

BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business **REPORT**

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IDEAwatch

Tips for Growing Your Business

■ **Avoid the biggest marketing error.** The most successful small businesses have discovered that there's a decision they need to make if they want to succeed: Do they focus on developing a quality brand or do they focus on developing a budget brand? You can't do both without one hurting the other. Why? Because the market knows that great people don't do cheap work and that cheap people don't do great work. By trying to serve both ends of the market, you send a mixed message, which can hurt your business. Can't decide? Take a look at who you are serving now. If you want more premium clients, but tend to attract the fee-sensitive crowd, there's always a reason. Start by looking at your marketing messages and pay special attention to anything that suggests you serve the cheap end of the market.

Source: www.smallbusinessnewz.com

■ **You'll lose 25% of website visitors** if a Web page takes more than four seconds to load, according to research by Google. Mobile users will wait a tad longer — half will wait 10 seconds — before giving up. Afterward, three in five won't return to your site. Design your Web pages for speed and give visitors the instantaneous answers they are seeking.

Source: www.techjournalssouth.com

■ **Supporting a local cause can draw in new customers.** A whopping 94% of respondents to a survey by Cone Communications said they would swap their usual brand for another that supported a local cause, assuming the price and quality were comparable. Customers increasingly expect companies to give back to the community. Two-thirds (62%) claim to have purchased a product that supports a cause over the past year, compared with 49% in the previous year.

Source: www.bizreport.com

MARKETING

Secrets to Marketing a B-to-B Service

by Bob Bly

THE BEST PIECE of advice I ever received on marketing services was one word from the head of an IT consulting firm, who said: "Productize."

Products are tangible and services are intangible. Tangibles are easier to sell than intangibles. Therefore, the more you can make your service look like a product, the more tangible it will seem, and the easier it will be to sell.

If you are a consultant, don't just sell "consulting," which seems nebulous and open-ended. Most likely, you consult on the same few problems. Package these as consulting products. For instance, one of my clients offers an IT retrospectives facilitation service, a technique used in IT project management. Instead of just offering "consulting," which could include retrospectives or other services, he offers "IT retrospectives" as a specific product.

When you face the same problem, need or application repeatedly, you develop your own procedures for solving it. Package these as a product with both a clear title and a written description of what the service entails. This description, which you will use in email and other promotions, can be written as narrative paragraphs and/or in bullets.

Don't Sell Your Services Short

In many service businesses, there is a need to present your services as well as ask questions to determine whether your service can solve the client's problem. Only after this initial assessment can you quote an accurate price and have the client engage you. So, the question arises as to when you should "put the meter down" and stop spending time with the prospect for free and start charging.

Many service providers give away time and advice in the pursuit of new contracts, so why not treat this as a marketing tool? Call it a free consultation, evaluation or needs assessment, and assign a dollar

value to it. This way, potential clients perceive they're getting something of value before even hiring you.

Services with any degree of complexity and a significant price tag generally cannot be sold with one-step direct market-

Products are usually easier to sell than services, but following these ideas can help level the playing field.

ing. Are there exceptions? Of course. But most marketing of services is two steps or more, with the initial promotion generating the lead, which is then nurtured and closed in subsequent steps.

Generating Leads

What offer works best in lead generation for selling services? Best practices call for dual offers, one hard and one soft. The hard offer in lead generation for services is typically to arrange a meeting to discuss the prospect's needs and how the services can address them.

The soft offer in lead generation for service marketing is typically the offer of a free brochure, white paper or other content related to the services and the problems they solve. Reply mechanisms for both soft and hard offers include a reply card, phone, fax, email and website.

Are reply cards outdated in the Internet age? I think not. Even if the prospect ultimately replies online, the reply card is a visual indicator that a response is called for; the URL may be added at the bottom of the reply element.

Prospects who have a pending need for the services will want to meet with the service provider and therefore choose the hard offer. Prospects who might be interested down the road but have no need now or in the near future are more likely to choose the soft offer. Typically, 90% of respondents will choose the soft offer. So, without the soft offer, these valuable leads would be lost.

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■ **If you feel uncomfortable at networking events**, you may be focusing on the wrong person. You see, good networking isn't about you. If you spend your time meeting people and trying to see if there is a way you can be of help to them, you put your mind in the right order, and it is easier. Why? Because you may not be a great networker, but you are a great problem solver. If you can help someone else with an issue, idea or contact, you are working in the sweet spot of your skills. Along the way, good things will happen for you, too.

