

# BUSINESS INTELLIGENCE

## Strategies and Trends for the Successful Business e-REPORT

Provided for members of the



ST. JOSEPH  
Chamber of Commerce

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### IDEAwatch

#### Tips for Growing Your Business

■ **Is your company offering unnecessary discounts?** Discounts were once used as a last resort, but many companies now start with a discount. In addition to negatively impacting revenue, offering easy discounts is like saying, “We don’t believe in our solutions strongly enough to defend the value they offer.” Ask yourself these questions about your company: Do our solutions create real value? Do we understand that value and believe it? Do we know how to communicate that value? Can we defend that value compared with the competition, compared with other alternatives, and compared with doing nothing? Do we really deliver on the value we claim? In most cases, cost is one of the smallest reasons customers should be buying. But too often, that’s the one element salespeople focus on most.

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

■ **Have you ever met with a new client who turns you down** because the chemistry just isn’t right? This happens from time to time with lawyers, accountants, insurance agents and others. Consider giving that prospect a referral to a competitor who may return the favor later on.

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

■ **Adding 10 simple words at the end of your ad** can increase prospects’ level of trust in your company: “You can trust us to do the job for you.” Researchers found that placing that statement at the end of an ad for an auto service firm caused their trust scores to jump as much as 33%. More specifically, the firm was rated higher in every category: fair price, up 7%; caring, 11%, fair treatment, 20%; quality, 30%; and competency, 33%.

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

### STRATEGY

## Creative Destruction: Eat or Be Eaten

by Steve McKee

MUCH GOOD HAS come as a result of “creative destruction,” the term coined by Joseph Schumpeter to explain the relentless advance of a free economy. In the past 200 years, for example, income and life expectancy have both skyrocketed, with global income per person increasing by a factor of 20 and life expectancy by three decades. That’s the creative part.

But there’s a destructive part, as well: Companies that don’t adapt don’t survive. Economists Steven J. Davis and John Haltiwanger examined one 28-year period (1977-2005) during which overall job growth averaged about 2% annually and found that each year, roughly 15% of all jobs were eliminated. Nearly one in seven jobs wiped out a year. Every year.

How does that work? Simple. Each year, 15% of jobs get destroyed and 17% of jobs get created, netting 2% job growth. The math doesn’t exactly work that way, but it’s pretty close. And that’s in an average year, which 2020 has been anything but.

I find the ocean to be a helpful metaphor here. When you gaze out at the ocean on a bright, sunny day, all you may see is a calm, smooth surface. That’s 2% job growth. But beneath all that apparent tranquility, the cold-blooded dwellers of the deep are busy eating each other. All day, every day.

The corollary is clear: In a world of creative destruction, it’s eat or be eaten.

This year has taken a chunk out of all of our hides. Hundreds of thousands of Americans have lost loved ones. Tens of millions have been furloughed or laid off. Untold businesses have been shuttered.

People whose paychecks are unthreatened are making decisions that affect those whose are, and few of them seem to be considering the unintended consequences of their decisions. And the

handful of winners during this year of living less dangerously has tended to be big fish, from Big Tech to Big Retail.

Those of us that have managed to survive have had to innovate like never before. And we’re going to continue to have to, because there’s no telling

### Companies that don’t adapt don’t survive. What can you do to disrupt your own company’s status quo?

when this is all going to let up or what the world will look like when it does. Whether it’s a debt crisis, runaway inflation or simply fallout from the moral hazard that results from repeated government interventions paid for with funny money, the private sector is going to have to pull us all out of the abyss.

The trick for any individual company is, as always, to find ways to make creative destruction work for it rather than against it. I call it “creative disruption” — the ability to hold tightly to your organization’s mission but loosely to its model, always being willing to adapt to changing circumstances. And there, advantage goes to the nimble.

James W. Breyer, a former chairman of the National Venture Capital Association who has served on the boards of Facebook, Dell and WalMart, among others, suggests that even the biggest companies that succeed at innovation do so when they act more like small companies. They avoid the traps of being smothered by bureaucracy and the temptation to play defense, instead strategically launching new initiatives without losing focus on their core competency.

