The 2011 Economic Outlook: Presented to the Pomona Valley Hospital Medical Center Foundation
By Paul L. Kasriel, Chief Economist, Northern Trust Corporation

Interest Rate Outlook:
- Our forecasts of the yield on the Treasury 10-year security last year resembled the behavior of loose cargo in the hold of a ship caught in a gale. For example, in our July forecast, we expected the yield to average 3.00% in Q4:2010 and 4.15% in Q4:2011. Then in November our 10-year yield ended up averaging 2.86% in Q4:2010. What confused us was the duration, or lack thereof, of any QE2 effect on bond yields. Our January 2011 forecast for the Treasury 10-year yield in Q4:2011 is 3.85%.
- We do not expect the Fed to raise any of its policy interest rates until early 2012. Given our assessment of upside risk to our 2011 real GDP forecast, however, we also would assign increased risk to an earlier Fed move on policy interest rates.

Preview of Takeaways
- The pace of economic activity is expected to accelerate in 2011 on a Q4/Q4 basis largely because of increased growth in credit created by monetary financial institutions.
- Housing and state/local governments are sectors that will remain a drag on economic growth.
- Exports are and likely will remain a star performer of the U.S. economy.
- Inflation, while remaining low in absolute terms, is expected to increase modestly.
- Money market interest rates are anticipated to remain near current levels because the Fed is not expected to raise its policy interest rates in 2011.
- Bond yields are expected to drift higher as real bond interest rates continue to "normalize."
- The principal upside risk to economic growth and interest rates is that private monetary financial institutions sharply increase their credit creation.
- The principal downside continued on page 8
The Future of Your Business is in the Palm of Your Hand—
Using the Power of Smartphones to Grow Your Business

By Ford Saeks

If someone had told Alexander Graham Bell that one day his invention would evolve into a device that could turn your lights on and off, he would have taken your temperature with a mercury thermometer, which incidentally, in 1876, hadn’t changed much in over 100 years.

Remember when cell phones first emerged? Chances are, you were just as cynical as Mr. Bell. You probably made that first call with a furrowed brow, skeptical to the possibility it promised. You were certain that your call wouldn’t connect, or at the very least your voice would be overridden by static. Like the rest of us, your bulky cordless phone had conditioned you to only walk within a certain “range” to avoid disconnect. Then you made that first call… from an oversized baggy-type cell phone and shazam… how cool was it to have the umbilical cord of your landline cut and the freedom to connect anywhere in cell phone range?

What started as a must-have device that didn’t tie you down has now morphed into a texting, tweeting, multi-tasking productivity and entertainment gadget that offers a wide range of possibilities for you and your business.

The lightning-speed advancement of the Smartphone has left many companies scrambling to keep up with the technology and new opportunities. According to ComScore, there are 45 million Smartphones now active in the U.S. alone.

Like social media, they are the new wave of communication and the only place they are going is into the hands of more and more consumers.

So, how can you capitalize on the growing popularity of this new technology?

Here are four things you can start doing today related to Smartphone technology to increase brand awareness, build relationships and grow your business:

1. Text Message Advertising
2. Create a Smartphone App
3. Make your Website Smartphone compatible
4. Engage mobile customers through social networks

Text Message Advertising

More people now use their mobile phones for texting, rather than making a phone call. Plus, most users have it attached to their hip; figuratively speaking. Imagine the impact of advertising to your target market via SMS (Short Message Service) text message; you have the opportunity to get their attention… anytime, anywhere.

Smart marketers get creative with these campaigns and often include a chance for the recipient to win something by responding to the text. Other ideas include mobile coupons, event invitations, mobile alerts, and special promotions.

SMS text marketing works for virtually any industry, is relatively inexpensive, and allows businesses to create highly targeted campaigns. The first step in launching a text-messaging campaign is to find a company that provides subscriber lists and can distribute your ads. Search your favorite search engine for “mobile marketing,” “SMS Text Marketing,” or “SMS Advertising,” and you’ll get plenty of options.

Create a Smartphone App

Like most things, Smartphone apps have been created to solve a problem, increase productivity, offer an intrinsic benefit, or for pure entertainment. Apple’s iPhone store alone has more than 150,000 apps available for download and users have downloaded more than 3 billion apps. The HTC and Motorola Droid, a.k.a. Android phones, also have millions of users and offer thousands of apps.

