

# BUSINESS INTELLIGENCE

## REPORT

Provided for members of the  
Greater Maryville  
Chamber of Commerce

Strategies and Trends for the Successful Business

February 2011

### IDEAwatch

Tips for Growing Your Business

■ **Increase prospects' level of trust in your company** by placing 10 simple words at the end of your ad: "You can trust us to do the job for you." Researchers found that placing that statement at the end of an ad for an auto service firm caused their trust scores to jump as much as 33%. More specifically, the firm was rated higher in every category: fair price, up 7%; caring, 11%, fair treatment, 20%; quality, 30%; and competency, 33%.

Source: [www.neurosciencemarketing.com](http://www.neurosciencemarketing.com)

■ **If you have high turnover among hourly employees**, try adjusting your compensation practices to better motivate them. Start by granting smaller raises more frequently. A year is too long for low-wage workers to wait. Acknowledge every level of skill growth by offering small increases when appropriate. Also, reward workers that mentor or train new employees. Make it worth their while by providing spot cash awards, merchandise or gift certificates. This positive reinforcement will help them feel that they are recognized as a valued member of the business.

Source: [www.ragan.com](http://www.ragan.com)

■ **Feeling overwhelmed by all your marketing projects?** This often happens because your daily, weekly or monthly tasks from your marketing plan don't really relate to each other. Often, a better approach to organizing your marketing to-dos is to create a monthly theme. For example, devote March to updating your website and marketing materials, April to focusing on ways to attract new customers, May to coaxing back former clients, June to building alliances, etc. Many people discover this focused approach to be more motivating and manageable.

Source: [www.yudkin.com](http://www.yudkin.com)

### SALES

## Stop Pushing and Start Pulling in Prospects

by John Graham

WHEN IT COMES to sales, push is the problem — perhaps the biggest problem those in sales face today.

A business owner tells of getting a call from a local printing services salesperson of a Fortune 500 company, who immediately stated that his company "does everything" and then asked for a meeting to find out "the needs of the business." The owner indicated that he would welcome information, but refused to have a meeting. Several weeks later, the same salesperson called again, pressing even harder for a meeting. Again, it was turned down.

This is a classic case of "push" creating "shove." The greater the push, the greater the shove. "I sensed that this salesperson only wanted 'some business' and he wasn't interested in us as a customer."

The economy has forced salespeople into becoming marketers. Some recognize the need for a change in strategy, while others, such as the printing salesperson — and his company — don't understand the message. They still think that it takes more and better push, while what it really takes is more pull, using tactics that help demonstrate your value to customers.

Here are five ways to pull customers in. Each one requires planning and effort, which is a good trade-off from getting a rejection from those who do not have the time or a reason to listen to your spiel.

**1. Provide customer service that gets people talking.** When his car needed an oil change, sales executive Edward Testa of Champion Capital called the dealer, who listed off a litany of needed services totaling nearly \$500.

After the initial shock, he recalled Barry Steinberg's commercial for Direct Tire in Watertown, Mass., indicating they would do a complete car check and do any necessary work for less than a dealer.

When Ed arrived at Direct Tire, the woman behind the counter welcomed him for a tip-toe checkup and an oil change.

About an hour later, the mechanic reported his findings, indicating when certain things should be done, but, in most cases, there was no hurry. Along with a \$47.53 bill, he received quotes on the

### Rather than trying to improve your push strategy, consider these five ways to pull new customers in.

suggested work. Needless to say, Ed tells everyone about this experience.

**2. Learn the cycle of a sale.** If one word can adequately describe the primary role of a salesperson in the sales process, it's "orchestration." It's something that's missing most of the time. "If I can get you another \$1,000 for your trade in right now, do we have a deal?" says the car salesperson. If the customer fails to buy, the salesperson fails to follow up. Why? The sale hasn't gone as the salesperson thinks it should and moves on.