Take Apple, Fortune’s Most Admired Company for 13 straight years. Incredibly, 90.4% of what Apple sells didn’t exist when it first topped the Fortune list. The iPhone launched just a few months before the company’s first No. 1 ranking,

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■ **Maximize your email campaign response.** It's estimated that for every dollar spent on email, the average return is \$44. Studies show that 47% of emails are opened or discarded based solely on their subject line, so focus on testing alternate subject lines to optimize performance. Subject lines with 6-10 words have the highest open rate, and personalized subject lines are 22% more likely to be opened. Subject lines with a sense of urgency and exclusivity also get a 22% higher open rate. People over the age of 45 are susceptible to humor in a subject line, but humor is not as likely to work on younger people. Finally, it's usually better to have your emails look like they're coming from a specific person rather than just displaying the company name.

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

■ **Beware of Covid scams against small business owners.** According to the FTC, a recent phishing scam starts with an email that claims to come from the "Small Business Administration Office of Disaster Assistance." The phony message states that you are eligible for a loan of up to \$250,000. You are then asked for your personal information like birth date and social security number. Don't take the bait!

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

■ **If you employ essential workers, you can get some help** with educating your people about Covid-19 vaccines. The Centers for Disease Control and Prevention (CDC) has released a toolkit that includes a letter template that employers can use to address workers, which describes the side effects associated with available vaccines and advises employees to continue to take precautions, such as mask-wearing and social distancing. Employers also have access to a slide deck for informational meetings, fact sheets about Covid-19 vaccines, stickers to be given to vaccinated employees, vaccination posters and flyers, and sample language and multimedia for social media messaging. To access the toolkit, visit <http://dbhc.us/22>

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

## 62% say customer photos influence purchase

A new report shows user-generated content, such as photos uploaded to social media by customers, plays a significant role in purchase decisions. eMarketer reports that 62% of consumers say they're more likely to buy a product if they can see customer photos and videos first.

When asked why they seek additional context about a product, such as customer photos, they responded: It may highlight something that wasn't obvious (24%); like to see a product in action before they buy (21%); feel more confident that the reviews are accurate (17%); it's easier to see the quality of a product (17%); it's easier to see the size/fit or color of a product (11%); it's easier to see the material of a product (7%).

The influence of user-generated content is most prevalent on Facebook. The survey found 26.4% of respondents said Facebook was a popular destination for them to make purchases based on customer photos. Content uploaded by customers on Instagram and YouTube is also effective at influencing purchases.

The report from eMarketer focuses on the impact of customer photos on social media, but user-generated content can also be effective on shopping websites. If you have a website that sells products where customers can leave reviews, allowing them to upload photos with their review can assist future customers with their purchase decision.

Source: [Searchenginejournal.com](http://Searchenginejournal.com), Feb. 22, 2021

## New PPP rules help smallest businesses

The Small Business Administration (SBA) has faced criticism that the Paycheck Protection Program (PPP) last year did not sufficiently help the smallest businesses in need. The new administration hopes to fix this problem with updates to the program.

To begin with, from February 24 until March 9, businesses with fewer than 20 employees will gain exclusive access to PPP loans. However, the SBA will still process all applications that lenders had already submitted to the agency before the start of the exclusivity period.

The formula for sole proprietors, independent contractors and self-employed individuals has been modified to allow the use of the gross income line on their Schedule C tax forms. Previously,

businesses needed to remove taxes and other expenses from the calculation.

The SBA will allow access to the loan program without regard to a borrower's federal student loan delinquency status. Borrowers who have been convicted of a non-fraud felony also will be allowed access to the program, as long as they were not incarcerated when they applied.

Immigrant entrepreneurs who lawfully reside in the United States and pay taxes will also be allowed to apply for PPP loans. This has always been the case, but there is now clarification that business owners can use their Individual Taxpayer Identification Number (ITIN) to apply for the program.

Source: [Inc.com](http://Inc.com), Feb. 23, 2021

## Ranking #2 is better with Google My Business

The top spot in the Google 3-Pack isn't the most impactful in terms of performance for nearby businesses. Rather, the number two position often garners more clicks, according to new research by MomentFeed, a proximity search optimization company.

The term "Google 3-Pack" or "local search pack" refers to the first organic results seen in response to a search query with local intent. To qualify for the search pack, you must already have a Google My Business (GMB) listing.

While the research suggests there is no need to get caught up in trying

to rank number one, it also shows how important it is to make it into the 3-Pack. According to the research, securing any spot in the Google 3-Pack improves performance, with the average GMB listing experiencing a 404% increase in total views and a 113% increase in clicks or actions.

When choosing from the brands presented in the Google 3-Pack, 64% of consumers surveyed said proximity is a top factor, followed by familiarity with the brand (57%), rating (57%) and number of reviews (49%).