Source: www.cbsnews.com

■ **Cultivate your new recruit's emotional ties** to your company right away by impressing the family. The people your employee goes home to at night have the power to motivate him or her far better and faster than you can. Start from day one. When the new staff member goes home and hears "How was your first day?" make sure that the response isn't about filling out forms (do that in advance) and having lunch alone. Instead, have a welcome party, complete with refreshments and a gift, as well as lunch with the whole staff. Plan to spend your day with the new hire, learning about her and her family. Then at the end of the day, after a quick shopping trip by someone, hand over gifts to take home, such as an Xbox game for the kids or a spa gift certificate or golf lessons for the significant other. If the new employee is single, consider a gift card for a night out with pals or a matinee with Mom.

Source: www.wsj.com

■ **Need ideas for producing Web content that drives qualified traffic to your website?** Look at your Web analytics and pay-per-click reports. The keywords that visitors use to find your site provide a good indication of the content they want to read. Identify areas of high search volume and develop content around those subjects. In addition, you can use historical keyword data to exploit seasonal trends. For example, if certain keywords spike at specific times of the year, in the following year you can prepare content ahead of time so that it ranks well during that period.

Source: www.marketingprofs.com

Employee salaries are on the rise

A new report reveals that raises have made a comeback. The PayScale 2012 Compensation Best Practices report polled thousands of HR and business leaders in small, midsized and large companies about the compensation trends they saw last year and how those trends will affect pay going forward in 2012.

The report found that 44% of employers increased salaries by 1-5% on 2011, while 19% increased pay by 6% or more. Overall, more than 60% of employers adjusted salary structure in the last 12 months. That's a major increase from 2010, when just 30% did so.

The data also revealed that pay-for-performance is hot. In fact, 69% of employers of all sizes say performance-based pay was the main reason they adjusted salary structure in 2011.

Retention is still the number one workforce issue. Over half (54%) of employers say employee retention is

their biggest concern. In contrast, just 16% say attracting new job candidates is their biggest concern.

Why would employees leave a job? While just a few years ago, employers usually held the reins in deciding when employees left a job, the reasons have changed. In 2009, the number one reason employees left a job was poor performance. But in 2011, the number one reason was to seek higher pay elsewhere.

Employers are feeling good about 2012, and that's translating into more money for employees as well. Two-thirds of employers believe their companies' financial performance will improve in 2012, and a whopping 93% plan to adjust employee compensation accordingly.

So here's the big question: Will your business be able to keep pace with companies that are raising pay? What steps can you take to keep employees happy?

Source: Smallbiztrends.com, Mar. 14, 2012

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Nurturing Leads

Lead nurturing is an old concept with a new name. As a guideline, and this varies widely from marketer to marketer, 10% of the leads received will turn into sales after an initial response and perhaps a follow-up or two. By comparison, with ongoing nurturing of leads, 30% or more will turn into sales.

Lead nurturing means continuing to market to prospects once they have responded to a promotion and been entered into your database. Marketing to existing leads usually produces several times greater response rates than marketing to a cold list.

In the "good old days," marketers talked about lead nurturing, but seldom followed through because it was too cumbersome, labor-intensive and expensive. The Internet has eliminated these obstacles. At the very least, the prospect is added, with permission, to your opt-in e-list, so she receives either sporadic or regular emails from you. Several steps up from that is a customer relationship management system that distributes emails according to trigger events, such as a birthday or a transaction (e.g., download of a white paper).

A Website to Drum Up Business

Your company website should be designed to provide visitors with what they need to know to make a decision

about using your services.

Two questions service providers hear a lot from prospects is "How do you work?" and "What is your process?" This should be written out step-by-step and posted on your site as a "Methodology" page. This will save you from having to repeat these details in every sales conversation and document you produce.

The longer prospects stay on your website once they visit, the more they learn about you. Add features that increase the stickiness of your site. On Bly.com, for example, there is an online tool visitors can use to calculate breakeven points for mailings. Other sites have successfully increased stickiness with devices, including games, quizzes, puzzles, cartoons and animation.

In addition to information the prospect needs to know, your website should present information you want the prospect to know — content that would make him look more favorably upon hiring you. This might include a press room, articles page, awards page, whitepaper library, videos, audios — anything that shows your accomplishments, credentials and advantages.

