

## Benefits of Barter

### RAPIDLY INCREASE SALES

BarterXchange promotes your business to thousands of local and international businesses who are all potential customers, and facilitates incremental business over and above your existing cash-paying customers. Businesses use BarterXchange to purchase what they need or want with our interest free credit line, and pay for their purchases with the additional sales of their goods or services.

Referral by word-of-mouth is one of the best forms of product marketing. If you do a good job for a BarterXchange member you serviced, they will undoubtedly refer their cash-paying friends, clients, family and associates to you.

### BUY WITHOUT PAYING CASH

Cash savings are the primary benefit of barter. Barter allows you, as a business owner, to pay for what you need with your own goods or services, allowing you to conserve cash and working capital for other purposes. Making purchases with your Trade Credits means that payment is made with sales made to new customers from BarterXchange.

Bartering helps reduce cash outlays and reduces overhead and operating costs. Many of the services offered through barter — such as accounting, cleaning, corporate gifts, restaurant dining and travel — relate to overhead costs. Obtaining these services through barter saves you cash. Businesses still need cash, and barter is helpful in conserving cash as a resource.

### MAXIMIZE YOUR PROFITS

Sellers within a barter network make incremental barter sales (over and above their cash business) and increased sales mean increased profits. Additionally, the real cost of the goods or service you purchase on trade is actually the wholesale cost of your Trade Credits earned (see Benefits of Barter: Barter creates wholesale buying power).

### GAIN ADDITIONAL NEW BUSINESS

BarterXchange members can cost-effectively expand their market reach by marketing to the exchange network's membership base. The membership base provides a large market and a far higher selection of trading options. BarterXchange has a nation-wide membership of Singaporean businesses, and a network of thousands of businesses in trade exchanges around the world. This provides strong marketing and trading options through its directory service.

### RETAIN CUSTOMER LOYALTY

When one business is connected to another through barter exchange, the two businesses are connected by a network. Businesses that routinely trade for products and services will bypass competitors to deal with each other.

### INCREASE YOUR BUYING POWER

With barter exchanges, the real cost of the products or services you purchase on trade is actually the wholesale cost of your Trade Credits earned. Making sales with built-in profits makes the cost of your purchases more economical on trade. When you join a barter exchange, you open the door to a new, cash-free way of handling everyday business and personal expenses.

### GAIN THE WINNING EDGE

Expanded customer base, expanded geographic markets, additional sales, improved cash flow and increased profit, increase your advantage over your competition. Bartering through a trade exchange can assist a small business to portray the image of being a big business without the cash-costs incurred by much larger businesses. For example, barter enables businesses to execute additional marketing to gain more sales without spending cash.

### IMPROVE INVENTORY MANAGEMENT

Bartering also allows you to improve inventory management by converting excess inventory into valuable products and services. If you barter, you avoid having to liquidate excess inventory through drastic discounting. If your small business experiences seasonal markets, barter provides a profitable way to use the inventory on a regular basis. Using BarterXchange provides a system to put that excess to use in profitable ways. BarterXchange accomplishes this objective by matching your products or services with businesses looking to purchase them on trade.

### PURCHASE AT A DISCOUNT

In many cases what businesses want is stronger purchasing power.

Members of a barter exchange sell their products and services to earn barter trade credits. By calculating the cash cost of obtaining barter trade credits, you can figure out the leverage or purchasing power of trade for your business.

The cash cost of each trade credit is the cash you directly have to spend to earn that credit. It is a combination of your cost of goods sold and the trade fees that trade credit costs you to get and spend. If your cost of goods sold is 50% then

every trade credit you bring in costs you \$0.60 (\$0.50 for product and \$0.10 for trading fees).

Overhead costs like rent, utilities, and labour are not included in the equation because you would have to pay them whether you had trade income or not.

How much more purchasing power do you have when you are buying with trade credits? By leveraging your new source of income you are essentially buying everything you get on barter at a 40% discount.

#### INCREASE PRODUCTIVITY

Barter helps companies put inventory, equipment and employees to effective and efficient use, creating new revenue that would not have been available otherwise. That new revenue can be used to finance the purchase of new equipment, raw materials or services to support the business. Essentially, a company's less productive assets are exchanged for more valuable goods or services through the help of a barter exchange.

#### DEVELOP INCREMENTAL REVENUE

Businesses with obsolete or idle inventory frequently find that bartering the assets yields a much better value than liquidating it for cents on the dollar. Instead, the company can sell the inventory to a barter member for trade credits close to the book value, and then apply those credits to other business expenses, such as marketing, entertainment, travel or raw materials. Exchanging an unwanted asset for something else of value helps recover a significant amount of incremental revenue that might otherwise have been lost.

To find out how Barterxchange can benefit your business, [click here](#). Have a general comment, suggestion or question about BarterXchange?