

BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business

e-REPORT

Provided for members of the



ST. JOSEPH
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IDEAwatch

Tips for Growing Your Business

■ **Make this quarter your best ever by hyperfocusing** on one measurable priority, says Verne Harnish, consultant and creator of MIT's Birthing of Giants executive program. Not 75, not five, but one overarching focus for the next 90 days that removes a significant bottleneck in the business. One company needed to hire 16 specialists; another focused on doubling inventory turns; a third concentrated on its Google ranking. What about yours?

Source: www.fortune.com

■ **What's your company's referral rate?** Is it worth touting? Every business owner should know the percentage of new sales that come in through referrals. A high referral rate is a selling point that can be used to reassure new customers that they're in the right place. For it to be worthy of praise, consider publicizing it only if it's above 25 percent.

Source: www.ithinkbigger.com

■ **Should you display a privacy notice** when asking for private information? It may seem like a good idea to remind people that you will protect their information, but studies have shown that this approach can backfire. For example, in one study, some subjects saw a privacy notice at checkout, while others didn't. Asked to rate on a scale of 1 to 100 how likely they were to go through with the purchase, the notice-aware group averaged 26, compared to 47 for the no-notice cohort. The researchers explained that these notices can make customers feel less safe by reminding them of the risks involved. This doesn't mean that your website should not have a privacy policy, but avoid making privacy notices stand out on checkout pages.

Source: hbswk.hbs.edu

STRATEGY

3 R's to Fight Inflation

by Steve McKee

HAVE YOU NOTICED gas prices going up? Is your company having a hard time finding new employees? Are you paying more (and waiting longer) for parts? The experts say inflation may be upon us. If it isn't yet it soon will be, given all the funny money the federal government has pumped into the economy. What then?

It will be a new experience for most of us. I'm old enough to remember the stagflation of the 1970s, though I wasn't yet in the workforce. Many of today's businesspeople have never lived through inflationary times. We've had our challenges, from the dot-com bust to the economic shock of 9/11 to the Great Recession, but we haven't seen clerks at Best Buy sticking one price tag on top of another before a television or refrigerator makes its way from the back of the store to the check-out line.

When the price of everything from supplies to salaries begins to shoot up, the old adage "Waste not, want not" will make a quick comeback. We're all going to quickly turn our attention to ameliorating potentially crippling effects.

As a firm that advises companies on how to maintain momentum regardless of which way the economic winds are blowing, we're anticipating the coming storm by taking a page from the '70s-era slogan "Reduce-Reuse-Recycle." Those are three pretty good ideas to begin with, and you might be inspired by a number of others, from "renegotiating" contracts to "rerouting" delivery drivers. But we're starting with three R's that pretty much apply to any business.

Try them on for size.

Retain

Good help is hard to find, an issue that's being exacerbated by both demographic and economic trends. That increases the likelihood that better-

heeled competitors are going to come after your best people. Money always talks, and as members of your staff are feeling the pinch of higher prices in their personal lives, they may be more willing to listen.

Reduce the potentially crippling effects of inflation by taking action to retain, refocus and retool.

There's nothing more costly in business than turnover, and regardless of how well you compensate your employees, you'll likely pay more to replace than retain — to say nothing of the cost of recruitment and training. That doesn't mean you should throw financial caution to the wind, but it does suggest that you pay more attention to the nonmonetary factors that play a role in people's job satisfaction.

Initiatives such as taking steps to improve your corporate culture, making strategic investments in training and demonstrating personal interest in people's careers will make your company more productive and efficient — and will make it stickier to your staff. You might even consider what a bonus structure suited to inflationary times would look like.

There's never a bad time to step up your retention efforts, and you'll be especially glad you did if and when competitors start dangling dollars before their eyes.

Refocus

A loss of focus is one of four common dynamics that our research shows plague companies in decline. Just as the tip of a pencil grows dull with use, organizations tend to naturally lose their edge. But external events can also cause distraction. Whether you start chasing business you shouldn't, begin discounting to preserve the top line or loosen

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■ **Before launching a marketing campaign**, ask “what do we want our customer to do 30 days after the purchase?” says marketing guru John Jantsch. This question allows you to begin with the end in mind. Typically, the focus is on how to get the sale, but this question forces you to think about how you get the result, the next sale or the referral and puts the emphasis squarely on creating a total customer experience.

