

How to double response rates (and why the common sense approach to direct advertising doesn't work).

Our view is simple: what might appear to be the most obvious things to do in a promotional letter or email are often not the approaches that work. Often they don't work because the writer and designer have not used the psychology of perception (which tells us where the eye goes when faced with an email or printed message and how the brain works). Sometimes it is because they get their message confused.

Either way, it is not difficult to resolve the problem – but most firms don't do this because they are so used to using the traditional way of writing. In other words they use the “common sense” approach to direct marketing – whereas a simple change to a more scientific approach could result in a major growth in the number of replies they get to each promotion.

In the light of this knowledge, whenever Hamilton House Mailings writes a sales letter or an email for our clients we recommend that they test our approach with their own approach. Here's the result from one particularly interesting experiment of this type – and the lessons that can be drawn. It serves as an example of why some campaigns don't work.

One of our clients wanted to do a promotion to a list of people who had not bought from them before. The key element of the promotion was a discount offer – to induce the readership away from their present supplier.

So, the purpose of the postal mailer and the separate email campaign was simple – to encourage the recipients to see the offer, read the catalogue and then place an order with our client for the first time.

Our client (we'll call them Company A) designed the promotion so that their offer appeared as the front page of the promotion – the first thing the reader would see. It was utterly clear, highlighting the discount that they were offering for the next few weeks.

We argued that an alternative approach might work better and suggested that, instead of a hard hitting advert which was wholly about the special offer, we should lead with a letter which, in a conversational mode, talked about matters of interest to the recipient and which only mentioned the special offer in a short PS.

We also suggested a regular email campaign to interested potential customers in which they talked in a conversational style around the issues. We said this should happen on a regular basis, for example, once a week or once a fortnight. The theme would not be hard selling, but rather an approach which revealed the company's awareness of the issues that the potential client faced.

In other words our approach was very laid back and restrained – exactly the opposite of the more brash approach of Company A.

There was considerable concern from Company A about the Hamilton House approach – not least because the letter (clocking in at around 300 words) was considered to be “too long”. “Nobody would read it”, I was told. There was also a complaint that we didn't get to the company's name and the product until near the end.

So concerned was Company A, that they took the Hamilton House letter and circulated it among half a dozen people taken from their target audience. These people as one said that they too would not read the letter, and criticised it (again) for its length, its style and its approach.

In many ways I could sympathise with Company A. Put their straight announcement of the discount sale (which took up 20 words) side by side with my 300 word meander, and anyone would be likely to say, “go with the big announcement.” That is the common sense approach.

Indeed, it looked at one stage as if we might lose our client on this point, but eventually we persuaded them to take one small part of their mailing list and send those recipients our approach, with everyone else getting their preferred version.

Thus 10% of the recipients (selected wholly at random) got our approach, and the rest got the approach which Company A and the panel of people drawn from the target audience said they preferred.

As the responses came in we divided their responses by nine (to account for the fact that 90% of the target audience had had their approach and only 10% had had ours) and then compared the response rates in three ways.

- a) The number of orders gained by each approach
- b) The value of each order
- c) The number of people who took up the special offer.

The Hamilton House approach won on all three measures. The number of orders we got was 0.5% more than Company A – not huge, but considering it was an addition for no extra cost, it was worth having. Over a mailing of 10,000 that was 50 extra orders, gained at no cost.

But better than this, the value of each order was 18% more. Add in the number of additional customers and you’ll see that we really did make a difference.

As for the number of people taking up the special offer, absolutely no one took up the special offer on seeing the client’s promotion, while 25% of those replying from our approach took up the special offer. This caused them much concern, since we only mentioned the offer at the very end.

In our separate email campaign, we got similar results.

This result raises a number of interesting points, such as....

- a) What exactly did we do?
- b) Why did our less obvious approach work so much better than the client’s more direct approach?
- c) How could it be that no one took up the special offer when the client’s cover page was about nothing but the special offer?
- d) Why did their panel (all of whom worked in the field that was being targeted) get it so wrong – in that they all said they would read the client’s piece but not ours.