You don’t need to be a member of the geek squad to capitalize on this trend; all you need is an idea for an app; there are plenty of companies who can help you develop an app for your idea for you to sell or offer for free. A word of caution; do your due diligence and check the developers’ references to ensure your intellectual property and ideas are protected.

If your app can solve a problem (i.e. the Jott app records voice messages and converts them to text messages) then you’re on the right track. If you own a Smartphone, think about your favorite apps and how you heard about them. Most likely you heard about them from a friend. Viral word-of-mouth marketing is why popular apps can grow in use so fast with virtually little marketing expense.

Make your Website Smartphone compatible

The Internet is going mobile. Have you visited your Website using a Smartphone? What type of user experience did you get? If you want to gain a competitive advantage over your competition, your brand needs to be as mobile as your customer. Your customers and prospects don’t have the patience to view Websites on their phone that aren’t user-friendly.

Start by viewing your current Website on a Smartphone or Ipad. If you haven’t designed a [continued on page 28]
The Future... continued from pg. 14

mobile specific Website, it probably won't look the same.

Text is smaller, graphics may not show up and you have to scroll up, down, left, right, etc to view content. You'll get much more targeted traffic and improved conversions if you create a mobile-enabled version of your site's main content to meet the demands of today's multifaceted Internet mobile user. Creating the mobile version of your Website's content from a layman's point-of-view requires reformatting the navigation, text and graphics to fit the smaller screen size of Smartphones. The files are then published on your Web server and special code is added to your regular Website to identify the type of device accessing your Website. When a user visits your Website, the appropriate version of your Website is displayed.

It's a good idea to provide links from your mobile version to your full site as some users will elect to visit your full-size Website.

Engage mobile customers through social networks

If you’re not friending and following, tweeting and YouTubing, you’re missing out on a lucrative opportunity to connect and engage with your target market. Social networking has leveled the playing field; it’s no longer just the companies with an over-inflated ad budget who can make waves. If you learn to add value and create a presence on Websites like LinkedIn, Facebook and Twitter, you can expand your reach, increase awareness of your brand, and create a loyal following of customers who will help promote you!

Research shows that more people access social media via Smartphones than with their desktop computers. People who access the Internet with their Smartphones are more likely to socialize online than their desktop counterparts, according to a Ruder Finn study. The study found 91% of mobile Web users socialize online, while just 79% of desktop users can say the same. The average American spends 2.7 hours a day on the mobile Web, the study found, with 45% of those users commenting on social networking sites and 43% contacting with friends through the sites.

Imagine the impact you can have when your customers can view your YouTube videos anytime they want using their Smartphones. Just think of the effect a viral video could have on your business success. This can only happen if you create and upload the videos to content sharing Websites like YouTube or Vimeo. There are hundreds of video sharing Websites, but start with YouTube since it's the 2nd largest search-engine.

Keep your videos short, authentic and to the point. If you have a longer message, you may want to break it down to shorter segments as user's attention spans have shortened.

Don't Wait... Make Your Brand Mobile

Not only is mobile marketing a great way to gain and connect with new customers, it also enables you to add value for your current customers. By making your brand mobile, you will increase awareness about your company, products and services.

The future of your business is in the palm of your hands, and in the handheld devices of your customers and prospects around the world. If you aren’t on board already, make sure you jump on or you and your business will surely get left behind.

About Ford Saeks

Ford Saeks is a business growth expert who specializes in helping businesses find, attract and keep their customers through innovative integrated marketing and social media campaigns. He is a renowned keynote speaker, author, successful entrepreneur, and CEO of Prime Concepts Group Inc. Learn more about Ford Saeks and his profit-producing resources at www.ProfitRichResults.com and www.PrimeConcepts.com.

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Join Bill "The Ambassador of Good Taste" as he reviews gourmet food, travel and world famous restauranteurs—plus guest interviews with award-winning chefs and renowned wine connoisseurs each Saturday at 3:00 p.m. on "Hot Talk" 1510 AM KSPA Radio.

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