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Welcome to Brainfluence, where author and international keynote speaker, Roger Dooley, has weekly conversations with thought leaders and world-class experts. Every episode shows you how to improve your business with advice based on science or data.

Roger's new book, FRICTION, is published by McGraw-Hill and releases May 17th. Dr. Robert Cialdini described the book as "blinding insight," and Nobel winner, Dr. Richard Thaler, said reading FRICTION will arm any manager with a mental can of WD-40. To learn more or to pre-order, go to rogerdooley.com/friction.

Now, here's Roger.

Roger Dooley:

Welcome to Brainfluence. I'm Roger Dooley. Today, I'm departing from the usual format because tomorrow I'm really excited to say my new book releases. If you don't happen to be listening on the same day this podcast is published, the book is already available everywhere books are sold and don't worry, this is not a commercial for the book.

I'm going to cover a few of the key concepts and stories that will be useful even if you don't read the entire book. First, just a bit about the book and its origin. The title of the book is Friction: The Untapped Force That Can Be Your Most Powerful Advantage. It's published by McGraw-Hill.

A few years ago, I was doing a keynote at a conference in San Francisco and listened to a speech given by a fellow keynoter, Stanford Researcher BJ Fogg. I remember it quite well, not least because BJ was wearing the magician's robe at the time. He presented the Fogg behavior model and I was struck by its simplicity. He says

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you need just three things to change your cause of behavior; motivation, a trigger or prompt, and ability.

The last one, ability translates into lack of difficulty. The easier an action is the more likely it will happen. A couple years after that meeting, I introduced my own persuasion slide framework based on the metaphor of a simple playground slide. My model draws on Fogg's work and its conscious and non-conscious components.

One of the four elements in my slide was friction. In the physical world, that's what happens when a poorly maintained slide slows or even stops the progress of a child. In my model, it represents difficulty and effort. The more friction there is say in a checkout process, the more likely it is that the customer won't complete it. As time passed, I found that friction was, for me, at least, the most interesting element in the slide primarily because it's often that simplest and least expensive intervention.

Imagine you were in e-commerce business that wants to increase sales. You could get more customers to your site by buying more search ads or increasing your content marketing budget, you could turn more visitors into buyers perhaps by motivating them with say a discount, a bonus product or free shipping. The problem is that all of these cost money.

What if you could get the boost in sales that you want just by reducing friction? That is making it easier for visitors to find what they're looking for or making the checkout process easier. These steps are comparatively low cost and keep working for you forever. Eliminating friction has been a key part of Amazon's strategy since its very

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earliest days. As far back as 1997, Jeff Bezos was talking about frictionless shopping.

From there one-click ordering process to frustration-free packaging, minimizing customer effort has been a key part of their e-commerce domination. Amazon now owns about half of that market, while their biggest competitors are in the low single digits. My initial thinking about friction was its effect on digital marketing, how to convert better, how to get more app downloads, how to sell more stuff, but the more I thought about friction, the more I began to see it everywhere.

I saw friction in the way companies handled customer problems. I saw it in internal company operations. I saw it at macro scale in government regulations, taxes, and processes. I even saw it in my personal life as I tried to adopt habits and learn skills. Once I realized how just about all aspects of human behavior were affected by friction, I began to dig deeper. I found that researchers and authors had explored individual topics in great depth.

My friend, Nir Eyal, made illuminating difficulty a key part of his Hook Model for creating habit-forming products. Getting from a trigger to an action in his model is one of the four steps in the hook cycle and the easier that step is, the more likely it is to happen. On the organization front, an article in the Harvard Business Review identified \$3 trillion in excess management costs for US corporations every single year.

Needless red-tape, complex processes, inefficient meetings, and overload of pointless emails. Lisa Bodell, who we'll have on the podcast soon. Actually, next week,

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wrote an entire book, Why Simple Wins. Looking at the productivity penalty from complexity and bureaucracy.

On the customer experience front, people have been focused on friction for years. Notably, my recent guest here on the podcast, Rick DeLisi co-authored a book titled The Effortless Experience that included remarkable research on what leads to customer loyalty. Surprisingly, it's not delighting them or exceeding their expectations, its minimizing their effort, particularly in interactions with customer service.

