Growing business over a cup of coffee with "old" friends

DIGITAL MARKETING
Carly Layton

Years ago I managed PR for a multinational CPG (consumer packaged goods) company. One product in my portfolio was a popular morning beverage many people take with cream and sugar. I was invited to join the team on a three-day immersion into their current consumers' habits, needs and lifestyle. I was assigned to shadow a woman who busily managed her household of six (one husband, three kids and an obligatory golden retriever), was heavily involved in her community through volunteerism and had plans to return to her career in nursing after "the kids were out of the house." She had very specific routines surrounding this morning drink, including how she brewed the pot she shared with her husband, when she reheated a cup mid-morning for quiet time and her beverage choices for the few times a week she met a friend or fellow volunteer to discuss projects at a local cafe.

I shadowed her for three days ... watching how she interacted with family and friends, how she cleaned the house, what she was passionate about, how she made big and small family decisions. All to better understand how she, already a heavy consumer of my client's product, could be made an even more engaged consumer for additional morning drink offerings. While this might be a commitment of time and resources few companies have, it highlights the importance of gaining and leveraging insights into your current customer base. While getting new consumers was critical, these marketing geniuses knew keeping and increasing share-of-wallet with current customers would yield greater results long-term. And while no one is flying out to hang out in a stranger's house anytime soon, the good news is that today's van online data makes understanding your current customers from a distance much easier.

It's no secret that expanding your business through organic growth is infinitely easier than acquiring new customers. That said, it seems that new business gets the lion's share of attention. Too often businesses focus their efforts and budgets on increasing their company's bottom line through new customer growth. For business leaders, it's time to shed this old and unproven hyperfocus on new business and instead turn your attention to profit growth already within your grasp — your current customer base. In fact, according to Invespcro, increasing customer retention rates by 5% can increase profits by 25% to 95%. Research also shows that repeat customers spend more than new ones, the probability of converting an existing customer is higher than winning new and that an increase in customer retention yields a rise in the value of your company.

To increase retention in the B2B space, you need to understand your customers and proactively offer solutions to their business challenges, both now and in the future. The best thing about increasing your focus on current customers is that you already know a lot about them so uncovering data-driven insights should be well within your grasp. Depending on how long they've been customers and to what extent you've built relationships, along with the strength of your CRM system and protocols, you know about your customers' purchase history, use cases, company goals and their own end users. Leveraging this rich data on a customer-by-customer basis can help increase their engagement. Leveraging it on a more global scale across your customer base can lead to insights that drive your retention marketing strategy.

Uncovering data insights across your customer base means looking at ways to increase engagement using information. For example, do your customers typically buy your product or service in regular intervals, re-engaging with you on a discernible timeline? By providing them with solutions aligned to that timing, you'll not only be seen as a valued partner anticipating their needs, but you can mitigate the risk of them turning to a competitor. You can also use cross-customer data to uncover which customers might not be making use of all of your services that they could be. Imagine that 75% of customers in a specific industry or geography buy products or services A, B and C from you. Determine why the other 25% are only buying A and C and then build a plan to realize potential increased revenue from sales of B.

Content is a strong tool for lead generation, but it shouldn't be overlooked as an avenue to increase organic growth among current customers. You're uniquely positioned to understand your customers and provide them with useful information to grow their own business with your partnership. Engaging your customers with strong content that speaks to their pain points, industry challenges and current events will maximize their lifetime value to your organization.

Making sure that content is high quality, comprehensive and readable are critical to success. Too many digital marketing companies offer down-and-dirty content services that produce low quality that savvy customers — both prospective and current — can spot a mile away. Cutting corners to develop content never pans out; I would much rather invest in a single quarterly comprehensive, creative and strategic piece that speaks directly to my customers and their needs than have 10 monthly fly-by-night blogs that could pertain to anyone's customer base. Done correctly, that one long-form piece of content can be transformed into blogs, infographics, social posts, emails or other short pieces that continue to engage your current customers leading to organic growth.

Creating strong retention-focused content should start the moment a prospect becomes a customer. Don't miss the opportunity to begin a deeper relationship right away through onboarding content. A welcome email will engage them on multiple fronts, increasing opportunities for long-term relationships and growth. Also, developing content for your current customers gives you much more freedom to personalize the experience. Consider the way you talk with friends versus how you talk to strangers and apply the same principles when building retention-focused content. Even if you do keep a more high level tone in content, ensure it's personalized for how your customers work with you so they feel they are getting information from a trusted partner.

