BUSINESSMANN

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Letter from the Editor

Dear Readers,

We are excited to publish this year's first issue of BusinessMann! This issue covers topics from the recent UAW auto strike and labor unions all the way to generative AI and cryptocurrency. We hope you enjoy it!

The BusinessMann magazine is dedicated to publishing articles related to finance and economics. It illustrates the complexities of the macro and microeconomic environ- ment of the 21st century, analyzes the current global and domestic economy, and highlights the impact modern businesses have on the financial market. BusinessMann allows students to express their opinions on economic theories, business models, stock markets, and other topics in business. We hope that our readers will walk away with a deeper understanding of economics, finance and recent important events.

We would like to extend special thanks to everyone who makes BusinessMann possible: our faculty advisor, Mr. Worrall, and all the writers and editors.

Your Editors-In-Chief,

Stephanie Lee and Sophie Pietrzak

Editorial Board

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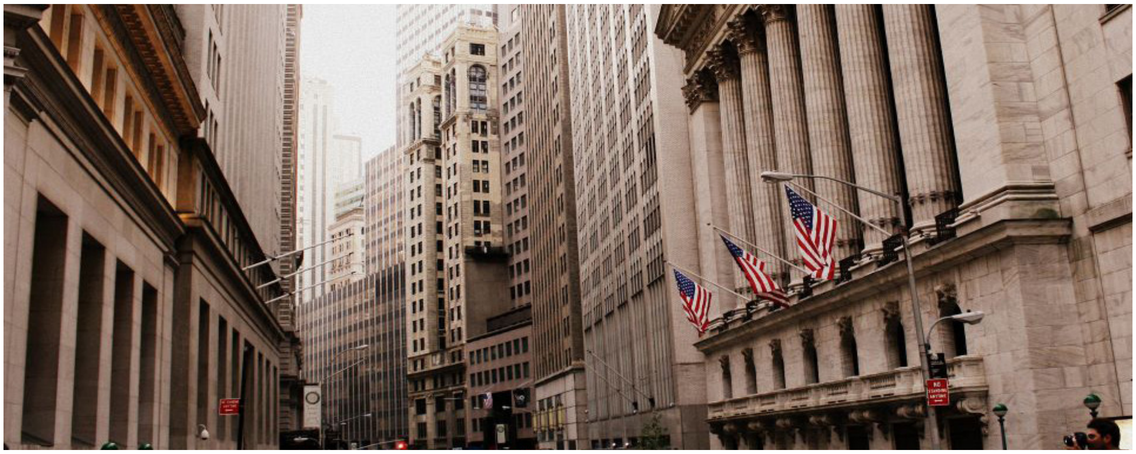

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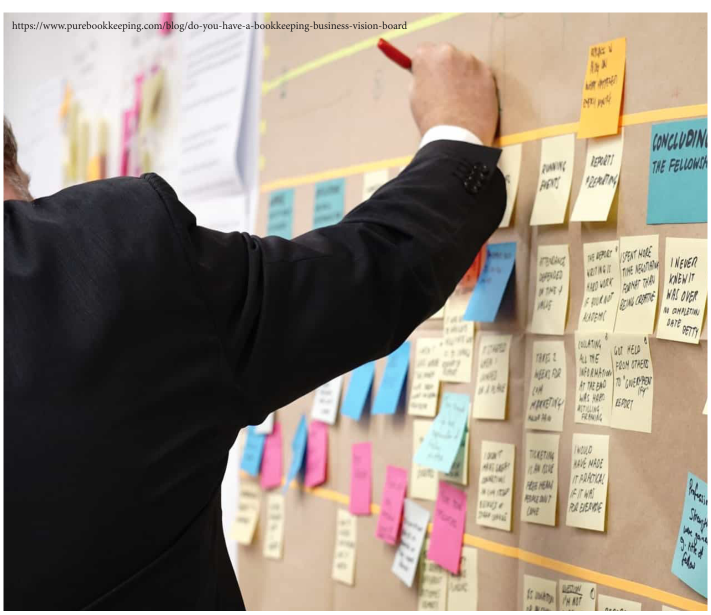
3 Key Factors to Business Success

Gabriela Faybishenko

Have you ever wanted to start a successful business? Do you ever wonder how certain businesses become successful and why others don't? Achieving success in a world full of millions of businesses is a complex process that involves navigating through obstacles and seizing opportunities. Whether you're a startup company or an established company, certain key factors play crucial roles in determining your trajectory toward success. These essential elements include a vision of long and short-term plans, leadership within the business, and marketing toward a targeted audience. Unraveling business success involves recognizing and obtaining these three key factors, which collectively serve as the foundation for a thriving business in today's diverse and competitive economy.



Vision:

Intention serves as the underlying force in the success of any business. Intention is the underlying purpose, the "why" behind every action. Without a clear intention, efforts become scattered and lack direction and coherence. An intentional approach shapes a company's identity, values, and goals, aligning every decision and action with an intention or unified vision. Intention is the foundation upon which plans, strategies, and financial decisions are built. To establish these intentions and put them to work a plan is needed. A plan provides a roadmap, outlining how the company intends to achieve its goals. A well-crafted plan considers various aspects, from market analysis and product development to marketing strategies and operational frameworks. It breaks down larger objectives into manageable tasks, providing a structured approach to execution. Plans not only set the course but also allow for adaptability, providing a framework within which a company can pivot and adjust in response to changing circumstances.