Source: [Martechseries.com](http://Martechseries.com), Feb. 22, 2021

■ **To promote your new video,** understand that Google and YouTube both use keywords to determine which videos to display in their search results. Phrases like “how to” or “review” tend to be among the top-ranked results in Google searches. Such findings are an indicator that your video content and keywords should always prioritize providing actual value to your target audience. One easy way to find relevant keywords specific to your niche is to start typing a keyword phrase into Google or YouTube. Both platforms will auto-fill a list of suggested search terms. Incorporating these key phrases into your video title, description, tags and more can improve its “discoverability” on these platforms.

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

■ **Conquer procrastination by committing to spend just 15 minutes** working at the task. That small amount of time won't be intimidating but is long enough for you to make some progress, giving you some much-needed momentum.

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

■ **Is your business bio putting people to sleep?** A business biography should not be a cold, dry list of qualifications, nor should it be a chronology of your career. Within your website's “About” page and other marketing materials, provide an overview of your achievements and distinctive work approach, while also imparting a sense of who you are as a person. Warm up your bio with some of these ideas: a quote from you or your personal motto; a phrase clients or an authority figure use about you; vivid extremes of contrasts (e.g., has taught everyone from CEOs to imprisoned drug dealers); tantalizing numbers (e.g., third most quoted Canadian chartered accountant); or a fact that humbles you (e.g., once appeared on Jeopardy where he lost to a dancing waiter).

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

## Wanted: emotional relationship with a company

Yes, consumers want value. But they also want brands to appeal to them emotionally, according to a new study by Khoros. Of the consumers polled, 46% prefer to buy from brands with which they build a relationship beyond “just selling me something.”

But there are different levels of loyalty. Here's what drives brand loyalty in general: Good value for the money (59%); ability to trust the brand (58%); best-quality product or service (52%); good customer service (51%); desire to recommend the brand to others (46%); and brand is authentic and genuine in customer interactions (36%).

But deep loyalty is fueled by factors that are more emotional: Interacts consistently over time (82%); able to resolve questions without a phone call (80%); feels human, rather than corporate (80%); seems authentic, not artificial (79%); and makes my interactions feel personal (76%).

Your company can drive deep connections and loyalty in your digital marketing through personalized ads on social media, creating an online community for customers to join, posting content that they care about on social media and being active on multiple digital channels.

Source: [Mediapost.com](http://mediapost.com), Feb. 18, 2021

## Engaging baby boomers through digital

Businesses hoping to engage baby boomers online should tap the power of search, social and user reviews, while also rethinking outmoded stereotypes, says a new study by Hootsuite, the social media management platform.

The pandemic prompted older generations to adopt many digital services, from online shopping and socializing to bank-

ing and virtual doctor's appointments.

Instead of targeting by age alone, target by passions and hobbies. This will likely attract a cross-generational audience, including baby boomers.

Most baby boomers do not want to see advertising that depicts them as “old,” and yet that's what they're seeing.

Source: [Warc.com](http://warc.com), Feb. 8, 2021

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and the iPad, AirPods, Apple Watch and Apple's various service offerings weren't even a glint in Steve Jobs' eye back then. Apple is a rare example of a company that is willing (and able) to regularly disrupt its own status quo.

The rest of us must do the same. The events of 2020 may have sped up the need for innovation, but the gears of disruption were already grinding ever faster. Five months after the launch of the iPhone, the cover of *Forbes* featured Nokia with the headline, “One Billion Customers — Can Anyone Catch the Cell Phone King?”

The speed of change may be more pronounced in the tech industry than in others, but creative destruction comes for us all.

That is, unless we decide to disrupt things ourselves, beginning with a mindset that refuses the victim mentality. Whether it's a pandemic, a deep reces-

sion, a 100-year flood, a transformative technology or any one of a thousand other things that interrupt the best-laid plans, unanticipated setbacks always carry with them unexpected opportunities. Our job is to find and pursue them. If we don't, they'll pursue us, likely in someone else's hands.

Nassim Taleb, author of “The Black Swan,” made the astute observation that this country has benefited “because there's a high rate of bankruptcy in America.” Indeed it has. But who eats and who gets eaten is never a foregone conclusion. Victims of destruction get destroyed; agents of disruption disrupt. I know which one I want to be.

**Steve McKee** is president of McKee Wallwork & Company and author of *Power Branding* and *When Growth Stalls*. Find him on Twitter and LinkedIn.

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