Yet, MarketingSherpa.com conducted a survey on the length of time it takes to convert leads into sales. The findings are revealing: 17% of the respondents indicated one month, 14% said two months, 26% reported three months, 22% said 6 months, 10% said 12 months and 11% said more than 12 months.

While the length of the cycle varies with the product or service, the salesperson's role is to anticipate that there will be a cycle and to plan an appropriate course of action that will transform leads into sales.

**3. Create excitement.** A business writer was asked to interview a life insurance salesperson. From the moment she answered the phone, the interviewer detected a sense of enthusiasm, even though she had been sick for several days. At the end of the conversation, the writer commented on her upbeat attitude. "I really like what I do because I've seen how I can really help people."

In the same way, a recent series of Southwest Airlines TV commercials show

continued on page 2

■ **Is your loyalty program not taking off** like you thought it would? The problem is that today's customers don't want to wait for rewards. Instead, almost half (47%) of consumers surveyed by Mintel said they were more motivated to join loyalty programs that provided instant gratification, such as cash back and discounts at the point of purchase. And once they've joined a loyalty program, most consumers want to be rewarded with product discounts or exclusive merchandise they normally wouldn't be able to indulge in.

Source: [www.bizreport.com](http://www.bizreport.com)

■ **Before signing that document**, be sure you know the differences between agreeing, acknowledging and certifying something. When a contract says you "agree" or "acknowledge," it means that you consent to perform under the terms and conditions of the contract. But sometimes a document will be called an acknowledgment, such as an acknowledgment of a purchase order. Be careful. You might think you are signing a receipt, but it could be an agreement about which terms and conditions of sale governed the purchase order — essentially an amendment to your contract. Certifications, however, are the ones you really need to look out for. Certifying a document, such as a financial statement, means you are saying that the information in the document is true and accurate. If there's an error you could be personally liable.

Source: [www.allbusiness.com](http://www.allbusiness.com)

■ **Dramatically improve email open and click rates** by creating a friends-and-family campaign. A recent report by Experian describes how friends-and-family campaigns were once targeted toward employees and perhaps a few best customers, creating the impression that they offered better deals than the general public could get. When these campaigns were expanded to entire lists, they continued to see an above-average response. For example, their study showed an open rate of 20.4% and a click rate of 3.7% for friends-and-family messages compared to an open rate of 14.3% and a click rate of 2.9% for bulk mailings sent by the same company. What's more, friends-and-family recipients were three times more likely to forward the email to others.

Source: [www.emarketer.com](http://www.emarketer.com)

## Neuroscience shows women's buying triggers

Forget everything you think you know about how to market to women because instinct is what really motivates women to buy, says A.K. Pradeep, CEO of NeuroFocus, Inc.

Based on research coming from university labs and his own marketing tests, Pradeep asserts that women and men are hardwired differently and respond to different triggers when considering a purchase. Pradeep says physiologically, women's brains tend to be wired for multitasking, cultivating communities and protection of the species.

Pradeep isn't claiming that the cave-woman supersedes education, income, preference and personal experience; however, under those conscious motivations is a layer of subliminal triggers that marketers can benefit from knowing.

"Because the hemispheres in her brain are so connected, she filters ideas and concepts through the lens of her emotions. The number one thing marketers need to know is that it's better to come in through emotions than through facts and figures,"

says Pradeep.

Of course, women still want products that are functional and reasonably priced, but he says neuroscience suggests the most effective marketing to women will:

1) Show a woman using or enjoying a product with a few people, not by herself. Evoke the benefits of the product experience through response and reaction to the sensory experience of using the product.

2) Demonstrate that your company walks the talk. Authenticity and transparency tap into the urge to protect the species. Kimberly-Clark hit a home run with its "Every Little Bottom" campaign, which lets moms direct frequent-buyer points to donate diapers to needy families.