To put these visions and plans to life, solid and effective finances are needed. Finances are the lifeblood of any company, serving as a means to fuel growth and sustainability. Financial decisions, driven by the company's intentions and plans, determine the allocation and utilization of resources. Effective financial management involves budgeting, forecasting, and wise investment strategies. It ensures that resources are optimally utilized to support the company's goals. Finances can expand operations, correctly invest in innovations, or ensure stability during volatile market conditions.

Strategy encompasses the overarching approach taken to achieve long-term objectives. It integrates intentions, plans, and finances into a cohesive team. A strong strategy considers market dynamics, competitive landscapes, and internal capabilities within the company. It outlines the methods and tactics needed to navigate challenges, seize opportunities, and differentiate the company within its industry. A well-crafted strategy not only aligns with the company's goals but also accounts for incidents, ensuring resilience and adaptability in a dynamic business environment.

Leadership:

Leadership within a company plays a central role in harnessing the potential of the individuals within the business. A great leader in a successful business isn't just someone who dictates tasks. Instead, they inspire, motivate, and guide their team towards a shared vision. They foster an environment where creativity and collaboration flourish. Effective leadership sets the tone for the entire culture of a company, shaping its values, priorities, and work ethic. A strong leader not only executes a plan but also cultivates future leaders within the organization, ensuring continuity and growth.

Having the right people on a team is the foundation of a company's success. It's not just about individual skills, but the collective harmony and shared vision that the team brings to the table. Each member of the business contributes a unique perspective, skill set, and experience, forming a diverse cohesion


https://www.forbesindia.com/article/darden-school-of-business/eleven-key-characteristics-of-a-global-business-leader/52257/1

of talent that fuels innovation and problem-solving. When the right people are in place, everybody can excel in their respective roles.

The right blend of leadership and team dynamics creates a harmonic, successful company. It enhances productivity, boosts employee morale, and fosters a sense of belonging and purpose among team members. When individuals feel valued and supported, they are more likely to go above and beyond, leading to higher levels of innovation, customer satisfaction, and overall business success. Moreover, a cohesive team and strong leadership are vital during challenging times. They provide stability, adaptability, and a collective strength to navigate through uncertainties and emerge stronger.

Strategic Marketing:

Marketing serves as a bridge between the company and an audience, making it a valuable tool for success. Marketing is not only about selling products or services but about understanding the audience's needs, desires, and pressure points. A targeted marketing strategy allows a company to connect with the right audience at the right time, conveying messages that resonate deeply and drive engagement. Without a clear understanding of the audience, efforts can become diluted, resulting in wasted opportunities for business success.

A targeted audience contains people who are most likely to buy and benefit from what a company offers. Having a targeted audience allows for the business to tailor messages, content, and products or services to suit the specific preferences and interests of that targeted audience. This targeted approach not only increases the chances of overall success but also fosters a sense of connection and loyalty among customers. When individuals feel understood and catered to, they are more inclined to engage with the brand, advocate for it, and become repeat customers. Moreover, having a well-defined target audience influences various aspects of a company's operations, from product development to customer service. Understanding the demographics, behaviors, and preferences of the audience helps in refining products or services, ensuring they align with what the market demands. It also aids in creating more personalized and effective customer experiences, thereby strengthening the relationship between the company and its consumers and success.

In a world full of businesses, success isn't only a destination but a continuous journey shaped by understanding and mastering the three key principles. As we look through all three factors crucial to business, it becomes evident that the blend of strategy, leadership, and marketing creates a blueprint for sustained growth and relevance in a changing marketplace. By acknowledging and practicing these three key factors, businesses can build on top of their foundation and create a course toward success.


https://everyonesocial.com/blog/internal-marketing/

What Happened to America's Unions?

Michael Ji

https://www.the74million.org/article/analysis-the-rise-and-fall-of-public-sector-unionism/

In 2022, the union membership rate for America's workers stood at just 10.1 percent, an all-time low. This was significantly lower than when union data began to be collected just 40 years ago when membership was 20.1 percent. In general, unions in America have fallen at a staggering rate, losing power and influence by the year. But what caused this decline? The gradual decline of unions comes from a multitude of factors but can be traced to two main reasons.

Possibly the biggest cause for the fall of unions was new government acts that crushed union power. Laws such as the Taft-Hartley Act in 1947, which expanded on previous Acts in limiting union power, provided a way for large corporations to weaken unions in many states. Unions could no longer encourage other organizations to boycott employers, force employers to be open to hiring people outside of unions, and contribute to political campaigns. Around the same time in the 1940s and 1950s, right-to-work laws were passed in multiple states, which allowed employees to opt out of a union when working rather than being forced to pay dues. This often led to a decline in union membership, as so-called "free-riders" received union benefits without paying anything in return. Collective bargaining and financial power were often lowered in right-to-work states, most of which were concentrated in the South. Employers began to take full advantage of these new powers in the 1970s, sometimes participating in the illegal firings of union supporters and using replacement workers during union strikes, which essentially rendered unions' main form of protest useless. The government also participated in their fair share of union-busting, with anti-union presidents, such as Ronald Reagan, heavily favoring business over labor rights. This culminated in the US Air Force Traffic Controller strike in 1981, in which 13 thousand controllers participated and walked on the picket line. Reagan, undeterred, fired all of them and replaced them with the military, sending a chilling message to future union leaders who were considering strikes. Challenges to anti-union laws were consistently struck down by the Supreme Court, restricting workers' rights and limiting employer's obligations. In Congress, filibusters blocked any attempts at legal reforms, trapping workers under poor conditions. Throughout the 1980s, union leaders began to retreat as large companies and the government learned to fight back against collective bargaining and the threat of unions.