Source: www.ducttapemarketing.com

■ **Keep your best employees on board with “stay interviews.”** The stay interview, compared with the exit interview, is a conversation where each side asks questions and agrees to follow up on ideas and action plans — before the employee gets dissatisfied. The goal is to get fresh insights into improving the work environment. Keep the conversation simple and informal as you ask these questions: 1) What do you like about your job? 2) Describe a good day of work you had recently. 3) What does your dream job look like? 4) What do you like or not like about the professional development opportunities available to you? And 5) Do you feel your skills are being utilized to the fullest?

Source: www.inc.com

■ **Don't just put on a happy face when making a fundraising pitch.** While you may want to appear positive, only smiling may come off as insincere or overly optimistic. A study at Washington State University found that entrepreneurs whose facial expressions moved through a mix of happiness, anger and fear during funding pitches were more successful. In the study, many of the successful entrepreneurs would start their pitch in a happy way, introducing themselves and talking about how proud they are of their team. They would then use anger to express determination or the problem they were trying to address. When talking about obstacles, risks or a need for resources, they would often use facial expressions conveying fear. In contrast, people who expressed very little emotion on their faces did not do well in garnering funds even if the words they were saying were compelling.

Source: *Journal of Business Venturing*

Pleasing your picky customers

There are hard-to-please customers in almost every industry. New research at Penn State has found that shopper pickiness can go beyond simply shopping for the “best” option. The researchers defined what it means to be a “picky” customer and also provided do's and don'ts for pleasing them.

Previous research has found that about 40% of people have family or friends they would consider “picky,” suggesting the trait is common. “In marketing, we call customers who want the absolute best version of a product ‘maximizers,’” said lead researcher Margaret Meloy. “But with picky customers, the best is more idiosyncratic. For them, it might not be about getting the best quality, but getting the precise version of a product they have in their head — a shirt in a very precise shade of black, for example.”

The researchers found that people who scored higher on the picky shopper scale tend to have a small window of what they consider acceptable, which the researchers described as having a small latitude of acceptance and a wide latitude for rejection. These shoppers

were more likely to reject a free gift when offered as a thank you for participating in a survey. This may seem irrational to some, but the researchers speculate that it could be psychologically costly for picky shoppers to take free items that they don't like because possessing these items is a source of irritation for them.

Additionally, the researchers found that picky people didn't change their opinions based on a product's popularity. When they were informed that their top choice of a product was less popular than other options, people who scored high on the picky scale weren't swayed by that information. They stuck with their original selection.

“If you know you have a lot of picky customers, you might not want to bother with offering free products or promoting products by saying how popular they are with other people,” Meloy said. “These companies will need to come up with strategies that give customers more control to better align their idiosyncratic preferences with the company's offerings.”

Source: Sciencedaily.com, May 4, 2021

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payment terms at just the wrong time, a loss of focus can take many forms, none of them good.

By contrast, refocusing your company's mission, model and/or value proposition to make its appeal more compelling is always a good thing to do, and it's critical when you're asking people to pay more for what you've got. Focus helps maintain margins, improves competitive differentiation and potentially even shortens the sales cycle.

When the numerator of your price/value equation starts heading up, your No. 1 objective should be to increase the denominator, as well.

Retool

Whether you're selling blankets to beachgoers or molds to manufacturers, every company has some form of sales funnel into which it must draw a broad number of prospects, working them down toward the point of purchase. Imagine the power of making the funnel more like a pipe, requiring fewer prospects at the top to generate the same number of buyers at the bottom.

Advances in digital strategy are making that increasingly possible.

If you can reduce marketing waste by spending fewer resources reaching people who can't (or won't) do business with you, you'll win on two counts: One, by giving up the chase of unproductive prospects, and two, by doubling down on those that pay off. If you haven't audited your go-to-market strategy in the past year or two, now is a good time to question old assumptions and explore new pathways.

Retain. Refocus. Retool. These are three ideas that offer just a taste of what you can do in anticipation of inflation. There are more R's where those came from, and you might want to start considering them. The last one you want to deal with is Regret.

Steve McKee is president of McKee Wallwork & Company and author of *Power Branding* and *When Growth Stalls*. Find him on Twitter and LinkedIn. (This article originally appeared at Smartbrief.com.)