Most notably, various research show that 9% of customers who have low effort experiences reported being disloyal compared to 96% of customers who had high effort experiences. This means that a high effort customer experience multiplies the probability that the customer will be disloyal by more than a factor of at 10, at 96%, it's almost a certainty.

It's just one metric of the high price of friction in customer experience, Business Insider estimates that the amount of merchandise left in abandoned e-commerce shopping carts at \$4.6 trillion annually. That's more than twice the amount of actual e-commerce sales, and if you look at the reasons for abandonment, most are friction or friction related. Complex checkout processes, a requirement that the customer set up an account before checking out. Surprise things at the end of the process like shipping costs, and so, on.

I found that friction has an impact even on national prosperity. 30 years ago China's economy and India's economy were about the same size. Today, China's GDP

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is eight times that of India's. Now, there are a lot of reasons why that's the case. The political systems are different, the cultures are different, but one big reason is that India has always had one of the most Byzantine bureaucracies in the world. If something isn't specifically permitted, you can't do it.

This created an impossible environment for entrepreneurs. Particularly in the early part of this period, entrepreneurs were faced with a choice. They would get nowhere trying to obtain licenses and permissions to do business, so they could go into the underground economy, where regulations weren't a problem, but scaling to a larger size, it was almost impossible or they could leave India and start a business somewhere else.

Indeed, that's what many did. Today, India's government is trying to address this and even touts its improvement on global ease of doing business ratings, but the cumulative GDP difference between India and China has been over \$80 trillion in that period. At the personal level, I found that just about every expert on habit formation emphasizes making a habit you want to start as easy as possible.

BJ Fogg developed the Tiny Habits Method. My friend, James Clear, author of the excellent Atomic Habits, also a past guest on the show, check out his episode if you happen to miss it, specifically focuses on eliminating friction. He says, "If you want to exercise every day after work, then you should be sure your gym is on your way home. The more you have to deviate from your route, the more likely you are that you won't do it and you'll skip going to the gym."

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There's a surprising amount of research showing that even small increases in friction, moving a candy dish, say a few feet farther away can have a significant effect on how many M&Ms we eat. When I saw how pervasive friction was and how it affects every aspect of our behavior, I knew I had the theme for my book. I wanted to connect the dots across all of these domains and show by being aware of friction and how to either eliminate it or perhaps occasionally use it was so important.

The book Friction isn't primarily a self-improvement book or book on government policies, even though I touch on those. Most of the book focuses on two related domains; customer experience and employee experience. I found that once people start seeing friction, they can't stop seeing it. Even as they minimize customer effort, they identify internal processes that are wasting their own time. They see themselves or their team members spending valuable effort on activities or processes that don't help either the customer or the company they work for.

My objective with this book is to give every reader a free set of friction goggles. Not real goggles, although actually goggles do make a brief appearance in the book, but I've seen this happen. Once people hear me speak or read and some of the ideas in my book, they start seeing friction they didn't see before. I've tested my friction topics at different conferences and afterwards every time I hear people exclaiming friction when they encounter some unnecessary difficulty.

I eventually realized there's a reason for this and it has to do with neuroscience. Our brains have something called the reticular activation system. That is more or less a filter

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from our non-conscious to our conscious awareness of necessity, our brains have to ignore almost everything coming in from the senses. Can you imagine trying to cross the street in Times Square if your brain didn't screen up a thousands of sensory inputs and focus on just a few like, the crosswalk light nearby cars and the pedestrians in your path?

If you've ever bought a car, you've probably started seeing a lot more of the same model all around you. Those cars were there before but now because they look like your car, your RES shows them to your conscious mind. That's what happens with friction. When people see me throw up a dozen or two examples in a speech or read my writing, their RES is trained to see other friction as they go through the day, and the phenomenon builds on itself.

Once you see friction and call it out, you see even more. My metaphorical friction goggles are really me, training your brain. The benefit I hope to deliver is to help organizations develop a friction wear culture in which people see unnecessary friction and are empowered to do something about it. Even as customer experience gets better, internal processes are improved, rules and procedures are changed to simplify how things get done.