Outside of legislation, the general utility and usefulness of unions have shifted, with many traditional union industries under threat and disappearing as the US became more of a global power. Domestic manufacturing, which was a key union-backed industry, began a rapid decline in the 1940s as cheap labor overseas meant that companies moved away from the US. International competition meant that previous large manufacturing companies could no longer operate within the US. While manufacturing accounted for almost 1/3 of jobs in the late 1940s, today it sits at less than 9%. Domestic trends have also shifted, with service industries rising in recent years. Service workplaces are smaller and have higher turnover rates, which makes operation costs more for less benefit and weakens the collective solidarity that makes unions strong in the first place. This can be seen in unionization failures in service-based companies such as Starbucks.

Despite the precarious situation unions are in, recent developments have made it possible for a comeback, especially in recent years. Strikes have increased, with major unions, such as United Auto Workers and SAG-AFTRA writer's guild, successfully striking and negotiating benefits for the future. Specifically, the UAW demanded better working conditions and protection against a potential shift to electric vehicles, while SAG-AFTRA also advocated for better conditions and protection against possible threats to their jobs, such as new AI writers. The strikes highlighted the power of collective bargaining, with the UAW effectively closing down major manufacturing plants until their demands were met, while the writer's guild halted the running of scripted shows and paused the development of multiple TV shows and movies. While true with both unions, the writer's union also demonstrated the power of skilled labor unions, where the members cannot be replaced during a strike and can, therefore, secure more benefits without any worry of job loss. President Biden has been a vocal supporter of unions, seeking to portray himself as the most pro-union President in US history, even walking with the UAW picket line in support, a historic first. After their downfall in the mid-1900s, we may see a revival, perhaps ushering in a new era for worker's rights in America.

The Impact of Generative AI on Creative Industries

Surya Fraser

Recent advancements in generative artificial intelligence (AI) technology are forcing creative industries to adapt by challenging how creators can own and monetize their work in addition to maintaining job security.

For decades, in the United States, copyright has protected creatives from having their work stolen by giving them the sole legal right to distribute, perform, adapt, and display their work. This generally means a copyright holder (i.e. a creator of a piece of music, a script, or a book) must consent, be paid, and receive recognition when another individual or company wishes to use their work. Copyright is commonly talked about in the music industry because many artists like to sample the works of other musicians. For example, in Beyonce's "Break My Soul- The Queen's Remix" she sampled bits of Madonna's "Vogue." Consequently, Madonna is listed as one of the authors of the song. Copyright laws have been essentially left unchanged in the US for decades, shaping our creative pursuits, business, and law. However, recent advancements in generative AI technology have led to new discussions concerning copyright laws, which could potentially change creative industries as we know them.

AI technology poses significant challenges to copyright laws, many of which need to be addressed. Chatbots like ChatGPT operate by pulling information from various sources across the web and compiling that information together to generate something new. This can sometimes challenge copyright laws since everything the chatbot produces originates from other people's creations published on the internet.

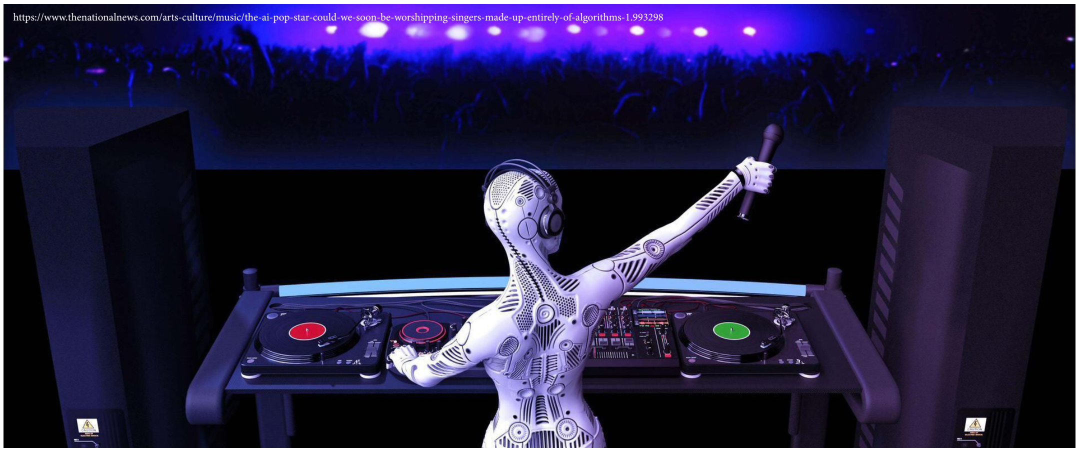
One such instance occurred last spring when a TikTok user, Ghostwriter977, used AI to create a song that sounded like Drake and The Weeknd and posted it online. Sounding exactly like the artists it was said to imitate, the song went viral and came under scrutiny as it begged the question of whether or not this sort of practice was a violation of copyright laws. The song was eventually removed from all platforms due to claims made by Universal Music Group, Drake and The Weeknd's label.

