

BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business

REPORT

September 2007

IDEAwatch

Tips for Growing Your Business

■ **Improve your company by copying the experts.** There's a wealth of business knowledge out there that you'll never learn behind your desk. Consider visiting high-performance companies in similar noncompeting industries. Often, executives at these companies are happy to swap ideas and show off some of their "best practices" methods. This invaluable insight may spark new ideas for your company.

Source: *Sales & Marketing Management*, P.O. Box 10667, Riverton, NJ 08076

■ **Next time an employee makes a mistake,** try putting the blame on yourself. In most cases, if you say that it was your fault, that you should have trained them better, they will most likely disagree and try to take the blame. Human nature is such that we won't let another take the blame for our mistakes when we believe we are being treated fairly. This tactic takes the focus off your judgment of the mistake and allows you the chance to present a review of the proper procedure without making the employee feel humiliated.

Source: *Supervision*, 320 Valley St., Burlington, LA 52601

■ **Are you active in the associations you belong to?** If not, you could be missing out on a lot of business. A survey of attorneys found that those who took active leadership positions in bar associations, nonprofits and community and trade associations, averaged about \$800,000 of annual originations while the less active group averaged \$327,000. Over half of the more successful respondents dedicated more than 11 hours each month to these activities. In addition, the more successful attorneys demonstrated twice the propensity for public speaking and were two to three times more likely to network and ask clients and referral sources for introductions to others.

Source: www.abanet.org

MARKETING

Nine Themes That Get People Talking

WHETHER YOU'RE PITCHING your company to customers, journalists, vendors, partners, investors or employees, you need a story that gets people talking.

There are nine themes that people talk about the most, particularly in business. I arrived at them by tracking and categorizing business communications and business media feature stories over the past 10 years. I looked at the types of stories that the media covers most often, aside from hard news and product introductions, the themes of speeches at conferences that generate the most discussion during breaks, the blog postings that catch and get linked from blog to blog, and meeting agendas that perk people up and get them involved.

The emerging patterns from this non-scientific research fall into nine areas:

1) Aspirations and beliefs. More than any other topic, people like to hear about aspirations and beliefs. (This may be why religion is the most popular word-of-mouth topic, ever.) We want something to believe in that helps us see a company or an issue in a new way. In fact, my research has found that aspirations and beliefs are, hands-down, the most "talkable" conversation topics. Patagonia founder Yvon Chouinard's views about how companies can grow by reducing pollution and creating more sustainable business strategies are aspirational. Aspirations are helpful because they engender feelings and help people engage with a company on more of an emotional level. They help us see into a person or company's soul.

2) David vs. Goliath. In the story of David and Goliath, the young Hebrew David took on the Philistine giant Goliath and beat him. It is the way Southwest Airlines conquered the big carriers, the way the once unknown Japanese car manufacturers took on Detroit and the way social media is taking on the media giants. Sharing stories about how a small organization is taking on a big company is great business sport. Rooting for the underdog

grabs our emotions, creates meaning and invokes passion.

3) Avalanche about to roll. The mountain is rumbling, the sun is getting stronger, but the rocks and snow are yet to fall. You want to tune in and listen to the "avalanche about to roll" topic because you know that there's a chance that you will be killed if caught unaware.

Craft a message that will truly resonate with people and spark word-of-mouth marketing.

This theme taps into our desire to get the inside story before it's widely known. It's not only interesting to hear someone speak about these ideas, they have the ingredients for optimal viral and pass-along effect.

4) Anxieties. Anxiety is a cousin of the avalanche about to roll, but it is more about uncertainty than an emerging, disruptive trend. Examples of anxiety themes abound: (1) Financial services companies urging baby boomers to hurry up and invest for retirement, and (2) Tutoring companies planting seeds of doubt about whether our children will score well enough on the SATs to get into a good college. Although anxiety themes grab attention, go easy. Overuse of this practice has exacerbated consumer skepticism. Use it wisely by backing up your views with facts to justify the threat and explain the possible ramifications.

5) Contrarian/counterintuitive/challenging assumptions. These three themes are like first cousins, similar in many ways but slightly different. Contrarian perspectives defy conventional wisdom; they are positions that often are not in line with — or may even be directly opposite to — the wisdom of the crowd. The boldness of contrarian views grabs attention; the more original and less arrogant they are, the more useful they will be in provoking meaningful conversations.

Counterintuitive ideas fight with what

continued on page 2

■ Are you paying attention to your website's bounce rate?