The answers and the explanation

1. What did we do?

We wrote a letter to Company A’s customers which talked about an issue that was of interest to them – not primarily about Company A - and we wrote it in accordance with the rules of the psychology of perception (see below.)

I can’t show you a copy of that letter, since obviously it is the copyright of our client – they’ve paid

us for it, and it is theirs, and we never talk explicitly about one client to others. But you can see an example of how we write, by going to <http://www.solo.ac/example1.html> where one of our letters is set out, with details of how and why it was written that way.

If you want to see how this can be applied to your direct mail or email advert send me a copy of your advert, with your phone number, and I will call you back and tell you how I would have written it. Email Creative@hamilton-house.com

2. The Psychology of Perception - screening

The academic study, the Psychology of Perception, tells us a lot about how people respond to advertisements.

The study suggests that people are resistant to advertising – as they have to be given that most of us see around 3000 announcements of one sort or another each day. (These might be TV adverts or a sign above the newsagent's shop doorway announcing the name of a newspaper. It could be the name of the maker of the television printed on the plastic surround, or it could be an advertisement on the side of a bus.)

We screen these notices out, because there are so many. In fact we are so good at screening that we can't remember most of the announcements we see. Indeed, ask most people for the details of the advertisement on page two of the daily newspaper they read yesterday, and they won't have a clue.

So, for the writer and designer of an advertisement, the first battle is to be noticed, and that means using a wide range of specialist techniques. Experiments show, over and over again, that simply saying "Special Discount, Reduced Prices, Sale" and other messages of the same type (usually with lots of !!! thrown in) simply does not get through the screening process.

3. Giving the advertisement to a readership panel

Let's also consider what happens when you ask a person who is in the intended target audience to read a direct mail advert or an email.

The advert that the panel of experts is given is one that has been specifically designed to break through the screening barrier. But these people are not screening – they have been asked to give the advertisement their full attention. So they are not seeing the advertisement in the same way at all – which is the major reason why their results are so odd.

What's more, there is a general view (especially among middle class professional audiences such as teachers, accountants and the like) that, while advertising might influence some people to change their mind, it does not influence them. They see themselves as above such influence. So they look at a piece of advertising copy and start from the premise that "direct mail and email advertising does not affect whether I would buy an item or not. I make my own judgement."

However, everyone who has ever experimented with direct marketing knows that these people are susceptible to change, just as everyone else is. No matter whom you are writing to, the way in which an email or direct mail piece is written can affect the sales level dramatically. All of us who have done tests by sending out different texts in the same format know that one text might result in a 0.5% sale rate while another might get 3%.

Where the only difference is the text (in that the people to whom the advert was sent were selected randomly from the same master list and had their mail posted to them on the same day in identical style envelopes), clearly it is the text that has the impact.

4. Generating higher response rates

Experienced copywriters write postal direct mail and email in such a way as to overcome screening and other forms of advertisement resistance. The adverts they produce are written in a way that will force themselves into the reluctant reader's brain and then get the response the advertiser wants.

What happens, in fact, is that most people glance at the headline for a second or two, and then (if the headline works) get drawn into the text.

Then the majority of people flit through the piece at full speed, taking in the first few words of each paragraph before going on to the PS (which incidentally explains why in the piece for Company A, it was the version that mentioned the special offer in the PS that got the high response rate for the special offer.)

(Why does everyone read the PS? The current thinking is that there is a desire on the part of the reader to show that they are "ahead of the game", that they "don't need all the intermediate stuff", and that they want to "cut to the chase". It is a difficult question to answer because if you ask people why they do it, they tend to deny that they do, saying that they "never read all that spam and junk mail" – but experiments such as the one we reported at the start of this paper, show that this is exactly what happens).