Interestingly, reports state that the song was not taken down simply because it sounded like Drake and the Weeknd, but rather because there actually was a small piece of the song that was a direct copy of a producer tag featured in a Drake song.

However, this case begs the question of what should happen in the future in similar cases where AI takes deep inspiration from artists. Some companies are already beginning to anticipate and address these issues. For example, in a statement made in August by YouTube CEO Neal Mohan, he discussed how YouTube plans to deal with the use of AI technology in the music industry to protect musician's ability to profit from their work. YouTube plans to partner with the music industry, beginning with Universal Music Group, to develop technology that will help protect an artist's ability to monetize their creations when it is used in generated content.

Monetizing their content was also top of mind for Hollywood writers during the recent writer's strike. In this labor negotiation, the writer's union and the studios debated the use of AI during the scriptwriting process. There were two angles to this from the writers' perspective. For one, the writers wanted compensation for their scripts being used to feed AI models. Secondly, they campaigned against the use of AI to write scripts, as this would lead to a loss of jobs in the industry. Though the writers were able to win this battle, there is still a lot of uncertainty in the industry. Technology has long been thought to reduce the amount of available physical labor jobs, but generative AI is the first major innovation that has challenged creative professions as well.

The creative economy is changing dramatically with the advent of generative AI. Creatives, business people, and lawmakers will need to learn how to adapt to protect the rights of creators while also encouraging innovation. Although AI poses threats to some creatives, it can also help democratize creativity by giving more people the ability to make pieces of art. In the next several years, we will likely find lines being drawn and redrawn as the worlds of tech and the media industry struggle to find a balance between their competing needs.



Recently developed GLP-1 weight loss drugs are taking over the market and soon the economy

Yash Chowdhry

Despite the efforts of doctors, the prevalence of obesity in the U.S. rose from 30.5% to 41.9% between 2000 and 2020. Combating obesity may seem as easy as merely exercise and dieting, but recent studies have shown that this is not the case. Roughly half of those dieting will regain more weight than they lost. Often, medical procedures like liposuction are not targeted towards obesity. But for those that are, like bariatric surgery, an operation to make one's stomach smaller, we again see that half of the patients regain their weight and experience nutritional deficiencies afterward.

Originally designed to treat type 2 diabetes, glucagon-like peptide-1 (GLP-1) drugs have been studied and improved to now even biologically alter our systems with the goal of weight loss, and it seems quite promising. They may reconstruct the food, fitness, and pharmaceutical industries as we know it, and who knows if its effects will permeate through the economy as a whole.

https://www.nbcnews.com/health/health-news/weight-loss-drug-affordability-rcna60422

What are GLP-1 Drugs:

GLP-1 agonists are a class of medication targeted to treat type 2 diabetes. They mimic the effects of the GLP-1 hormone, which stimulates insulin release from the pancreas in response to food consumption. Increasing insulin secretion decreases glycogen production, and subsequently, it takes longer for the stomach to empty itself. Users of GLP-1 drugs reported feeling full for lengthened periods, and their caloric intake dropped by roughly 30%. Furthermore, they seemed to naturally reduce the consumption of sugars and fats, which are key drivers of obesity. The recent popularity of these drugs alongside existing type-2 diabetes remedies is already causing speculation on Wall Street.

Leading GLP-1 Companies:

Although it may be early to understand the effects of GLP-1's off-label use for weight loss, share prices are already in motion. Companies that treat diabetes, like DexCom (DXCM) and Abbott Labs (ABT), both took big hits earlier this year because investors like to get in early and anticipate the negative action of companies. These companies were forced to adapt, and DXCM stock is recovering because of rising awareness surrounding continuous glucose monitoring devices, a product of theirs. But who are the leading companies of the GLP-1 movement?

Novo Nordisk (NVO)

Founded in 1923, Novo Nordisk is a healthcare company that engages in the research, development, manufacturing, and marketing of pharmaceutical products, most notably Ozempic, a type-2 diabetes drug. Their more recent drug, Wegovy, was FDA-approved in 2021 as a weight loss treatment and has amassed over 3 billion dollars in sales year to date. They have also been studying their oral semaglutide, OA-

SIS, which has shown results on par with its injection-based counterparts. These promising recent developments are why NVO has jumped 77% LTM.

Eli Lilly (LLY)

Founded in 1876, Eli Lilly went on to develop the world's first commercially available insulin product to treat diabetes. Earlier this month, Eli Lilly's Mounjaro, a diabetes treatment, was also approved for weight loss. Having a similar formula to Novo Nordisk's Wegovy, it already had an off-label weight loss use, and the stock is up 62% year to date.

Economic Implications:

When millions of users are going to defer from junk food, it is only natural that the consumer discretionary industry will take a hit, specifically those that specialize in confectioneries and salty snacks. Earlier this year, Walmart said they had seen a decline in junk food sales as a result of the GLP-1 drug. However, no other food companies reported a decline, so it may very well be an anomaly. But investors already have their predictions and are destroying stocks in the food and beverage industry. To date, Kellonova (K) is down 20%, Kellog (KLG) is down 29%, and Hershey (HSY) is down 16%. As per the beverage industry, more than 60% of patients taking GLP-1 drugs drank fewer sugary drinks and less alcohol, and the alcohol industry may see a 2% drop in global alcohol consumption by 2035. Yet we still see companies like Anheuser Inbev up 6% and Constellation Brands up 5% year to date.

