitual trigger is your goal

“Emotions, particularly negative ones, are powerful internal triggers and greatly influence our daily routines.” – Nir Eyal

Obsessing about triggers will pay off as you see greater use and greater sales of your products and services.

Please get yourself a copy of Eyal’s book and get obsessed with triggers.

What more can you do to use external triggers to build internal triggers about your product or service?

3. Make doing easier than thinking – Examples that show you how to make action easier than thinking.

If your customers, buyers or users fail to act then all is lost.

**To get people to act you must...
...make doing easier than thinking.**

Tesco make scanning their club card easier than thinking by providing their club card as a keyring. If you prefer a credit card version you have that too.



Now see how Instagram 'make doing easier than thinking'...

...making the 'Reset Password' button so obvious, so blatant, so easy Instagram make the action stage of the 'Hooked' model work well.

In the pdf version of this edition of Business Bitesize report you'll find the bright red button for these tools making it easy, obvious, blatant.

Instagram

Hi @shrimpers22,

We got a request to reset your Instagram password.

[Reset Password](#)

If you ignore this message, your password won't be changed.

If you didn't request a password reset, [let us know](#).

What are you doing to make action easier than thinking for your products, your services, your emails, your processes in your business?

4. Make doing easier than thinking post-it note exercise:

- A. **Simply identify the action you want a user to take** – for example, brush your teeth with toothpaste

YOUR ACTION: Choose an interaction between your business and your customer – let's call this a 'moment of truth'

- B. **With post-it notes, map out every small and singular step needed** for the action you require

To brush your teeth: Walk in bathroom – turn light on – walk to sink – grab tooth brush – grab tooth paste – unscrew toothpaste cap – put cap on sink – squeeze paste onto tooth brush – pick cap up – screw cap back on toothpaste tube – put toothpaste down – turn on tap – wet toothbrush – turn off tap (to save water) – put brush in mouth – start brushing

YOUR ACTION: Now take your chosen 'moment of truth' and map every little step with post-it notes

- C. **With your people review each step and work out how to remove steps or make steps quicker and easier for your customers**

Find easier than thinking actions: You can play a game with the brush your teeth example above and work out how to remove steps or make steps easier and/or faster. For example light coming on automatically as you walk into bathroom; a toothpaste dispenser that puts toothpaste on your brush when you remove it from the dispenser; no water required toothpaste...

YOUR ACTION: Now do the same for your chosen 'moment of truth' with your customer

5. The ‘Hooked On Success’ checklist exercise – You can be certain you are doing everything you can to habitualise your customers to your product or service when you use this checklist. Where you find a ‘No’ you have an opportunity to improve your product or service...

a. Your MAKE TRIGGERS WORK checklist:

External Triggers require you to stimulate action:

- Are you using enough **paid** triggers to stimulate action? YES / NO
- Are you using enough **earned** triggers to stimulate action? YES / NO
- Are you using enough **relationship** triggers to stimulate action? YES / NO
- Are you using enough owned triggers to stimulate action? YES / NO

Internal Triggers are like an itch that needs to be scratched:

- Does your product/service connect with a **negative** emotion trigger? YES / NO
- Does your product/service connect with a **positive** emotion trigger? YES / NO
- Does your product/service connect with an **established** thought? YES / NO
- Does your product/service connect with a **pre-existing** routine? YES / NO

Trigger questions to ask yourself – “...understanding why the user needs your product or service is critical.” – Nir Eyal

- What pain do these habits solve?
.....
- What’s your user feeling just before one of the actions you want?
.....
- What would your users want to achieve by using your product or service?
.....
- What emotions influence their use and will trigger them to action?
.....
- Where and when are they when they will use your product or service?
.....

b. MAKE ACTION EASY checklist – *“The more effort – either physical or mental – required to perform the desired action, the less likely it is to occur”* – Nir Eyal

- Does your product/service deliver enough **motivation** in one or more of three ways:
 - i. - Seek pleasure and avoid pain? YES / NO
 - ii. - Seek hope and avoid fear? YES / NO
 - iii. - Seek social acceptance and avoid rejection YES / NO
- Does your product/service require the minimum amount of **ability** and effort to do take the action you require? YES / NO
- What is the thing that is missing that would allow users to proceed to the next step?
.....
- Which of these elements can you change to make the action you seek easier, simpler and more likely to happen?
 - Use less time YES / NO
 - Use less money YES / NO
 - Use less physical effort YES / NO
 - Use less brain effort YES / NO
 - Be more socially acceptable YES / NO
 - Connect with existing routines YES / NO

c. MAKE REWARDS VARIABLE checklist – *“..variable rewards systems must satisfy users’ needs while leaving them wanting to re-engage”* – Nir Eyal

- Does your product/service deliver **rewards of the tribe** – social rewards fueled by connectedness – gratification from others? YES / NO
- Does your product/service deliver **rewards of the hunt** – the search for material resources and information – material goods, money or information? YES / NO
- Does your product/service deliver **rewards of the self** – the search for intrinsic rewards of mastery, competence or completion? YES / NO

d. **MAKE INVESTMENT WORK checklist** – “...an investment in the product serves as the string that pulls the user back.” – Nir Eyal

- Does your product/service require an investment from your user after the variable reward has been received? YES / NO
- Which of the following effort does the investment process require of your users?
 - Load the next trigger YES / NO
 - Share value as data, content, followers, reputation or skill YES / NO

6. The book and other powerful resources: ‘Hooked – How To Build Habit-Forming Products’ – Nir Eyal

If you’d like to watch a 13 minute video of the author sharing key insights from his research and his book go here - https://www.youtube.com/watch?v=11dYx_rW_Ks

This book can radically change your thinking and when applied, radically improve business performance. Start by improving your knowledge, insight and skills about habit forming products by getting the book.

We strongly urge you to read this book from cover to cover and start applying the habit insights to your business. You can get the book here - <https://www.amazon.co.uk/Hooked-Guide-Building-Habit-Forming-Products/dp/1494277530>