Many marketers consider this to be one of the most important metrics to analyze. In a nutshell, bounce rate measures the percentage of people who come to your website and then leave immediately. Start by measuring the bounce rate for your entire website. (Any decent web analytics tool should provide this.) If you've made changes to your site over time, then watching the bounce rate trend is a sure way to know if the changes you are making are for the better. It's also invaluable for determining if referring websites or pay-per-click ad campaigns are sending poor quality traffic. As an initial benchmark, it is hard to get a bounce rate under 20%. Anything over 35% is a cause for concern and anything above 50% is a cause for worry.

Source: www.mpdailyfix.com

■ **The postscript (or P.S.) is still one of the most noticed parts** of a direct marketing letter, yet many marketers either forget it completely or don't know how to use it effectively. To create a turbocharged P.S., consider adding a bonus offer, restating your guarantee, mentioning a recent research report, sharing the rating of an expert or inserting a short testimonial. Include a deadline in bold. Try using more than one P.S. in a letter. Finally, handwrite the P.S., as though it really is an afterthought from a real person.

Source: www.targetmarketingmag.com

■ **Put some distance between you and your laser printer.** Emissions from office laser printers can be as unhealthy as cigarette smoke, according to research from the Queensland University of Technology's Air Quality and Health Program. According to the research team, the average printer releases toner particles that can get deep into the lungs and cause respiratory problems and cardiovascular trouble. The team tested 62 laser printer models—all relatively new—and found that 17 of them were "high emitters" of toner particles. Despite using similar technology, office photocopiers do not emit particles, the team found.

Source: www.news.com

Research identifies women's 'shopping genes'

New research reveals that how a woman approaches shopping does not change as she grows older, has children, moves from region to region or changes income brackets. A woman's approach to shopping is very much part of who she is, as if it is part of her DNA.

The online survey of over 3,000 women, ages 18-49, by AMP Agency, determined that there are distinct approaches to shopping, and researchers identified women across four mind-sets.

The largest segment, Social Catalysts (35%) are social, smart, organized and trendy. They consider themselves the experts amongst their group and are strong influencers of others. While they are likely to seek out bargains to keep up with the latest trends, most avoid fads.

Natural Hybrids (34%) are confident,

balanced and classic. They look for long-lasting products that aren't too trendy. Though 80% like to try new products, half wait for friends to try them first.

Content Responsibles (20%) are practical, loyal and efficient. They are neither trendsetters nor trend spreaders, but can become lifelong customers. Social status is not an important part of their lives. Shopping is considered a chore, so they seek a hassle-free shopping experience.

Cultural Artists (11%) are creative, impulsive and adventurous. They are key influencers and spenders in areas of fashion, beauty, food, health and wellness. Almost half stated they frequently go shopping just to see what's new in the stores. They generally want to be the first to try new things on the market.

Source: *Research Brief*, August 20, 2007

Talking... continued from page 1

our intuition (as opposed to a majority of the public) says is true. When you introduce counterintuitive ideas, it takes people a minute to reconcile the objective truth with their gut assumption about the topic.

Challenging widely held assumptions means that when everyone else says the reason for an event is X, you show that it's actually Y. Challenging assumptions is good for debate and discussion, and especially important in protecting corporate reputation.

6) Personalities and personal stories. There's nothing more interesting than a personal story with some life lessons to help us understand what makes executives tick and what they value the most. The points of these personal stories are remembered, retold and instilled into organizational culture. When Steve Jobs gave the commencement address to Stanford University in June 2005, he shared his personal story and life lessons. That commencement address, "Stay Hungry. Stay Foolish," was emailed around the world, was talked about on thousands of blogs and was published verbatim in *Fortune* magazine. It helped us see Jobs in a new light.

7) How-to stories and advice. Theoretical and thought-provoking ideas are nice, but people love pragmatic how-to anecdotes about how to solve problems, get ahead, make friends and influence people. To be interesting, how-to themes need to be fresh and original, providing a new twist to what people already know.

8) Glitz and glam. Robert Palmer sang about being addicted to love. Our society is more addicted to glamour and celebrity. Finding a way to logically link to something glitzy and glamorous is a surefire conversation starter. For example, tagging on to the widespread interest in the Academy Awards, Randall Rothenberg, former director of intellectual property at consultancy Booz Allen Hamilton, last year crafted a point of view about the similarity and challenges between creating new "star" product brands and movie stars.

9) Seasonal/event-related. Tying your topic into seasonal or major events is a well-used, proven strategy. Examples of this type of story include: industry predictions around the New Year, tax and financial advice in March and April, and all things related to kids in August and September as parents are getting them back in school and planning for the new school year.

Get people excited about your company by using these themes to develop points of view, ideas for sound bites, press releases, speech topics, articles or website content. Craft the kind of message that will truly resonate and spark conversation.