Although projections estimate the market for GLP-1 will reach $100 billion within a decade, the nature of this drug targeting a variety of diseases may wipe out $370 billion in market capitalization, according to Mizuho analyst Anthony Petrone. Sleep apnea, like many other conditions, is linked to obesity. Although not proven yet, Novo Nordisk's Ozempic has an off-label use for sleep apnea. Wall Street is not the type to wait around for definitive approval, which is partially why Resmed (RMD), a successful sleep apnea treatment company, is down over 26% year to date.

Future Outlook:

Far down the line, analysts anticipate that healthcare spending will reduce, which may negatively impact the entire hospital and healthcare sector. However, there is so much faith in the future of these drugs that they might become deflationary. As the population will be less sick, they will work more, increasing the supply in the economy. The demand will remain the same, which means prices will come down.

Having been approved for weight loss this year, GLP-1 drugs have attracted the attention of Wall Street, causing stocks to both under and over perform. The economic future with these drugs seems promising. But will its potential negative influence on the food and healthcare industries' market cap outweigh its potential positive effects on deflation alongside certain pharmaceutical companies? Only time will tell.

How COVID-19 Impacted American Businesses

Alexa Blackman

https://ideas.darden.virginia.edu/small-business-fight-to-survive-covid19

The COVID-19 pandemic brought about unprecedented challenges for businesses worldwide. In the United States, the U.S. Census Bureau conducted an extensive survey to understand the intricate ways in which the pandemic affected businesses, focusing on companies with employees as well as those without. The comprehensive survey, aiming to assess the economic impact of the COVID-19 pandemic, involved over 58 hundred small businesses. By focusing on financial fragility, immediate effects, long-term expectations, and perceptions of relief programs, the survey provided a nuanced understanding of the challenges faced by businesses across various sectors.

From March 28th to April 4th of 2020, the initial shockwave of the pandemic led to 43% of businesses temporarily closing. These closures were primarily attributed to a decreased demand and concerns about employee health. The survey uncovered an average employment reduction of 39% since January, with varying impacts across regions and industries. Sectors such as retail, arts, entertainment, and hospitality experienced employment declines exceeding 50%. A report from the NCBI states that between February and April 2020, over 3.3 million businesses were inactive, the greatest amount ever recorded in the U.S. Businesses closing and job loss appear to be the most disastrous and talked-about effects that the pandemic had on businesses due to the upsetting numbers found.

One of the survey's alarming revelations was the financial fragility of many businesses. The median business with monthly expenses exceeding $10,000 had only about two weeks of cash on hand. Approximately 75% of businesses had cash reserves to cover two months or less, emphasizing the urgent need for financial assistance to weather the storm.

Business owners varied in their crisis duration expectations, with the median foreseeing an extension into midsummer, significantly impacting survival predictions. Over 70% anticipated utilizing aid programs like the Paycheck Protection Program (PPP) in the Coronavirus Aid, Relief, and Economic Security Act (CARES), passed on March 27, 2020, influencing layoffs and operations. Reluctance to apply for the CARES Act aid was due to concerns about complexity and eligibility. The Census found a higher preference for forgiving loan programs, notably CARES, affecting policy take-up rates and businesses' perceived resilience. Analysis showed a greater interest in the CARES Act PPP, impacting expected probabilities of staying open and employment outcomes. Reasons for not using the CARES Act resources included not needing the cash, eligibility uncertainties, distrust in government forgiveness and perceived administrative hassle.

Acknowledging that small businesses employ nearly 50% of American workers, there was a profound impact of the crisis. A substantial portion experienced temporary closures and a 40% decline in employment, reminiscent of shocks seen during the Great Depression. In the second quarter of 2021, small businesses with one to four employees had only 81% of the jobs they had at the start of the pandemic, while those with 100 or more employees had 95%. Small businesses were hit hard by the pandemic, and many were unable to survive.

The duration of the COVID-19 crisis emerged as a critical factor influencing closures and job losses. Liquidity provision, particularly during cash flow disruptions, was identified as vital for business survival. Furthermore, businesses' ability to be flexible and meet demand was indicative of their success. For example, the CEO of Etsy, Josh Silverman, remarked that due to COVID-19, over 20 thousand businesses were selling face masks. In terms of flexibility, many new regulations were set, causing an increased need for adaptation, such as contact-free delivery. Some factors influenced businesses' ability to survive, but a vast majority were uncontrollable and unforeseeable, such as the unpredictable length that COVID-19 actually lasted.

While it is evident that the pandemic had many negative impacts on American businesses, there were also a multitude of positive ones. Having shifted the way traditional businesses are run, businesses were forced to adapt to supply management, delivery service, and customer connection. The large majority of commerce was digitized, moving businesses online regardless of their particular sector. This positively impacted many businesses and convenience for consumers. COVID-19 also incentivized and made room for further innovation due to competition, time, technology, and more understanding from consumers. For larger businesses, a decline in office and travel expenses, combined with the uncertainty of the pandemic that triggered overly cautious savings, ended up saving money. Although most effects of COVID-19 were negative, the results were non-linear, as many businesses blossomed during the pandemic.

It is difficult to quantify the vast effects that COVID-19 had on business in the U.S. The bankruptcy and unemployment it caused seemed to culminate in tragic impacts on businesses around the country. Nevertheless, it is important to also recognize the positive impacts that COVID-19 had on some businesses. Overall, the pandemic indefinitely altered the foundations of American businesses, both large and small.