While it's great to make new friends, keeping the old is often even nicer. So pour yourself a hot cup of morning beverage and invite some over to grow your business together.

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Will we discard the Affordable Care Act during a pandemic?

ON HEALTH
Travis Heider

Hospitals and health systems enter the fourth quarter of this indescribable year poised and ready to care for coronavirus and all other patients. They will serve their communities no matter what COVID-19 has in store for us over the next three months and into the future.

Will there be a surge as more children physically return to school, business and recreation restrictions are lifted, people let their guard down and forget how dangerous the virus is? What will result from the confluence of flu and COVID? When will an effective vaccine be available?

Uncertainty for our health system was heightened with the passing of the honorable Supreme Court Justice Ruth Bader Ginsburg just weeks before the fate of the Affordable Care Act (ACA) will be argued before the Supreme Court on November 10. Should the Senate confirm President Trump's nominee, Amy Coney Barrett, a more conservative court may tip the scale toward the demise of the ACA … during an international pandemic.

Already an estimated 12 million workers may have lost health care coverage along with their jobs as a result of COVID, according to a study by the Economic Policy Institute, which means more will need coverage through ACA channels — marketplaces or Medicaid. But expanded health care coverage for millions is not the only thing at risk should the ACA fall.

The ACA also ends lifetime caps on insurance coverage, allows kids to stay on their parents' insurance through age 26, makes vaccines free to patients, guarantees preventive care with no out-of-pocket payment and, perhaps the most valued provision, protects Americans with pre-existing conditions.

Coronavirus is positioned to be the king of pre-existing conditions. COVID patients have experienced heart, lung and kidney damage, blood clots and strokes, gastrointestinal issues, muscle and joint pain, neurological problems, even "COVID toes." The virus is too new for science to determine whether these conditions might be permanent.

Young, healthy people who had COVID may find themselves uninsurable. Fear of being excluded would have a chilling effect on people's willingness to be tested and disclose the illness to protect others.

President Trump signed an executive order (EO) on September 24 clarifying that it is the policy of the United States to protect people from insurance discrimination based on pre-existing conditions. However, legislation would be required to enact this order if the ACA is discarded. President Trump included the EO as part of his vision for health reform, the America First Healthcare Plan, which is more of a recap of his Administration's efforts already underway than a comprehensive health care plan. Wouldn't it be easier to leave current protections in place?

Will the ACA fall at such a critical time?

President Trump has joined 20 states, led by Texas, challenging the constitutionality of the law and seeking to get rid of it. The case against the ACA and the lower court rulings that sent it to the Supreme Court are widely viewed by legal scholars as "remarkably weak," according to Katie Keith who wrote in *Health Affairs* that "The Court's decision in [*California v.*] *Texas*, regardless of whether its justices are liberal or conservative, should be easy."

However, Keith observes, "the uncertainty wrought by an open seat at the Supreme Court at the height of an election year opens the door for an unexpected result" in the case.

Two issues are in play — standing and severability. The lower court found that plaintiffs have standing. In other words, they have been harmed by the law. In 2017, Congress passed legislation zeroing out financial penalties for people who do not get health insurance, as is required by the ACA's individual mandate that everyone must have insurance.

Even though the two individuals challenging the law pay zero penalty for lacking insurance, the argument is that they feel compelled by Congress to purchase insurance, and that kind of congressional coercion is unconstitutional. Suing states claim standing because of the administrative burden and costs they incur in implementing the amended law.

Regarding severability, when the ACA was first challenged in 2012, the Supreme Court ruled that the law was constitutional because the individual mandate penalty was a tax and Congress is allowed, under the constitution, to impose taxes. Plaintiffs claim that when Congress eliminated the monetary penalty, it rendered the individual mandate unconstitutional and, since that provision is unconstitutional, the entire law must be scrapped.

That decision on severability is where legal scholars scoff, citing several Supreme Court precedents. Nevertheless, the case has made its way back to the Supreme Court.

Momentous November

We head to November with much uncertainty — outcome of the election, make-up of the Supreme Court, fate of the ACA and the future for the health care system.

Regarding the latter, as is typically the case, hospitals and health systems and our health care heroes have risen to the historic COVID challenges and made tremendous progress caring for patients and protecting their communities.

Physicians and hospitals are better prepared to treat COVID cases now after gaining a better understanding of how to triage patients, what drugs help, when to put patients on ventilators, managing supplies that are needed and so forth.