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■ **Offering summer hours can be a perk with more bang for your buck** than other benefits — while boosting employee morale and retention. As you outline your summer hours policy, consider business goals and daily and weekly business demands. Options might include: one day off per week, shortened day on multiple days, early closing on Fridays, change in core hours/schedule shift or a compressed work week. Determine the start and end dates. Clearly state that, given extraordinary business circumstances, there may be times when employees may need to forego summer hours.

Source: www.inc.com

■ **If you're a vendor bidding on a contract** where the purchaser isn't familiar with the technical issues, you may be able to help him or her write the specs for the job or item. That can give you a big leg up when later bidding the project. On the other hand, if you're the purchaser, you should be wary of a supplier who helps you with the specs. He could be designing the order so that only he can supply the item or work. He may also be adding unnecessary items in order to maximize his profit. If the supplier is helping you, consider getting a second opinion on what's required.

Source: www.smbiz.com

■ **Catch buyers when they can't say "no"** by identifying their "compelling event." Think of a compelling event as a deadline to make a purchase, with consequences if no purchase is made. The largest compelling event in our society is Christmas, but businesses experience compelling events all year long, such as deadlines for spending budgets. A prospect with a compelling event is going to buy; the only question is, from whom? When talking with prospects, ask questions to identify a compelling event. For example, is there something causing them to shop now? Do they need your product to execute a larger plan that has a deadline attached? Finally, be wary of those without a compelling event. They can string you along and never make a purchase.

Source: www.sales-communications.com

Corporate America to small biz: Sell to us

Corporate America has been under fire for decades for shipping work overseas to lower-cost suppliers. Now a group of multinationals led by IBM say they want to send more business to Main Street U.S.A. companies. More than a dozen companies that spend a combined \$300 billion on outside suppliers have created Supplier Connection (supplier-connection.net), a website where small businesses can register for the chance to do business with the big guys. The idea is that small companies can complete a single application to be considered for contracts by all the corporations in the group.

Here's how it works: Companies with less than \$50 million in revenue or 500 employees sign up on the site and enter detailed information about what services or products they sell, their company finances and their certifications. While small businesses can't browse contract opportunities on the site, large companies can draw on the database when scouting potential vendors.

Other participants include several of the nation's largest banks, AT&T, Facebook, Caterpillar, Pfizer, Dell, John Deere, Kellogg's, Office Depot and UPS. Source: *BusinessWeek*, Mar. 22, 2012

When low prices annoy customers

Advertising discounts may seem like a sound marketing idea, but it can antagonize your most loyal customers, according to a paper by Eric T. Anderson, a professor of marketing at the Kellogg School of Management, and Duncan I. Simester, a professor at MIT.

The researchers worked with a retailer that specialized in selling durable goods, like software, electronics, apparel or books. The retailer sent out two catalogs, one with average discounts of 34% and the other with average discounts of 62%. As expected, lower prices led to more demand in the short run. However, diving into the results further, the researchers found that typically loyal customers who had recently paid full price for an item were much less likely to buy from the catalogs.

In fact, customers who received the deep-discount test catalog placed 14.8%

fewer subsequent orders than those who received the shallow-discount version. But even worse, the proportion of customers who placed no order at all after the test catalogs were mailed was 34% for recipients of deep discounts and 27% for recipients of shallow discounts.

"When you look at this segment of customers, what you see is that a substantial portion just stop buying," Anderson said. "We call this the boycott effect."

The retailers also tested their hypothesis with a clothing retailer for an after-Christmas sale and got similar results.

Anderson isn't suggesting that discounts are always a bad idea, but businesses should try to make the offers more private. Don't advertise to "customers that just paid full price; send it to customers who haven't bought that particular item," he said.

Source: *Kellogg Insight*, March 2012

Study: Heavy Web use equals sales growth

How much does your company utilize Web-based tools and marketing? The answer may determine your sales growth, according to new survey results by the Boston Consulting Group.

Small and medium-sized business (SMBs) that use a wide range of Internet tools to market, sell and support customers, interact with suppliers and empower employees (high-Web) appear to enjoy faster sales growth than those who either just have a website or social

networking site (low-Web), or do not have a website at all (no-Web). High-web SMBs in the United States experienced 10% growth in historical 3-year sales, compared to a decline in sales growth of 5% among low-Web and no-Web SMBs.

High- and medium-web (those that sell goods or services online) SMBs expect to grow by 17% over the next 3 years, compared to 12% for low- and no-Web companies.

Source: Marketingcharts.com, Mar. 21, 2012