Employees see they're spending less time on demotivating tasks and activities that don't help customers themselves or even the company. This increases their satisfaction and their engagement. The thing I find exciting is that friction strategies can work in both large and small organizations. Amazon has captured half of all e-commerce with its relentless focus on friction

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and making things easier for its customers, but startups have disrupted big entrenched brands in the same way.

Unlike my first book Brainfluence, I've included quite a few stories in Friction. I use these to show how friction affects behavior and how businesses, nonprofits, individuals or even governments can use friction-based strategies to accomplish their important objectives. One story that shows the power of a day but using a friction strategy to compete against Goliaths involves home and small business routers.

You know those black boxes on the shelf that distribute internet throughout your house, a year ago a friend of mine exclaimed when we met, "I've got to tell you about my new router. It was so easy to set up, I had it done in a few minutes." Now his enthusiasm struck me as a bit odd because I didn't ever recall discussing networking gear with him, but I interrupted him, and said, "I bet I can guess the brand just from what you've said so far."

I guessed it was a Securifi Almond. My friend's mouth dropped a bit and he said, "Well, how did you know that?" In fact, I knew because I had one. I had set it up and because I also knew the back story behind the product. Years earlier, a young engineer, Rammohan Malasani, had teamed up with a partner to create what eventually became Ubiquiti Networks. They had a falling-out, which ended up with Ram leaving the company and missing out on the IPO that made his co-founder wealthy, but undeterred, Ram continued to innovate in the networking space.

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In particular, he looked at home and small business routers as a product category with a user experience that was really pretty awful. Routers all looked about the same, blinking lights on the front, plugs on the back. You configured these routers by using your laptop or other computer to load up an IP address and a browser, assuming you knew what an IP address was, and going through a complex multi-screen setup process.

The configuration pages were just loaded with jargon like MAC addresses, multiple encryption standards and lots more stuff beyond the comprehension of normal people. Amazon, even the best-ranked products in that category weren't rated well. That's pretty typical I found with products of that kind when a product requires some technical ability to set up, even if it is perfectly fine as a product, users who have difficulty will often give it a bad rating because they found it difficult to set up. Often, even return it because they couldn't finish the job.

It wasn't because the companies in this space were bad companies. In fact, the space was dominated by global networking giants like Cisco and Netgear. Ram knew that even experienced users didn't really like the current technology. Once they had their network working, they'd avoid touching the router or its configuration screens again, unless they end up spending an hour or two getting everything working again. This was a high friction product even for techies.

Ram had a crazy idea. What if you put a little touchscreen on the side of the router and eliminated the need for laptops and IP addresses? Colored touchscreens were getting cheaper and cheaper with the growth of the

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mobile market, then with this, the user could plug it into power and his network connection and follow a few simple on-screen instructions right on the router itself to complete the process.

He set about designing it and producing it, but how to sell it, getting a new networking product into a chain like Best Buy or Walmart would be a difficult and expensive process. Particularly with an unknown brand competing against these really big names. Amazon, the ultimate friction reducer, ended up being the solution to that too.

You could set up to sell on Amazon very quickly. There's no gatekeeper layer like the buyers at the big retailers. His promise of having a router that can be set up in just a few minutes attracted some customers. When they actually did it, they posted five-star reviews. This increased the visibility of the Almond routers in Amazon and began a virtuous cycle, more visibility, more orders, more five-star ratings, and eventually, hundreds of thousands of routers sold.

What Ram did was kind of similar to what Uber did. He challenged a bad high friction experience by rethinking it and making it easy. One connection I made when I was researching friction was the relationship between trust and friction. Generally, those two don't go hand-in-hand. They are opposites. When there's a lack of trust, there's more friction. Security procedures generally are, because there's a lack of trust, and obviously, some security procedures like requiring you to put in a username and password when you log into your bank website are necessary and important, but often that lack of trust ends up creating far more friction than is necessary.

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Paul Zak, another past guest on the show did some amazing research on trust in high-performing organizations. His book Trust Factor, he detailed how his research shows that where there is a lot of trust in an organization between employees, between management and employees, those organizations perform far better than other. As I was researching the book, I found lots of examples where that was definitely the case.