Since care was resumed after the COVID pause, hospitals and health systems have welcomed patients back for safe elective procedures and urged them to

Continued on page 27

such as the Trib411 Center and Trib411 chatbot provide quick answers for students, they can also free up time for staff to address issues that may require additional help, Casalinuovo-Adams noted.

In addition to Trib411, MCC was able to use other technology platforms to reach out to students over the summer, she said.

That included administering an electronic intake survey to find out any potential challenges for students as they prepared to start the fall semester.

Those challenges ranged from technology issues and questions about campus housing to childcare options, Casalinuovo-Adams said.

The school was then able to use the results of the electronic survey and follow up directly with students on the phone to answer questions and resolve any issues, often before the fall term even began.

MCC also uses more traditional technology methods for outreach, such as emails, although they are often customized, she said.

For example, the school reaches out to those in their final year at school with information about graduation. Students who have expressed interest in scholarship opportunities receive emails on upcoming opportunities.

In an effort to continue to foster a sense of community at a time when social distancing is a necessity, MCC has turned to virtual events. They include virtual workout classes, mindful meditation sessions, trivia nights and talent shows, Lawson said.

He added that a virtual murder mystery party is planned for later in the semester and the college is also looking to add e-sports to its list of activities.

Popular virtual events this semester include self "care-intine" workouts and "bougie on a budget" cooking classes.

The events have been embraced by students and faculty, further cultivating a sense of community, he said.

"The true college experience may look different, but we are still providing it," Lawson said.

Moving forward, MCC is continuing to expand its communication efforts using technology platforms, even post COVID-19, Casalinuovo-Adams said.

That includes expanding its texting platforms to not only send information to students, but also to create more opportunities for conversation.

There are also plans to enhance social media outreach, Casalinuovo-Adams said, noting that technology is always changing, and, in turn, so are students' needs.

"We want to continue to stay connected with students using platforms they are most comfortable with," Casalinuovo-Adams said.

Andrea Deckert is a Rochester-area freelance writer.

ELECTION AND INVESTMENTS

Continued from page 1

trusts as well as stocks in sectors that are already struggling, such as oil and gas, banks and manufacturing.

And estate-related taxes for wealthy Americans could be significantly higher if proposals by Democrats become law.

That's according to Zach Armstrong, vice president and financial advisor at Sage Rutty & Co. Armstrong hosted a free "How The Election Could Impact Your Finances" webinar through Sage Rutty University last week. There are two more sessions scheduled (2 p.m. on Oct. 13 and 11 a.m. on Oct. 28). Visit SageRuttyUniversity.com for more information.

Armstrong

"I don't know that the next five years in the investment markets will be as good as the past 10-plus of them, but I still want to be an investor," he said. "The right types of investments can still lead to success long-term."

Not much may change if President Trump is reelected and Republicans still control the Senate. But it could be investor beware if Democrats are the big winners on Nov. 3. They are proposing changes to tax rates and 401(k) regulations.

Right now, 401(k) contributions made through payroll deductions are pre-tax. Democrats propose elimination of the pre-tax benefit but providing plan participants with a 26 percent tax credit when they file their taxes.

The proposal is meant to address income inequality and promote retirement savings, Armstrong said.

"But the thing is, when you have someone who has lower income, the reason they're not contributing at all or not contributing as much to a 401(k) is the fact they don't have the cash flow to do it," he said. "If this goes into place, the lower-income earners get more of a tax benefit and higher income earners get less of a tax benefit, so it begs the questions: Where should you be saving if you're in one of those thresholds?"

He said investors in a lower tax bracket would reap benefits from the 26 percent tax credit. Tax benefits would decline for people in a 35 percent tax bracket. As a result, they should perhaps consider a Roth 401(k), where the money is taxed before it is invested "but now it's going to grow tax-free forever so you're not getting double-taxed," he said.

Also on the plate of Democrats: bumping up the capital gains tax. That means investors may want to act before 2020 ends.

"If you are someone who was paying 23 percent capital gains tax and you knew that next year that same capital gains tax was going to be 39 percent, a good strategy is probably selling some of your investments and paying the lower tax now instead of a higher tax rate in the future," Armstrong said. "It happened in 1986, it happened to an extent in 2012. In both cases there was a little bit of market sell-off when it became clear that capital gains were going to be raised."

Spending historically increases when Democrats are in control. However, there will be significant spending by both parties, regardless of election results, Armstrong believes.

"One of the things that happens when you see four, five, six trillion dollars in spending, you see devalued currency," Armstrong said. "The more that you're printing U.S. dollars out of thin air, the more you devalue the currency. The more you print money, the more it can lead to inflation."