3) Prove that the company is on the customer's side, offering support and appreciation. A little humor about the tedium of household chores or a flash of empathy for the tuckered-out mom who sees her minivan as a personal retreat convey that your brand is in sync with the emotional rhythms of your customer.

Source: [Bnet.com](http://Bnet.com), January 12, 2011

### Pulling... continued from page 1

what appears to be a group of fun-loving employees on a moving walkway. What's striking is their clear enthusiasm for being part of the airline's team.

Both the life insurance producer and Southwest are sending the message that they believe in what they do. Excitement is contagious and that's what sells.

**4. Involve customers.** To a neophyte cook, following a recipe must seem like a daunting and lonely process. Yet, having others around can be disconcerting. But recipe apps, such as Spark, for example, make it a social experience. While preparing a recipe for the first time, the male "cook" printed out the comments from more than 200 people who had used it. He read them with more attention than he gave to that day's *Wall Street Journal*.

Those comments gave the recipe a sense of community, as he made notes and added ingredients. With a rating of 4.5 (out of 5), it was as if all those making comments were urging him on.

Hokey? Perhaps. But giving customers the opportunity to respond and add their thoughts creates community.

**5. Go where the customers are.** Retailer Target has turned to personalized ads to reach more consumers. The new version gives customers the option of how they want to view the ad as well as

"alerts" when a viewer's favorite brands or products go on sale. Clearly, Target is aiming at a smaller number of hard-to-reach digitally-savvy shoppers who tend to spend more than others. Along with online and mobile phone access, there's a Facebook fan page where visitors can share products and shopping experiences with friends.

While some Target customers may not make the effort to become involved, that doesn't undermine the significance of customizing for those who know what they want. As Rebecca Lieb of the research firm Econsultancy points out in a *USA Today* article, "Target is doing what smart retailers have to do: Go to where the customers are...engage people on their own terms."

Retailing may be pointing the way for other industries, whether it's selling insurance, medical services or even cars.

From compelling customer service to customized advertising content, these five strategies are benchmarks for marketing and sales, both now and in the future.

**John Graham** is president of Graham Communications, a marketing services and sales consulting firm based in Quincy, Mass. He writes for a variety of business publications and speaks on business, marketing and sales issues. He may be contacted at 617-328-0069 or [jgraham@grahamcomm.com](mailto:jgraham@grahamcomm.com). Read his blog at [www.grahamcomm.com](http://www.grahamcomm.com).

### ■ Presenting to a big company?

Big-company buyers are often fearful of making decisions — especially the decision to do business with a small or new company. Instead of touting your benefits, demonstrate the safety in choosing you. The four main fears that plague employees of large companies are: change (represents a big hassle); conflict (decisions that colleagues or supervisors may oppose); additional work; and failure that they could be held accountable for. To alleviate those fears, brainstorm to identify why a big company might fear you. Do you have enough experience? Can you really ramp up to serve their needs? Then, address their fears up front. Develop documents or other tools to counteract their fears and introduce your reassuring materials early in the sales process.

Source: [www.sellingtobigcompanies.com](http://www.sellingtobigcompanies.com)

■ **Avoid long or unproductive meetings** by holding “standing meetings” in which everyone literally stands for the meeting’s duration — usually near a project schedule wall or project issue white board. These meetings are often unscheduled and are initiated for some specific purpose. No chairs usually equals more efficient meetings.

Source: [www.ithinkbigger.com](http://www.ithinkbigger.com)

■ **If your business is finding it difficult to get funding**, consider Community Development Financial Institutions (CDFIs). There are more than 1,000 registered CDFIs in the U.S. And while typically thought of as micro-lenders, they can offer more substantive capital. Most CDFIs require a business to have been operational for at least a year, with most successful applicants having been in business for three to five years. All CDFIs require rigorous documentation and most have a regional focus, but they are willing to work with you to gather and assemble clear financial statements as needed. The capital can cost more, so if you can get a loan elsewhere, you should. To find a CDFI near you, go to <http://bit.ly/dGbwMU>