Lois Kelly, co-founder of Foghound and author of the widely praised book *Beyond Buzz: The Next Generation of Word of Mouth Marketing*, helps organizations talk about their products and issues in ways that get people to buy, believe and change, no matter how complex the topic or competitive the market. For more information, visit www.foghound.com.

■ **Write compelling ad and website copy by using the power of questions.** Much like face-to-face selling, use questions throughout your copy to keep your prospect involved — intriguing questions that grab his lapels and jerk him toward you. Never say something if you can ask it instead. Think of how you can phrase your key selling points as questions. If your questions are logical, orderly and sequential, you can lead the prospect toward the inevitable conclusion to purchase your product or service.

Source: www.guaranteedmarketing.com

■ **Tired of wasting time on administrative work,** but aren't ready to hire a full-time assistant? Consider hiring a virtual assistant. VAs perform routine or specialized tasks remotely, often working part-time from their homes, using the phone or Internet to communicate about projects, screen clients, coordinate meetings, do research, etc. Most specialize in one skill such as writing, accounting or law. VAs can cost from \$35 to \$75 an hour, depending on the services performed. Temporary workers may cost half as much, but you only pay a VA for work completed. The International Virtual Assistant Association's website (www.ivaa.org) allows business owners to search by skills and services needed.

Source: www.abcnews.com

■ **Seeking capital to finance expansion?** Find your perfect investor by using an online investor database. Ranging in price from a few hundred to several thousand dollars, an investor database can help you match your investment needs to the investors' stated preferences and strengths. Search online for "investor database" and look for a database that allows you to search by industry, geographic area, category, stage of development and dollar amount. Databases that include backgrounds or biographies of the investors will allow you to further narrow your search by considering if their personalities will match with yours.

Source: www.entrepreneur.com

More retailers using tricks of the trade

Studies suggesting subtle ways retailers can increase sales have been around for years, but the number of companies actually implementing these tactics just recently started taking off.

For example, some retailers are boosting profits by quickly rotating merchandise. At Zara, a Spanish-owned clothing store, the tunic for sale one day will be replaced by a sundress the next. If you want the tunic, you have to buy it now at full price, instead of waiting for a sale. The company's entire contents are turned over every three to four weeks, and new clothes arrive twice a week. By training customers to not wait for a sale, researchers say you can increase profits by an average of 67%.

The use of smells is also being imple-

mented by more companies like Westin hotels and Sony Style stores. One study found that certain scents — Rose Maroc in men's clothing stores and vanilla in women's — increased shopping time, number of items purchased and amount spent.

The use of music has often been a favorite tactic of retailers after research indicated that people who make unplanned purchases tend to buy more in the presence of pleasant background music. However, if you already provide music in your store, you may not want to also add smells. New research suggests that scent and music together decrease spending, perhaps because people felt put off by sensory overload.

Source: *U.S. News & World Report*, August 1, 2007

Understanding 'echo boomer' spending habits

As baby boomers move toward retirement, much of their spending power will be eclipsed by the second largest demographic in the U.S. — the echo boomers. According to a new study by Visa USA, these young consumers, now ages 18 to 28, believe they are facing a difficult economic future and are demonstrating a practical and mature approach to spending.

Echo boomers are focused on getting more value for their money: 69% consider themselves wait-and-see shoppers, and 83% say they are bargain shoppers. Eighty percent of echo boomers stick to a strict budget when making purchases. More than 70% are concerned about having enough money for retirement, a degree

of concern similar to the about-to-retire baby boomers (78%).

Yet, many echo boomers tend to splurge in retail categories that help relieve feeling time-stretched. They cited dining out at restaurants as their second largest expense in a given month after housing costs. Approximately 20% said that travel and vacations are a major or moderate expense every month.

If they could reward themselves, 35% of echo boomers would choose a day off just for themselves followed by going to a special concert or sporting event (22%), going out on the town (15%), going to a spa (13%) and buying new clothes (11%).

Source: *Direct*, August 2007; Visa.com

Redefining luxury

You don't need to sell diamonds or yachts to appeal to luxury consumers. All they really want are memorable experiences and the time to enjoy them. That is the conclusion of a report by the Consumer Research Center of The Conference Board.

According to the report, "The Global Luxury Market: Exploring the Mindset of Luxury Consumers in Seven Countries," time is the most highly valued luxury (named by 35% of respondents), then life experiences (25%), followed by having

comfort, beauty and quality (18%). One-fourth strongly agree that luxury is less about the material things one has or one owns and more about how one experiences life, a sense of happiness and satisfaction.

Luxury consumers' favorite pursuits include tech-related activities such as using a personal computer, the Internet or a cell phone, which rank as the most participated-in lifestyle activities. Travel is next, with 69% of luxury consumers worldwide reporting an interest.

Source: MarketingCharts.com, July 24, 2007