

Bartering as a way to increase your business

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Smart business managers always think about bartering and it is a shame to notice that many still do not understand why this is something that has to be considered...



Statistics highlight that in the year 2011, there were over 400,000 firms that used bartering in order to earn over \$12 billion around the world.

Why bartering?

This is a topic that is really large. We can talk about it for a long time but what is really important is to understand why bartering is a really good idea. Let's think about a small [company that sells inkjet supplies](#). Obviously, their clients are normally printing companies. A barter establishment can actually be arranged with one of them for exposure purposes. You can thus gain new clients by highlighting that the printing done by a printing company is done with the use of supplies from this particular supplier.

The bottom line is that you get more business when bartering is used as a part of your promotional strategy. At the same time, you can cut some costs associated with production or promotion. It is actually quite common to have a company specialised in promotion to barter with another firm in exchange for some supplies.

Is bartering for you?

Obviously, you cannot always use bartering. There are cases in which such a strategy would not be beneficial. In order to think about whether or not you should consider bartering, you need to think about the following three things:

Can you improve capacity utilisation or cost base through bartering?

As an example, let us say that your company is operating in the travel industry. In this case, you can trade the excess capacity that is not offered for items that can be used in the office. As a hotel, you can offer some free rooms for fitness centre equipment. If you can lower costs or you have free capacity, bartering may be a great idea.

Can you improve value generation through bartering?

Let's say that you have a brand that you own and that does not actually perform at the moment. Maybe you have one that does not fit the strategic goals that you have right now. You can arrange bartering to cover the problems that you have at the moment.

What benefits can appear when you barter?

Think about assets that you could benefit from when you barter. For instance, maybe such a deal could increase your brand recognition, credibility or reach. In this case, it is something that you need to think about.

Analysing your company

It is really important that you analyse your entire organisation. Is it possible to use barter deals in order to build awareness, enhance your revenues or reduce your costs? Maybe you could expand your operations. There are many situations in which bartering is really important and can easily bring in extra profits for you. Have patience and analyse every single opportunity that is available for you. Always consider bartering as it is the best possible way for small companies to grow.

ABOUT BORIS DZHINGAROV

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