Because this style of reading is recognised as the most common way for direct mail and email to be read, we write in a way that accommodates this response, using short paragraphs and powerful openings to each paragraph, along with putting a huge emphasis on the PS and the headline. We place great emphasis on the first four words of each paragraph, and we utilise a form of subliminal advertising in the rest of each paragraph which is picked up by the right hemisphere of the brain (more on this below).

This also explains why the text which is about nothing but the offer generally fails. It fails because the reader skims down the piece and finds that there is only that one subject. There is nothing new (as the text develops) to draw the reader in, so the reader stops. There's no PS, or the PS is the same as the rest, so their reading strategy has failed, so they don't respond.

However, to return to the person on a panel who is invited to give an opinion on the advertising, that person tends to read the piece in a totally different manner. He/she reads it all, instead of skimming. Such a reader takes little notice of the headline because he/she is asked to read the whole piece. This therefore gives them an utterly different experience of the piece, and so they draw a different conclusion.

5. Subliminal techniques

Most copywriters who do not utilise the common sense approach to advertising usually write in a way which utilises subliminal techniques.

Knowing that the left hemisphere of the brain takes in the powerful opening words of each paragraph while at the same time the right hemisphere is doing a quick assimilation of the meaning of the rest of the paragraph, they write to accommodate this situation. However, those on a panel will be oblivious to this point and read the whole thing through, using the left hemisphere throughout. The result in terms of understanding and meaning is quite different.

The subliminal approach works particularly well when combined with a text which reads as if it is written as a conversation. Indeed, the rule in this approach is "don't write anything that you wouldn't say if you were face to face with a customer."

Thus, in the conversational approach to advertising, a phrase such as “70% discount!!!” could never be used because no one would ever shout this in a customer’s ear. If you wanted to offer a 70% discount you would instead draw it into a sentence, and probably one which made it sound as if you were giving the customer a bit of “inside information”.

6. What about pictures and the use of colour?

Common sense direct marketing (as well as one popular advertising slogan from 1930s America) tells us that a picture is worth 10,000 words. It also seems common sense to say that colour must work better than monochrome.

I first came across the colour issue 30 years ago – long before digital print, when it was prohibitively expensive to print short run colour advertisements. A client of Hamilton House did a test mailing and got a very acceptable 2% response rate. He then came back to us to do a mailing of 24,000. Two weeks after that mailing had gone out, he complained that we had clearly never sent the mailing out properly because he had got a response rate thus far of just 0.1%.

He assured me that the mailing was the same as before – and it wasn’t until I went to the warehouse myself and looked at the fifty or so leaflets left over from the mailing that I realised what the customer had done. The test was in black print on yellow paper – the full mailing was in full colour.

I pointed out the difference, but his reply was that colour could obviously have only made matters better in terms of response rate.

In fact, that is often not the case. The effect of colour in an advertisement depends very much on the audience and on what is being advertised. It is also affected by the layout of the advertisement – but it is often the case that colour (and indeed illustrations) dramatically reduce the effectiveness of an advertisement. There’s a long article on this point on our theory of direct marketing website – see below.

Conclusions

Three conclusions can be drawn from this little study – which has incidentally been replicated many times.

Firstly, the common sense view, which suggests that you should tell people what you want them to know in a direct, clear and straightforward way, delivers worse results than the approach which turns advertising into a conversation.

Secondly, giving a piece of direct mail or the text of an email to a panel of readers drawn from the potential audience doesn’t help indicate which advert is going to work best. In fact it tends to give the opposite results. Again it’s the reverse of what we might expect from a common sense perspective.

Thirdly, the only true way to test a direct mail piece or an email piece is to send some out to potential customers and see what result you get.

The issues raised here are explored in more depth on our Theory of Direct Marketing site www.theory.bz

But you can short-circuit matters by sending us a copy of your proposed advertisement, along with a phone number, and we’ll call you back and tell how we would change the advert (if we would) in order to raise response rates. Email Creative@hamilton-house.com

There are more articles in the “How To” series on www.hamilton-house.com – just click on the How To button on the left side of the screen.

To talk through any of these topics please call 01536 399 000.

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