

# BUSINESS INTELLIGENCE

## REPORT

Strategies and Trends for the Successful Business

February 2012

### IDEAwatch

Tips for Growing Your Business

■ **Initiate a positive conversation with anyone** by using great opening questions. In turbulent times, asking “How’s it going?” will often bait a negative response, such as “Just hanging in there” or “Trying to survive.” Then the conversation goes south, focusing on lack, worry and dread. Dale Carnegie trained his YMCA students in the 1930s to ignite positive conversations by opening with “What’s the good word?” It changes the conversation, the mood and the direction of the talk. You could also ask people the following: “What are you enthused about these days?”, “What are you working on these days?” or “Tell me something interesting; I’m dying to hear about something new and cool.”

Source: sandersays.typepad.com

■ **Want a competitive edge in hiring and keeping employees?** Consider increasing your paid vacation time. It’s a desirable benefit, and compared with other benefits, the cost should be relatively minor.

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

■ **Is your new service or product offer falling flat?** You may have failed to consider and counteract your indirect competition. For example, a stressed-out executive can obtain relief from a yoga class or massage instead of your \$5,000 retreat. They can also choose to continue to suffer the stress (which is cheaper than any other option). To combat indirect competitors, start by listing all the needs satisfied by your offering. Next, write down all the ways, besides buying from you or a direct competitor, that customers can meet those needs. Finally, strongly and explicitly make the case for why your offering more effectively meets those needs compared to the indirect competition.

Source: www.yudkin.com

### MARKETING

## Ten Common Marketing Mistakes

by Steve McKee

I CAN’T TELL you how many times I’ve heard this refrain, or a variation of it: “We tried \_\_\_\_\_ marketing tactic. It doesn’t work.” While it may be true that a given approach is ill-suited for a particular industry, audience or situation, in my experience the tactic is less often to blame than the implementation of it. In fact, many companies make mistake after mistake based on gaps in their understanding of how marketing really works. Here’s a quick review of 10 of the most common errors to help you avoid the worst of them:

**1. Aiming at everyone.** No company can be all things to all people; as much of a cliché as that is, it’s true. Companies paint themselves into a corner because of a misplaced fear that by targeting one group they’ll be turning away others. But aiming at everyone is an oxymoron. The best marketers understand that by narrowing their target audience they can increase the intensity of their brand’s appeal, piquing interest and driving margins. You’re better off being the first choice of 10% of the population than being one of 10 options for everyone.

**2. Betting on rationality.** This mistake is subtle but dangerous. Marketing planning is often a left-brain effort, where rational exercises like determining budgets and plotting strategy take place. But consumers don’t make decisions where logic and argument reside; research suggests that emotion not only influences most purchase decisions, it tends to trump reason along the way. Don’t try to convince your prospects; connect with them. They’re depending on their gut more than you realize.

**3. Letting market research trump everything.** Too many marketers invoke data as if information had mystical qualities. To say market research

has its limitations is to understate the point; some of it can be flat-out misleading. Consumers don’t always realize how they feel, what they think or why they do what they do, and even when they’re well aware they won’t always tell you the truth. Research is a valuable tool in a marketer’s shed, but used

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**If it feels like your marketing efforts are an exercise in futility, you may be making one these errors.**

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improperly it can cost you a finger (and perhaps your head).

**4. Getting seduced by the new.** We live in fast-paced, exciting times, with new marketing and media options sprouting up every day. While they’re all worth a look, none is worth upending your efforts for. It’s easy to be seduced by the siren songs of new tactics, but wisdom says to stick to what works while you evaluate what might. Some company has to be first to give something a shot, but it should rarely (if ever) be yours.

**5. Advertising your aspirations.** We all aspire to make quality job No. 1, offer uncompromising service and demonstrate amazing results, but no company can fully achieve any of these. Advertising your aspirations only invites people to catch you failing to achieve them, and these days it’s easier than ever for them to spread the word. Aspirations are, by definition, promises that can’t be fully kept. Don’t announce them, just try to live by them — use them within the walls to rally your troops, but don’t let them escape to rouse the ire of your customers.