What is Cryptocurrency?

Daniyaal Ghani

Cryptocurrency is an alternative payment method made possible by encryption algorithms. Because they employ encryption technology, cryptocurrencies can be used as a virtual accounting system in addition to a medium of exchange. Utilizing cryptocurrencies requires having a cryptocurrency wallet. These wallets could be computer or mobile device apps or cloud-based services. Wallets are the devices used to keep encryption keys, which link the cryptocurrency to your identity and validate it. You may be wondering if companies should start looking into crypto in the future.

In a business setting, cryptocurrency has many benefits. First of all, the risks associated with paper transactions can be eliminated with cryptocurrency. There are often problems with paper transactions in some situations. For instance, cash can be handled and treated improperly. Businesses suffer greatly from this since they run the risk of losing investments that are essential to their survival. With cryptocurrency, this risk can be reduced because transactions go straight to the company's accounts rather than needing to be managed by staff. Businesses can also access resources with cryptocurrency that they would not otherwise be able to. For instance, cryptocurrency could be used for a more efficient process if a company ever needed to receive a loan for a venture rather than going through a bank, which could have restrictions like time. This could potentially allow for a more smooth and seamless transaction process. Third, the introduction of cryptocurrencies welcomes new clients. As cryptocurrencies gain popularity, many wealthy individuals and corporations will likely convert their fiat money into cryptocurrency. And providing a cryptocurrency transaction option might help draw in these new clients and companies. Cross-border transactions are also made easier by cryptocurrency. Even in this day and age of sophisticated technology, businesses hoping to sell their goods abroad still face difficulties when processing payments with fiat money. Cryptocurrency offers an alternative by allowing businesses to buy and sell products without the need for a bank or payment processor, which could add to the costs of international transactions. While the value of cryptocurrencies fluctuates, the average worldwide stays steady. The ease of currency conversions and associated transaction fees are eliminated by the global standardization of cryptocurrencies like Bitcoin, and the absence of a middleman may promote quicker and less expensive transactions.

Although cryptocurrency can be very useful, it also does come with risks/downsides for businesses. First of all, the price of cryptocurrency fluctuates routinely and is extremely volatile. This inherently means that businesses take on risks when converting their liquidity into crypto as businesses carry the risk of it plummeting in value. As of now, cryptocurrency has not been widely accepted in terms of the business world. This means that before companies make a cryptocurrency investment, they might want to find out more about their clients or customers and determine whether providing cryptocurrency payment options will be advantageous to them. Another issue that comes with cryptocurrency for business is setting it up. Although establishing a cryptocurrency transaction channel is not very hard, it does require more time and work to get going. To handle this, businesses might have to set up their company's cryptocurrency wallet or work with a third-party service provider. Even though the set-up procedure might not matter much, it could initially discourage businesses from making cryptocurrency investments. Lastly, cryptocurrency is accompanied by the risks of potential scams. Since cryptocurrency is decentralized, there are currently no regulations governing it, and the technology underlying it is still relatively new. If fraudsters discover a company's cryptocurrency investments, they might attempt to defraud it. Even though it's not a given, this is still a downside of cryptocurrency and one of the risks that come along with investing in it.

In conclusion, even cryptocurrencies offer businesses several benefits, such as eliminating paper transactions, allowing for loan opportunities, possibly getting new clients, cross-border transactions, and removing middlemen. It does come with many risks that need to be accounted for, such as the volatility of cryptocurrency, the current lack of widespread crypto acceptance across the business world, the challenges that come with setting it up, and the potential scams that come with cryptocurrency. Weighing the advantages and disadvantages, it is apparent that cryptocurrency isn't fully ready for the business world. While it does have a lot of benefits for the business world, it needs to be consistent. With the volatility of cryptocurrency, businesses should not invest in it as it has a risk of completely plummeting and making businesses lose a good amount of assets. However, this does not mean businesses should turn a blind eye to cryptocurrency. Businesses should continue to monitor crypto as it does show some promising signs and could be a valuable asset in the future.

https://park.marmaranyc.com/times-square

How Companies Use Marketing Strategies to Manipulate their Buyers

Gabriela Faybishenko

In a world full of commerce and business, marketing plays a crucial role in the development and separation of a company. Marketing is not just a term used to display products to potential buyers, but in most ways, a sophisticated craft aimed at manipulating people and what they purchase. Companies employ many strategies, from subtle psychological tactics to huge ads on billboards, to captivate, persuade, and ultimately influence buyers to purchase a product. These strategies are flawlessly designed to sway consumer perceptions and preferences.

One of the most vital tactics companies use is depicting certain emotions to connect their products to their buyers. Marketing strategies often employ it by provoking specific emotions that resonate with their targeted audience. For example, heartwarming narratives and touching stories that provoke joy, empathy, or regret create an emotional connection, influencing consumers to associate those sentiments with that product or brand. This act of emotional manipulation influences buyers to purchase a product because they resonate with the certain emotion that is placed on that product. Another emotion that many businesses use is "the fear of missing out." Companies provoke this emotion by creating a sense of scarcity or urgency. Limited-time sales or limited quantities of the product trigger the fear of missing out, which compels consumers to act quickly, bypassing rational decision-making in order to purchase this product immediately, ultimately leading to more sales.