To counter those impacts, consider certain bonds, gold and maybe even silver.

"Gold could do quite well longer term if you see high levels of spending," he said.

Another proposal by Democrats is boosting the corporate tax rate. That could significantly impact investments.

"If a corporation is paying 21 percent taxes now and it goes to 28 percent tomorrow, that could hurt profitability in the shorter term for some companies," Armstrong said. "The corporate tax rate has changed many times over history, so just this in and of itself doesn't make me think the market's not going to be able to make money over the next five years."

In the short term, however, sticking with large companies, as well as certain health care companies and defense contractors, may be safest. They have found ways to lower their tax burden, he said.

He suggests steering away from sectors that are already feeling an economic pinch, like gas and oil, banks, manufacturing and construction.

Tech, however, could be wise if Democrats are in control. Democrats are more tech-friendly and eco-friendly than Republicans, he said.

Corporate bonds are risky during uncertain economic times, he advised.

"When you're in a tough economy and you're a company that has bonds out there, there's always a chance if a company goes bankrupt, they're default on their bonds," Armstrong said. "So, if they now have to pay more taxes when they're already struggling in a tough economy, you have to be wary of corporate bonds. You want things that have a low chance of defaulting."

A heavy emphasis on domestic investment would be wise, Armstrong said. There's a good chance that regardless of election results, continued scrutiny on foreign trade will stunt growth potential.

Rhetoric surrounding trade policy created global tensions and was why 2018 was the worst investment year since 2008, Armstrong said. The same scenarios could resurface.

"I'm very wary of international investments, either way (with Democrat or Republican control)," he said. "The more we're talking about renegotiating trade deals and furthering global tension, bringing certain things back to America, that hurts companies in other countries. If you're selling a lot of stuff to the U.S. and now the U.S. is putting a tariff on you or there's an uncertainty in the supply chain, that could hurt international stocks quite a bit."

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LEADERS TELL FED

Continued from page 3

and replaced," Johnson said. "I think it is important that the financial sector make it clear, as Faheem is doing, that this capital can be made available but it can't really be effective without substantial changes in practice policies and laws that localities continue to cling to."

New York Fed President Williams said we have moved from a severe economic downturn during the COVID-19 outbreak to an economic recovery. But he acknowledged that what the community and organizational leaders on the call were saying was that Rochester didn't have an equitable economy to begin with.

"And that fact has interacted in important ways with how different communities have been affected by COVID. Some of our research highlighted that Black-owned businesses are almost twice as likely to shutter during the pandemic. That's one specific data point that you can see how the pandemic has highlighted the vulnerability of small businesses, especially in communities of color," Williams said. "When we think about the work we're doing, not only today but over the next several years, it is about equitable recovery and a strong economy and getting jobs, but it's also about building a stronger foundation, a more equitable economy that comes out of this."

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ON HEALTH

Continued from page 23

catch up on routine care that was deferred. Hospitals have also adopted alternative care models, such as telehealth, to facilitate access. They have re-engineered everything — facility layouts, protective equipment, screenings and processes — to ensure social distancing and precautions to protect both patients and staff as well as ensure readiness for a surge.

These actions have come at significant added expense and restrict the return to full pre-COVID productivity as hospitals simultaneously struggle to dig out from financial losses incurred during COVID's early days when services were shuttered. For hospitals in the Greater Rochester region that always operate on razor-thin margins, financial status is desperately fragile.

Unfortunately, Congress failed to pass additional emergency funding for hospitals and providers, states, businesses and the American public. Many are hurting. But support for hospitals and our health care heroes is critical as they are on the front lines, protecting and defending all from COVID's peril. Now is the worst time to contemplate repeal of the ACA.

Hopefully, the Supreme Court, regardless of the philosophical leanings of the justices, will eschew the spurious arguments of the challengers and affirm that the ACA is valid, constitutional and lawful once and for all. Health care access and protections ensured by the law have never been more essential.

Travis Heider is president and CEO of Pandion Healthcare: Education and Advocacy, a not-for-profit 501(c)3 association whose membership comprises 17 hospitals and their related health systems in the nine counties of Monroe, Livingston, Ontario, Wayne, Seneca, Yates, Allegany, Steuben and Chemung. The association works closely with the Iroquois Healthcare Alliance as part of Upstate New York Healthcare Coalition, the Healthcare Association of New York State (HANYS), and the American Hospital Association (AHA) collaborating on many issues and activities.