

BUSINESS INTELLIGENCE

REPORT

Provided for members of the
Greater Maryville
Chamber of Commerce

Strategies and Trends for the Successful Business

September 2011

IDEAwatch

Tips for Growing Your Business

■ **Build credibility at networking events** by attending with a satisfied client, suggests Ford Harding, author of *Rain Making: Attract New Clients No Matter What Your Field*. “They will introduce you to their contacts in a very favorable fashion, and therefore you will get the implied endorsement of this individual at the event,” he says. While chatting with your new contacts, look for reasons to get back in touch at a later date, he adds.

Source: www.openforum.com

■ **Offer employee perks without breaking the bank.** For example, a warehouse club membership will help their paychecks go further. The same goes for movie tickets and restaurant coupons. Afternoon socials, ballgame tickets and company picnics aren't new ideas, but they are often forgotten. Of course, these days flex-time and telecommuting opportunities are always appreciated. They won't cost you a dime, and they can build loyalty by showing employees you care about their families and obligations outside of the workplace.

Source: www.allbusiness.com

■ **Get feedback on your next business idea** by using pay-per-click ads. That's what Rami Weiss, co-founder of Boomerater.com, did before launching his site. First, he created a simple landing page that explained his plans, suggested topics and included a contact form inviting feedback. Next, he bought pay-per-click ads on Google for more than 100 search terms to draw traffic. The result was that nearly 3,000 Web surfers offered feedback, which included suggestions for online forums and columns with expert advice. They were also the first to sign up for the new website since they already felt that they helped create it.

Source: www.entrepreneur.com

MARKETING

Create an Offer Prospects Can't Refuse

by Stacy Karacostas

DO YOU KNOW what the two most important parts of any marketing or advertising piece are? The first one is easy — the headline. But the second one is tougher.

Unless you've studied copywriting, you'd be hard-pressed to guess. Yet it can make or break your entire promotion. The second most important part of your marketing piece is the offer.

Think about it. If you want tons of sales, you really do have to make people an offer they can't refuse. Because even the most powerful call to action won't work unless your offer is practically irresistible.

Let's look at a few examples

Which one is the better offer?

Offer A – Sign up for our free newsletter; *Offer B* – Sign up to receive your free copy of “The 7 Deadliest Small Business Marketing Sins...Are You Guilty?” and have bright ideas for building your business sent to your inbox each week.

Offer A – Call 867-5309 for your complimentary consultation; *Offer B* – Be one of the first 10 businesses to call 867-5309 and receive a no-cost “Smart Business Tax Strategies Review” (a \$500 value) that shows exactly how you can save up to \$5,000 on your federal taxes.

Offer A – Just click on the button below to buy your very own Garden Mole today; *Offer B* – Try the Garden Mole for Free. If you're thrilled with the results, keep it and we'll bill your credit card. If not, just send it back within 30 days and you won't be charged a penny.

Anatomy of an offer they can't refuse

Regardless of what you're selling — and even if you're giving something away — there are four things that go into creating a highly effective offer. If your offer doesn't have any one of these, chances are it's not going to generate the results you're after.

1. You need to offer something your client wants, not just something you

think they need (or something that's easy for you). Keep in mind, of course, that what people want and what they need are rarely the same thing.

Regardless of what you're selling, there are four considerations that go into a highly effective offer.

2. Prospects must be able to understand, right away, why they would want it (This is that “What's In It For Me?” or WIIFM factor us marketers talk about all the time). After all, if there's no clear benefit to them, why would they bother taking the time or spending the money?

That's why just offering a free consult or a free newsletter isn't very effective anymore. We're all far too busy to go for those generic offers. You need to promise something more compelling (See #1.).

Besides, these days most people think “free consult” means “time-sucking sales pitch” anyway. So that offer is pretty much a waste of space.

3. It has to have more value than risk. Part of this is price. But this is also where bonuses, free reports, cost comparisons, free trials and money-back guarantees come in. They all either add value or reduce the risk. And they're all part of the offer.

4. They need a good reason to take action now. People are super busy. So if they don't take action right now, they're likely to procrastinate and then forget all about your offer. That means you need to give folks incentive to act immediately. Think limited availability, limited time offer, early bird rates, special bonuses, emphasizing why waiting would be worse, etc.

Just make sure if you do a promotion with limited availability or a limited time offer that it's true. If you don't stick to the promise made in your offer your credibility will go out the window. And

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■ **While case studies from happy clients are a great way to prove your worth**, getting clients to agree to let you tell their success stories can often be like pulling teeth. Rather than seeing any benefits for themselves, they only perceive competitive, legal and branding risks. To refocus their concerns, nurture the relationship early and wait until the client is in a position to endorse you. Demonstrate your company's commitment to its clients by writing the case study to glorify them, not you. Communicate your plan and objectives to the decision maker before you write the case study. If necessary, be willing to give over editorial control to make the client comfortable. By positioning your clients as leaders, you're more likely to win them over.