Source: [www.businessweek.com](http://www.businessweek.com)

## BUSINESS INTELLIGENCE REPORT

P.O. Box 22337  
Kansas City, MO 64113  
4info@bizintellreport.com

*Business Intelligence Report* (ISSN 1091-9597) is published 12 times a year by DBH Communications, Inc. The intent of this publication is to provide business professionals with informative and interesting articles and news. These articles, and any opinions expressed in them, are for general information only and are not intended to provide specific advice or recommendations for any individual or business. Appropriate legal, accounting, financial or medical advice or other expert assistance should always be sought from a competent professional.

Copyright, 2011, DBH Communications, Inc. All rights reserved in all countries. Reproduction or use, without written permission, of editorial or graphic content in any manner is prohibited.

## Hints of economic improvement for small biz

After years of gloom, the clouds could lift a little for small businesses in 2011. Companies, helped by a loosening in the credit markets as well as improvements in consumer spending, are showing some interest in raising prices and hiring new employees. But most improvements are expected to be marginal, likely benefiting only the healthiest small businesses while the rest continue to struggle, relying on survival tactics adopted during the recession, such as offering deep discounts and operating with fewer hands.

New government programs, such as the recently created Small Business Lending Fund, a \$30 billion initiative directed toward community banks, are expected to boost the number of loans that banks dole out this year. But amid strict regulations, banks will continue to shy away from all but the strongest companies, experts say.

Small business owners are looking to raise prices in 2011 after the blowout sales they offered to woo buyers last year took a big bite out of their bottom line. But making that switch won't be easy. “During the recession, customers learned to expect discounts,” says Catherine

Tucker, who teaches pricing strategies at the MIT's Sloan School of Management. She expects many owners to take an incremental approach to raising prices in the year ahead.

“You need to start thinking hard about which of your customers is going to be willing to pay a little more and target the products they buy,” Ms. Tucker says, citing higher-end goods and services that would normally command a premium. Some owners might modify their products, she adds, offering both higher-priced goods and cheaper options, until consumer spending picks up.

On the employment front, small business owners are expected to increase hiring in 2011, but with caution. Fifty-four percent of chief executives plan to add employees this year, according to a December survey of 1,729 small businesses with between \$5 million and \$50 million in annual revenue, by Vistage International, Inc. It was the first time in three years that the majority of respondents to the quarterly survey said they intended to add jobs.

Source: *The Wall Street Journal*, January 6, 2011

## How b-to-b marketing is evolving in 2011

*BtoB* magazine talked to marketers, ad agency executives and industry experts about the marketing trends for 2011.

Below are some of the main themes:

**More emotional, personal communications** – As marketers strive to connect with business executives at work and at home, they are getting much more personal and emotional.

“The distinction between b-to-b companies and b-to-c companies is artificial,” said Marty Homlish, global CMO at software company SAP. “At the end of the day, it is all about business-to-people.”

The result is TV, print and online ads that are energetic and edgy, with much more of a consumer feel, although the subject matter is distinctly b-to-b.

**Database-driven marketing** – B-to-b marketers will get much more sophisticated at mining customer data and making that information the focal point of their communications.

**Optimizing social media** – Social

media has become an integral part of marketing for b-to-b companies, with 62.6% of marketers planning to increase spending on such channels this year.

Look for marketers to go beyond dabbling in social media to making it mainstream in their marketing programs — no longer simply buying advertising on social networks, such as Facebook and LinkedIn, but optimizing their social media content.

**Feeding the content machine** – As more and more marketing channels roll out, including social media networks, landing pages, blogs and thought leadership events, marketers must continuously create and maintain content used for marketing purposes.

According to a recent study published by Junta42, 51% of b-to-b marketers said they will increase their content marketing budgets this year, and content marketing will make up 26% of overall b-to-b marketing budgets.

Source: *BtoB*, January 17, 2011