Do you ever wonder why consumers usually buy products from popular brands? Do these popular brands have better products than all other brands? Consumers often seek validation from others before making a decision. If a potential buyer sees many people with a certain product, the most common thought occurring is that they should have it too because it is the "best product to have". Marketing strategies leverage this trend by showcasing reviews or highlighting the product's popularity for social proof. The notion that others endorse a product can significantly influence a buyer's perception. Additionally, these brands usually pay influencers and celebrities to market their product. These celebrities and influencers have thousands if not millions of followers who will see this product being advertised. Associating a product with a celebrity or influencer can leverage trust in the product. Consumers often trust celebrities, and if a celebrity advertises a product, many people will express increased interest and, ultimately, make a purchase.

Another popular form of marketing manipulation is the power of imagery.

Visual elements in marketing, such as colors, images, and designs, are precisely chosen to provoke specific associations. Visual cues shape how consumers perceive the product or brand. For example, attractive packaging can entice buyers even before they interact with the product. A catchy design or bright colors can draw buyers in to browse the selection of items. Specific colors and logos create a cohesive and recognizable brand identity. In addition, each company creates a unique logo or slogan for their brand. Consequently, if someone sees those colors or slogans elsewhere, they will correspond the product to the brand.

Many large companies use technology to manipulate their buyers. Neuromarketing is a technology that can dive into the subconscious mind, employing techniques like eye-tracking studies, neuroimaging, and biometrics to understand consumer responses to diverse stimuli. This data helps create marketing strategies to trigger specific emotional or psychological responses in consumers. Other recent and rapidly growing technologies like Artificial Intelligence (AI) are used to promote products similar to what each consumer has bought or looked at in the past. Analyzing consumer data allows companies to create highly targeted and personalized marketing campaigns with or without AI. By understanding individual preferences and behaviors, companies can manipulate advertisements, recommendations, and offers, which enhances the probability of a purchase.

While these strategies are commonplace in the marketing landscape, ethical concerns arise regarding the manipulation of consumer behavior. Many argue that some tactics may exploit vulnerabilities or manipulate emotions to drive sales, potentially leading to impulse purchases. Consumers, in turn, must use critical thinking to understand when they are manipulated into buying a useless product. Understanding these marketing strategies empowers individuals to make informed decisions and to distinguish between genuine and manipulative tactics. Moreover, holding companies accountable for their ethical marketing practices encourages transparency and responsible consumer engagement. In a world where marketing continuously evolves, the balance between influential strategies and ethical considerations remains crucial. Consumers' ability to navigate this world with awareness and discernment shapes the future of marketing and consumer relationships.

How did the UAW Auto Strike Affect the Economy?

Annabel Eder

The United Auto Workers (UAW) was a union founded in 1935 and consists of 400 thousand active workers and over 580 thousand retired members. These members are spread throughout 600 local unions across the United States. Since its creation, workers have been able to fight for employer-paid health insurance plans to help industrial workers, cost-of-living compensations, income security, and extensive training and educational programs for all workers. However, last year, from September 15th to October 30th, union members went on strike.

https://money.com/uaw-strike-car-buyers-prices/

The UAW strike was primarily against the three largest automobile corporations: Stellantis, Ford, and General Motors. The UAW asked the three corporations for a 36% increase in pay for a four-year contract. They also wanted adjustments for living expenses and free health care. The UAW claimed that inflation weighed heavily on their income, and thus its workers could not afford to live off those salaries anymore. Since 2008, as a result of inflation, autoworkers have faced wages dropping 19.3%. The auto workers also wanted the three companies to get rid of the two-tier pay system. In this system, people who had worked at the companies before 2007 made $33 an hour on average compared to those who joined after 2007, who made only $17 per hour. Additionally, the lower-tier workers were not eligible for certain pension benefits. Therefore, the UAW workers were also fighting for the return of pension benefits. The most difficult struggle for the auto workers was fighting against the Big 3's plant closings. Those three companies have shut 65 plants in the last 20 years, leaving many communities to struggle and auto workers out of jobs. Many believed this list of demands from the UAW was immoderate since they sought to reform the entire way the Big 3 dealt with salaries and benefits.

Initially, Stellantis had responded to the UAW by offering a 21% increase for a four-year contract as well as a 10% increase when a new contract was signed. But, the UAW rejected this offer. As a result of the UAW not accepting the Stellantis offer, 68 hundred auto workers halted work at a plant that produces over 15 hundred Ram trucks. By targeting plants that produced popular and profitable vehicles, this strike, along with the previous Stellantis worker's walkout, had drastic economic effects on the company. A similar issue happened with a walkout at Ford in Kentucky when many workers had gone on strike against a plant making F-Series Super Duty Pickups, a very well-liked and profitable car for the company.

The UAW was successful in winning the strike at all three major companies. At General Motors, the UAW secured a 25% base wage increase that will permanently stay until April of 2028. Also, the total yearly wage will increase by 33% after counting bonuses and the new $42 per hour wage for cost of living adjustments. Stellantis and Ford both agreed to the cost of living expenses. Despite the UAW's demand for a 40% wage hike, all three companies settled for 25%. General Motors, Ford, and Stellantis all incorporated a $5,000 ratification bonus and accepted that the UAW should have the right to strike over future plant closures. The two-tier wage system, separating workers before and after 2007, was also destroyed, bringing equal pay to all unionized workers. GM had agreed that employees who had worked at the company for 20 or more years are eligible for 200 vacation hours, while Ford gave this to all workers and Stellantis offered none. All three companies agreed to improve retirement benefits, including increasing their 401(K) plans. But all rejected the hope of a shorter 32-hour work week.