Source: www.marketingprofs.com

■ **Keep your team focused on results** with this tactic shared by Mark Pincus, founder of Zynga. It was developed at Intel and used at Google. Here's how it works: Everyone in the company has one objective and three measurable key results — not 10, just the three that matter most. "If you achieve two of the three, you achieve your overall objective, and if you achieve all three, you've really killed it," says Pincus. On Monday morning, have everyone write down their three priorities for the week, and then on Friday mark down the results — using a red marker for missed results, yellow for close and green for accomplished. This provides a road map to keep everyone focused and motivated.

Source: www.nytimes.com

■ **Are "urgent" requests from customers disrupting your day?** Don't assume urgent means right now. Talk with your customer about what he wants to accomplish and when it's really needed. His interpretation of "immediately" may be different than yours. Sometimes a client wants you to commit right away to a plan of action, but doesn't need more than that in the short term. Explain what you will do and your intended timeline to be sure that meets his needs. Also, be prepared to say no. At times, you need to discern between a true crisis and a cry of wolf. Even if your customer thinks he needs it right now, it may be best to decline.

Source: www.hbr.org

Relaxed shoppers spend more

Want to get your customers to spend more? Relax them first. That's the finding from a series of experiments by researchers from universities in the United States, Singapore and Hong Kong. When shoppers are relaxed they will put a higher value on items, by as much as 10%.

The effect was observed across a large variety of products in other studies. Not only did relaxed participants believe that relaxing, luxury products and services such as a spa treatment or a cruise were worth more, they also thought that exciting products and services (such as bungee-jumping sessions) and indulgent products and services (for example, an ice cream sundae) were worth more as well.

"The study reveals a psychological reaction to the biology of being relaxed: Your

system thinks there is no threat in the environment. As a result, you tend to perceive various things as more desirable," said one of the researchers, Michel Tuan Pham, a professor of business and marketing at Columbia Business School.

Can these lessons be applied to websites? Stores create relaxing atmospheres by stroking the senses with lighting, audio and soothing smells, but websites should focus more on not stressing out their customers. For example, unlike a brick-and-mortar store, don't play relaxing music on your website. Also, make sure you site loads quickly and keep the design clean, simple and easy to navigate.

Sources: Businessnewsdaily.com, July 29, 2011; Bizreport.com, August 15, 2011

Why now is the time to seek investors

Need funding for your business? Thanks to a special tax break created by the Small Business Jobs Act of 2010, now's the time to seek a cash infusion from a private investor. There's a catch though: The window to use the break closes on Dec. 31, and the opportunity might never come around again.

Here are the details: An individual — an investor, a current owner, an employee — who acquires qualified small business stock and holds it for more than five years pays no tax on gain. Say you are starting a technology business now and find an angel investor. As long as you close the deal before the end of the year and the investor hangs on until 2016 (after holding the stock for more than

five years), the investor can sell and pay zero tax on his or her profits.

From an entrepreneur's perspective, this tax break is a great incentive to tout when seeking equity financing, whether it's for starting a business or expanding one. From an investor's perspective, what could be better than no tax on profits?

Since the break applies only to stock, investors in limited liability companies and other unincorporated businesses cannot enjoy zero tax on their profits. Even corporations are subject to certain qualifications in order to entitle stockholders to the 100% exclusion on gain. Check with your accountant to see if your company qualifies.

Source: *The Wall Street Journal*, August 1, 2011

Anger kills creativity, but sarcasm boosts it

Will getting angry at your employees help motivate them? It depends on what they are working on. In the *Journal of Applied Psychology*, Ella Miron-Spektor and colleagues demonstrate how simply observing an angry outburst in a work context can hinder creative thinking.

The researchers ran three studies asking 375 engineering students to imagine being a customer service agent. The primary task, a written problem, was preceded by an observation stage where they listened to a recorded conversation between another service agent and a customer who was either neutral or overtly hostile. Participants in the angry condition performed better at the assessed

problem when it was analytic and closed in scope, but worse at insight problems requiring creative thinking.

Another study added a further condition that presented a recorded exchange that was sarcastic rather than overtly hostile, using withering phrases like "Your service is 'fast as a turtle.'" Participants in this condition actually performed the best on the creative problem.

Therefore, measured, appropriate anger may provide needed focus, but sending people into firefighting mode is likely to hamper creativity. Instead, consider getting the message across with a little sarcastic humor.