■ **Do you have a lot of prospects pending but not closing?** You may not be asking the tough questions early enough. Find out if the person you are talking to is really a player by asking the “cleansing question.” “Mr./Ms. Prospect: We’ve been talking for a while now and have agreed that we’d be able to help you with _____. I want to make sure that I’m not wasting your time or mine. What is the probability that we’ll be able to work together in the next month?” If they say “zero probability,” great — now you can find out the real problem or move them out of your pending file. If they give some other probability, get a commitment and timeframe.

Source: www.businessbyphone.com

■ **Reduce hiring costs by thinking ahead.** When employees leave your company for personal reasons, ask if they would be interested in working for you part time in the future. This tactic can provide a ready source of trained workers for your busy times.

Source: www.glassdoor.com

■ **These are the best times to post on Facebook in 2021.** According to research by Sprout Social, the best times to post on Facebook are Tuesday, Wednesday and Friday from 9 a.m. to 1 p.m. CST, while the best days are also Tuesday, Wednesday and Friday. The worst day is Saturday. Specific industries may have different results. For example, the research shows that the best time for the healthcare industry to educate its audience is Monday through Friday at 11 a.m., while restaurants should take advantage of Monday at noon and Friday from 1–2 p.m. CST. The sweet spot for tech is Thursday from 3–4 p.m., while travel and tourism should post on Tuesday and Wednesday from 9 a.m.–1 p.m., and Friday from 10 a.m. to noon. Posting during peak engagement times is a good place to start, but a detailed analysis of your audience might reveal less busy times where your audience is active, but competitors are not.

Source: www.sproutsocial.com

Buying changes that are likely to stick

The vast majority (78%) of consumers have come to prefer online shopping for specific items over the course of the past six months, according to a Cheetah Digital report. Several buying behavior changes over the past six months stand out as likely to stick. Jointly at the top of the list were buying more through digital channels (39%) and being more concerned about the environmental impact of the brands they consume (39%). Right behind was being more concerned about how and where brands source products and services (38%).

More than six in 10 (64%) of survey respondents said that beyond Amazon,

they had bought from online sites that they hadn’t previously considered or realized existed. In this discovery process, 64% said they expect to stick with these new brands on the other side of the pandemic.

It’s certainly clear that the consumers surveyed have become more conscientious over the past six months. Some 58% of respondents said that they had rejected a brand either because of its environmental, corporate or political values, and nearly three in 10 (27%) feel more concerned about a brand’s corporate values.

Source: Marketingcharts.com, April 23, 2021

Coupons pull buyers to new brands and old favs

Whether a new restaurant or new jeans, coupons will make most consumers take a second look at a potential purchase. That is a key finding from new Vericast and Save data, which indicates that about two-thirds (62%) of consumers say coupons influenced them to try a new brand for the first time within the past year.

In addition to trying something new, coupons are also influencing consumers to try some old favorites again — things like hosting backyard BBQs or even

attending venue events like concerts. Researchers found that 64% of consumers say a coupon or discount would encourage them to once again take part in large gatherings.

More than four in 10 (43%) say saving money gives them a feeling of satisfaction. Coupons are also found to get people in the holiday mood with more than half saying coupons would encourage them to celebrate summer holidays like Memorial Day or the fourth of July.

Source: Bizreport.com, May 11, 2021

Customers want to message businesses

In their communications with businesses, consumers want speed — it’s the most important factor when interacting with businesses. They are increasingly turning to chat because they find it more convenient, according to a new Forrester study. In fact, consumers often decide where to buy based on brands’ communication channels. As many as 68% of the respondents indicated that, if they can choose where to make a purchase, they are more likely to go with the business that offers convenient communications.

The benefits of investing in “asynchronous chat” increased customer service efficiency and improved customer loyalty. Asynchronous chat is any communication channel where the consumer has control over the conversation cadence

(such as text, social media, third-party messaging and chat through a mobile app). For example, a consumer might send a message to a business, walk away for a few hours and return to the conversation where they left off.

Asynchronous chat will become an important element of customer service that provides customers with additional choices, the convenience of communicating on their time and a record of their conversation. But that’s just one piece of the puzzle. Firms with advanced communications offerings achieved better business results, including 19-point higher net promoter scores, 9.5% increased customer satisfaction and 5% or greater growth.

Source: Thinkwithgoogle.com, Jan. 2021



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