**6. Following the leader.** Competition is awesome in the abstract. When it gets concrete it’s just plain hard, especially if your competitors are pounding the market with claims you

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■ **Craft a pitch that wows journalists.** You may have a great story idea, but unless you adapt your pitch to the needs of today's journalist, it's going nowhere. First of all, email your pitch (forget the phone or fax), but don't send attachments. Grab attention with a strong subject line that's clear about the topic of the pitch and shows you understand the audience the journalist writes for. Once opened, the most salient parts of your pitch should be in the very first sentence of your message. Keep the pitch short — no longer than three paragraphs. Ideally, you should tie your pitch to the news of the day, a current trend or an interesting news statistic. Be clear about why the story would be of interest to readers. Include links to your website, a video, fact sheet, recent study and so on. It's okay to send a follow-up email or two. If they don't respond, assume they aren't interested and move on, or risk being labeled a pest.

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

■ **Can't find the right contact person in a company?** Try looking at the job listings. If there's a listing that is in the same department or is aligned with what you offer, companies almost always give a point person to contact. What's more, when you know what type of positions they are hiring for, you can figure out what they've got planned and what they need. You can also learn a little about a company's language and culture.

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

■ **Pick an "always" to stand out from the competition.** An always is something you will do, without fail, no matter what. For example, you could start small and decide you will always respond to calls or emails within 30 minutes, follow up the day after every sale or suggest alternatives. Alternatively, you could go bigger and always deliver early, charge the lowest prices or maintain the most comprehensive inventory. The always you choose is up to you. Just make sure customers will value and appreciate the difference your always creates. In time, you will be known by your always — and you'll start to stand out.

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

## New Google feature may change your world

Do you already have a Google+ page set up for your business or do you see that as just one more time-wasting social networking headache? If you rely on website traffic from natural search results on Google, you may not have any say about the matter. The search company just launched "Search Plus Your World" (SPYW), which is the merger of personalized search with social search, including the addition of relevant Google+ results displayed on Google's search engine pages.

Google has been personalizing search engine results since 2005 and included social search results since 2009, but SPYW is a bit different. For example, there's a new "Personal Results" view that personalizes the listings you get based on both your own behavior and social connections, along with content that's been shared with you through the Google+ social network.

And while some consider Google+

activity to be rather quiet compared to, say, Facebook, the social network's membership continues to steadily climb as Google figures out new ways to entice members to join. For example, in order to create a new Gmail account, you must also create a Google+ profile.

And what about your Facebook page? According to Google, Facebook and Twitter results won't appear because that would conflict with those websites' terms of service. However, Google claims they'd consider offering this information if their competitors allowed it.

So what does this mean for website traffic? Even before SPYW, participating in Google+ would have some positive impact on search results, but now it appears that if you have no Google+ presence and your competition does, you might lose existing search traffic going forward. Therefore, it may make sense to get in early on this trend.

Source: [Searchengineland.com](http://Searchengineland.com), Jan. 10, 2012

## Small firms working harder for fed contracts

The economic downturn has hit government spending as it has other areas of the American economy. A new survey conducted among small business owners who are active federal contractors shows that they are working harder for less return than they were a year ago.

The report shows that the amount of time and money that active small business contractors have invested in seeking federal contracting opportunities has increased by 21% in the past year. Even as the average investment has risen, bidding activity has declined by nearly half, both in prime and subcontracting bidding activity. Further, the average success rates have declined as well, indicating a more competitive environment.

So how can a small business increase the odds of getting contracts? Don't give up! Small contractors reported that they had to submit an average of 4.4 bids before they won their first prime federal contract. Subsequent successes typically come easier. Two-thirds have performed on more than one contract, and, on average, it took them just under a year after their first procurement victory to win their second contract.

Success rates fall sharply as a business surpasses bidding on six or more contracts over a three-year period. So concentrate on just a few procurement opportunities and avoid submitting more than two or three bids per year.

Source: [OpenForum.com](http://OpenForum.com), Dec. 15, 2011

## A good mobile site can boost in-store sales, too

If you've concluded that your company doesn't need a mobile-friendly website, you may be missing out on sales — and not just mobile sales. A new survey by ForeSee shows that satisfied mobile shoppers report being 40% more likely than dissatisfied mobile customers to consider the same company when purchasing through other channels such as a traditional website or store (88% vs. 63%).

Satisfied mobile customers, those with scores of 80 or higher on ForeSee's E-Retail Satisfaction Index, are also 54% more likely than their dissatisfied counterparts (with scores of 69 or lower) to consider the company the next time they are making a similar purchase (91% vs. 59%), and twice as likely to purchase from the company's mobile site in the future (84% vs. 42%).