Source: *BPS Occupational Digest*, July 28, 2011

■ **Improve email deliverability by deleting subscribers.** If your email response rates have been falling over the past year or so, it could be that your messages are ending up in the recipients' spam folders. That's because email service providers are assigning sender scores based on all positive and negative interactions with your messages — and no interaction is considered a negative interaction. One way to improve your score is to remove unresponsive subscribers. This was once considered extreme since they might convert some day, but these days they could be causing more harm than good. Before deleting them completely, pick those who haven't responded in the last six months and conduct a win-back or re-engagement campaign. As a last-ditch effort, tell them they are being removed and ask them to opt in again.

Source: www.marketingsherpa.com

■ **Want to entertain an important client?** Going to the most expensive restaurant in town isn't always the best idea for memorability or for your wallet. During sales visits try to clue into his or her hobbies and then plan entertainment around your discoveries, e.g., he may prefer a hunting trip to the ubiquitous day on the golf course.

Source: www.salesandmarketing.com

■ **Is your office dragging by 2:30?**

People are the most productive mid-morning only to crash in the early afternoon, according to research. So how can you get the most productivity regardless of what the clock says? You may want to schedule brainstorming sessions or meetings in the morning. If afternoon meetings are necessary, remember to keep them short and sweet or allow for breaks. Avoid leaving challenging projects until the end of the day, reserving the afternoon for less intense work, such as checking email. A light lunch and nutritious afternoon snack will also help. Still not awake? Adding physical activity — stretching, light calisthenics or even a few yoga positions — can also help keep the energy level up.

Source: www.hreonline.com

Targeting wealthy consumers online

Today's affluent consumers are fully embracing digital media and engaging with the advertising found there. A new study released by the Interactive Advertising Bureau details the usage and attitudes of these wealthy consumers, those who live in homes and have at least \$100,000 in household income. They constitute 21% of U.S. households and represent 70% of consumer wealth. They spend an average of 20% more time online weekly, compared to the general population.

Virtually all affluent consumers are online. Many own tablets and e-readers. In fact, the numbers of owners have increased by 50% just over the past six months. Still more good news for advertisers: more affluent view and recall seeing digital ads than their less-wealthy

counterparts.

Almost 80% of these wealthy consumers say their very lives have become "intertwined with technology" over the past 10 years. However, they are also more likely to say that their lives have become "more complicated" (59%) and "more stressful" (58%), as opposed to "more fun" (47%) or "easier" (33%).

This group, that used to be the toughest to reach, may now be targeted online. The majority report ownership of a number of other digital devices. Look for more smartphone and Internet advertising to target these folks who look to digital media for information and reviews of new products. Their engagement with mobile advertising will continue to grow exponentially.

Source: *Herman Trend Alert*, August 17, 2011

Smartphone users frustrated by websites

While mobile users love the idea of accessing the Web via smartphone, many are unsatisfied with websites that aren't optimized for the mobile experience.

According to a new survey from Modapt, Inc. and Morrissey & Company, more than 86% of respondents found their mobile browsing experience to be either "okay" or "frustrating." Navigating websites (40%) and slow downloads (40%) are the biggest challenges among smartphone users, followed by information that's hard to read or find (20%).

These challenges could provide a com-

petitive advantage to businesses with mobile-friendly sites because smartphone users rely on their devices most for finding information about businesses (31%) and destinations (30%). Visiting social media sites is the biggest draw for roughly 20% of mobile audiences.

Furthermore, while nearly 40% of respondents said their employer relied on its website for business transactions, on average respondents said their employer's website looked "okay" or worse on a mobile device.

Source: Modapt.com, August 10, 2011

Create an Offer... continued from page 1

the next time you say you only have five available, it'll be like the little boy who cried wolf.

Classic example of a highly effective offer

Remember the old Ginsu knives commercials? Those knives seemed like a pretty good deal all on their own...But wait, there's more. For one low price you also get the knife holder, the sharpener, the insta-chopper and the kitchen sink.

And, if you act right now, they'll even throw in a special salad spinner as a special bonus. As if that wasn't enough to convince you, they also included a money-back guarantee.

Talk about a lot of value for little risk and a good reason to act now. If you were in the market for a new set of knives, how could you resist?

So next time you get ready to promote a product or service, don't just stick your contact info in there and hope for the best. Make 'em an offer they can't refuse!

Practical Marketing Expert Stacy Karacostas specializes in taking the stress, struggle and confusion out of growing your small business. She's the author of *Putting Your Business on the Road to Success*, *The Small Business Website Bible* and more than 200 articles on marketing, copywriting, sales and success. For more information, visit www.Success-Stream.com.