

How People Make Decisions:

*Taken from Alan Rosenspan's
Improve Your Response Newsletter*

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Direct marketing is all about getting people to act. But did you know that sometimes how people respond actually has less to do with the marketing message in front of them – and more to do with the fact that they're human?

It's true. Social scientists and behavioral economists have documented many, many instances of automatic behaviors in people. They've identified certain triggers that prompt these reflexive actions. And they've found that some of our behaviors aren't even rational.

For example, in his book "Predictably Irrational," behavioral economist Dan Ariely talks about a study he conducted in Boston. People were offered their choice of a free \$10 Amazon gift certificate or a \$20 gift certificate for \$7. Most people opted for the free one, even though choosing the \$20 certificate represented a net gain of \$13 (versus a \$10 gain from the free one).

In Ariely's words, "Free gives us such an emotional charge that we perceive what is being offered as immensely more valuable than it really is." Perhaps that's why free is such a powerful word in direct marketing.

But free isn't the only word that can work marketing magic. Studies have shown the words "easy," "quick" and "improved" can all increase product sales. And words revolving around the notion of new – like introducing, announcing and now – have all been proven to lift readership.

Strategically placing these words in prominent areas of your communications can help increase both engagement and conversion.

Words aren't the only triggers available to us. Graphics, color and icons can also be used to trigger behavior.

In fact, at The Wilde Agency where I work, we put a graph to very effective use. We began with something social scientists have identified as the "magnetic middle." Psychology professor and author Robert Cialdini explains it this way: "People who deviate from the average tend to be drawn to the average like metal filings to a magnet." As human beings, we are most comfortable being closest to the norm.

To test this principle, we created an upsell package for one of our insurance clients. In it, we included a graph that showed both how much insurance the average customer had with the company and how much the particular target we were writing to had (always less than the average).

Not only was the mailing very successful, in some segments it beat the control by 900%.

Customers with less insurance than the average amount may have perceived themselves as underinsured and decided to increase their coverage to be more in line with the amount most customers had.



Another powerful example of a human behavior trigger is the coupon. Or rather, the dashed line that traditionally outlines a coupon. Starch testing has shown that inserting a coupon into an ad can readership 23% over the same ad without the coupon. And that increase in readership happens regardless of what information the coupon holds. Regardless, in fact, of whether it contains any actual savings at all.

As people, we've been so trained to associate value within the dashed lines of a coupon that when our eyes see one, they immediately go to it, and we automatically engage.

So putting a coupon border around key information in your mail pieces, emails, print ads and brochures can increase the likelihood that it will be read.

Nancy Harhut may be the smartest creative director on the planet. (See her offer below) She's also one of the most popular speakers at the DMA Annual Conference year after year, attracting hundreds of people in standing-room only crowds.

Nancy is the Chief Creative Officer at The Wilde Agency, which gets people to act by using direct marketing best practices and what social scientists and behavioral economists know about how people make decisions.