For example, companies that required excessive documentation for even very simple expense report items or other companies where in a manufacturing setting workers had to check out tools at the start of the day and check them back in at the end of the day, and all this was representing a lack of trust that somehow the employees wouldn't abuse the system, misrepresent expenses, steal the tools that they were given, and so on, but often there is no real understanding of what the cost of this was in terms of productivity or even more important, what the cost was in terms of the trust between employees and the employer.

Trust is reciprocal. If you want trust, you need to give trust, to begin with. I've got a classic story from General Electric back in the Jack Welch days. When he was busy blowing up the company, he not only delayered management, took out many of the layers of management to make it easier to communicate from the top to the bottom and for information to flow from the bottom to the top, but then he also began breaking down the walls in between departments, and also, again, between layers of management so that anybody could talk to anybody.

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The CEO could talk to a line worker if that was necessary and that wasn't a problem, that was okay and that was encouraged. The example that I'm thinking of was where a key manager at a meeting with union employees who generally regarded management as the enemy and figured that management was mainly interested in making them work harder, this manager asked, "What can I do to make your job easier?"

Now, this is probably pretty strange because nobody had ever asked them that before but one worker said, "Well, I've got this problem where I work with a sharp metal all day at my machine, but once a week I have to get a new pair of gloves, to get those gloves I have to go to leave my workstation, go to another building, find the tool crib, fill out a form to requisition gloves, find a supervisor to approve that requisition, take it back to the tool crib, get the gloves, and then, finally, return to my building and workstation.

Depending on whether there are people waiting at the tool crib or whether it takes a while to find the supervisor, this process could take up to a couple of hours. That process had been put in place because of a lack of trust. Some manager at some point felt that workers would probably steal gloves if they had ready access to them so they created this process to check them out and be sure that all were properly accounted for, and this entirely ignored the fact that gloves are not an expensive item that most workers are not going to steal their gloves and didn't look at the tremendous amount of time that is going to take to actually go through this process.

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The solution ended up being simple. They put a box of gloves by that worker's workstation, saved hours per week, and ended up also creating a greater level of trust and understanding between management and the workers in that particular situation.

We talked a lot about behavioral science on this show and one key tenet of that field is that you have to observe how people actually behave, not treat them as some sort of idealized version of how they should behave or how you think they behave and I really am convinced that whether it's customer experience or employee experience, people are not watching real behavior. They aren't looking to see whether customers are slowed down or stopped by certain things, whether a new customer can't figure out how to check out on the website or how to accomplish some other key objective, there's this assumption that we know how people are behaving and how they should behave and we design our systems accordingly.

We really need to spend a lot more time observing real behavior in the real world. I think I'm reasonably savvy when it comes to user interfaces, but all too often, I try and use a website or an app and get stuck trying to figure out what to do next. I have to believe that others are confused, not just me, and that nobody ever spent the time to observe real users or customers trying to do things for the first time.

If you're listening to this show, it's probably because you have an interest in a science-based approach to business and life. In Friction, I bring together both research and anecdotes, show how the effect of friction on human

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behavior impacts our customers, our work environments, our nations and even our individual habits. If you want to learn more and see what people like Robert Cialdini, Richard Thaler, Ryan Holiday, Dan Pink, and many others have to say about the book, go to RogerDooley.com/friction or just look up Friction by Roger Dooley at your favorite bookseller.

The release date is May 17. If you order your copy the day before or in some places, even the same day, you'll get your copy on the 17th. Thanks for tuning in and we're back to our usual format next week. We'll have Lisa Bodell on the show, author of Why Simple Wins, an excellent addition to your friction fighting library. Until then, have an awesome week.

Thank you for tuning into this episode of Brainfluence.

To find more episodes like this one, and to access all of Roger's online writing and resources. The best starting point is rogerdooley.com. And remember Roger's new book, FRICTION releases May 17th. Bestselling author Dan pink calls it "an important read" and Wharton professor Dr. Jonah Berger said, "you'll understand friction's power and how to harness it."

For more info or to pre-order, go to <u>rogerdooley.com/friction</u>.