Stellantis alone lost $3.2 billion in profits, while Ford lost $1.3 billion. On the other hand, General Motors is said to have lost roughly $800 million in profit. Despite the seemingly drastic profit loss, it is reported that these losses did not have a major effect on the stock market. General Motors had dropped to its lowest point of 2.6%, but on most days of the strike, it varied close to 1%. As a result of the loss of profit, the company is not advertising in the Super Bowl for the first time since 2019. It was also predicted that these three companies had been preparing for a large strike from the workers, so the price of the strike is assumed to have been accounted for in the stocks for a while.

As for product input and output, as a result of the strike, product output of primary metals dropped. This is because utility production fell 1.6% in October after a 0.6% fall in September. On the other hand, industrial production had grown 0.1% in September but then dropped 0.6% in October. Even though these were parts needed to make cars, it still affected the supply of different technological and infrastructure products across the country. In addition, it affected the supply and demand of the United States, causing an unproportionate demand. Normally, when the demand for a product succeeds its supply, prices tend to rise. Fortunately, the 2023 UAW strike was too short to increase prices and detrimentally affect the economy.

Taiwan's Economy Amidst Global Instability

Emma Chang

In 2022, Taiwan's GDP ranked 21st among the world's largest economies, according to the IMF. However, Taiwan's economic prominence has been a relatively recent phenomenon. Beginning in the 1960s, the island began to pivot to manufactured exports, fueling foreign trade overall. In the 1980s, with the creation of the high-technology sector, Taiwanese companies were quick to enter the emerging market. Today, Taiwan is renowned as a global leader in information and communication technology (ICT). Its semiconductor exports notably make up 15% of its GDP alone. The nation's trade flows have been heavily reliant on China, with China accounting for 25% of Taiwan's exports and 20% of its imports last year. Overall, its economy remains highly reliant on exports, subjecting it to the many fluctuations of the global market.

Recently, many factors have driven a shift in Taiwan's foreign investment and trade. The United States' imposition of tariffs on Chinese-made products drives out Taiwanese firms based in China, and China's Covid Zero policy has vastly decreased the country's demand for Taiwanese products. China's political aggression, which is rooted in the CCP's "One China Policy," has also resulted in a stronger push for decoupling within the Taiwanese public. Since President Tsai Ing-wen's election in 2016, Taiwan has pursued diversification with the Association of South-East Asian Nations (ASEAN) and Oceania. With Tsai's "New Southbound Policy," trade with ASEAN and Oceania nearly doubled between 2016 and 2022 and was valued at $180 billion last year. Consequently, Taiwanese technology exports to China and Hong Kong have decreased from 24% in 2020 to just 11% in 2022.

Unfortunately, Taiwan has been unable to fully compensate for its losses in trade with China thus far. In December, the Central Bank of the Republic of China (CBC), Taiwan's central bank, lowered its GDP growth projection for this year to 2.53%, the lowest since 2016.

Beyond its own interests, Taiwan's ideal geopolitical location has made the island a critical player in the United States race for hegemony against China. Following increases in Chinese hostility, the US resumed the Trade and Investment Framework Agreement (TIFA) dialogue in 2021, held the Third US-Taiwan Economic Prosperity Partnership Dialogue in 2022, and initiated the US-Taiwan Initiative on 21st Century Trade just a few months ago. In the end, these dialogues are primarily grounded in political objectives. American and Taiwanese markets already have adequate bilateral access, making the negotiations more focused on trade and labor regulation. Overall, the formal dialogues effectively institutionalize US-Taiwan ties both economically and politically.

Critically, while the United States' competition with China aims to stop Chinese aggression, Biden's strategy simultaneously threatens Taiwan's biggest industry: semiconductors. Taiwan makes up a striking 60% majority of the world's semiconductors and 92% of advanced semiconductors, earning the industry the name: "silicon shield." The name is used by Taiwanese officials and analysts who argue that Taiwan's dominance in ITC can deter the increasingly imminent threat of a Chinese invasion, as the world will have come to its defense to protect semiconductor supply chains. A study by the US Department of State puts Taiwan's dominance into perspective, quantifying that a Chinese blockade that disrupts Taiwanese semiconductor manufacturing would cost the global economy $2.5 trillion in annual losses and ultimately trigger a global recession. Taiwanese officials assert that Biden's recent CHIPS Act threatens this deterrence. The act directs $280 billion in funding to domestic semiconductor development and manufacturing, threatening Taiwan's market share as the US ramps up its production. The act moreover offers subsidies to qualifying foreign manufacturers that build production sites in the US. Driven by the monetary incentives, Taiwan's largest semiconductor manufacturer, TSMC, has already begun building an American plant in Arizona. With American manufacturers beginning to emerge, Taiwanese companies moving to US soil, and exacerbating Chinese aggression in the Taiwan Strait, concerns that Taiwan's "silicon shield" is deteriorating are becoming more salient.

Amidst the economic and political pressures of recent years—from COVID and inflation to Chinese military encroachment—Taiwan's leadership has attempted to strategically navigate complex geopolitical conflicts while balancing its economic ties with China and its allies. In addition to maintaining economic stability as hostilities in the Taiwan Strait continue to escalate, Taiwan must continue to use its economic leverage to directly combat external threats.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