Source: [MarketingCharts.com](http://MarketingCharts.com), Jan. 13, 2012

■ **Do your customers think they're invulnerable?** In some industries such as insurance, health care and fitness, a common problem is that many people don't realize that a risk exists for them — they think they're invulnerable. Research suggests that the key to selling to this type of customer is to point out the risks not to them, but to others. For example, selling a car based on safety features won't work unless it is put in the context of protecting family members, particularly when another driver causes an accident. That approach addresses invulnerability in two ways — first, it's more believable to the customer that a child could be injured than himself, and second, it's more likely that someone else will cause an accident than he will.

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

■ **If employees tune you out when you give feedback,** gain their attention with a role-reversal question. For example, "If you were me, what kind of feedback would you give on your performance?"

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

■ **Increase your exposure by networking beyond your bubble.** We instinctively seek out those who share our interests, but by doing so we limit the range of situations and people we're exposed to. Diversify your network and experiences with these ideas: 1) Attend at least one conference a year in a field that you may have interest in, but little experience. 2) Talk to the loners. At social events, don't just spend time with your friends and colleagues. Seek out the people who don't fit in (hint: they look alone and uncomfortable) and strike up a conversation. 3) Find diversity within. Reconnect with passions that you may have ignored because they didn't fit into your life. In doing so you'll encounter people far removed from your daily experiences who may provide you with new self insight.

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

## Why guessing a task's completion time is tricky

Do you often underestimate how long it will take to complete a lengthy project? People estimate small tasks to take longer than they actually do, but underestimate the time needed for larger tasks, leading to dangerous overconfidence — a good reason to view projects as series of small steps. But what happens when you focus on how much work will be completed in a fixed time period — a minute, hour or a day?

Results of a series of studies published in *Applied Cognitive Psychology* and titled "To read two pages, I need 5 minutes, but give me 5 minutes and I will read four: how to change productivity estimates by inverting the question" suggests that flipping your focus

reverses the biases: people believe they will be less productive within a long period of time than in a short period. To the article's authors, this simply demonstrates that we have trouble with magnitude, dilating small units of time or work ("it's not *that* small!") and compressing larger ones.

For example, breaking a software project down into a quick succession of releases may encourage unrealistic estimates of just how much of the project will get done in each release. Therefore, it's valuable to also reverse your thinking and focus on the sub-tasks involved, and sense-check whether their durations really do fit your fixed deadline.

Source: *BPS Occupational Digest*, Jan. 9, 2012

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think you can match or beat. It's tempting to try and one-up the other guys, especially if they're the market leader. Do so, however, and you may reinforce their strengths and derail your differentiation. Don't try to be better. Just be different.

**7. Seeking approval by committee.** If you can't agree with your family on what type of pie to serve at Thanksgiving, how can you expect a roomful of managers to agree on something as subjective as marketing communications? Everyone's taste is unique, and the fewer people involved in the creative approval chain, the better. If you try to please everyone, you'll end up with a gooey mess that nobody wants to eat. The best committee is a committee of one.

**8. Starving the budget.** An anemic marketing budget may save bucks but it will cost business. If you don't have a line item on your profit-and-loss statement with a reasonable percentage allocated to marketing, you're not a real business. Notice I said marketing, not advertising — paid media may very well not be right for your situation, but every company must somehow get its message out. Find the way and spend the money. And keep in mind that most do-it-yourself marketers shouldn't be doing it

themselves. Pay for professional help.

**9. Anticipating customers will act very quickly.** When was the last time you leapt out of your recliner to do exactly as an ad instructed? Marketing doesn't work that way, and as consumers we all understand that. Yet when we slip into our desk chairs we somehow expect marketing to show immediate results. It takes time to seed a message, and credibility grows through consistency. Plan your efforts well, and stick with them. As obvious as it sounds, every time you start over, you're starting over.

**10. Chickening out.** Plans are terrific, but plans are just words on paper. It's amazing how much time and money companies spend getting their acts together, only to succumb to stage fright when it's time for the curtain to rise. It's easy to come up with reasons not to do something, surrendering to fear of the unknown. But just as writers aren't writers unless they write, marketers aren't marketers unless they market. Not everything you do will work, but with each mistake you'll be learning and growing.

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