


MAY '11 NEWSWIRE

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Welcome to our monthly newswire designed to provide you with some marketing tips for your business.

We hope you enjoy reading it and remember, we are here to help you so please contact us if you need further information on any of the topics covered.

WINDOWS 8 – ALREADY?

According to Microsoft, more than 7 copies of Windows 7 have sold per second since its launch in October 2009. Unsurprisingly, given the popularity of the windows operating system on home and business PC's, Microsoft is already developing its replacement - Windows 8.

So what can we expect from the next upgrade to Windows? Apparently Microsoft has taken the lessons it learned from the Xbox and Microsoft Office and applied these concepts to Windows 8. Various technology news sources are suggesting that the new operating system will be optimised to work on tablets as well as traditional PC's. This is in response to the increasing popularity of tablet computers since the launch of the Apple iPad.

Visually, Windows 8 will be similar to Windows 7 but is likely to come with a Microsoft Office-style ribbon menu system. We will have to wait until the official launch of Windows 8 to make an informed comparison of the advantages of the new operating system over Windows 7, which is likely to be in 2012.

The big question for businesses is, of course, whether to invest in Windows 7 or postpone computer upgrades until Windows 8 arrives. Given that Windows 7 has now proven itself as a stable, secure and reliable operating system, many businesses may choose to stick with Windows 7 and wait until Windows 8 has been around for a year or two (and all the bugs / glitches are sorted out). Also worth considering is that many offices still use Windows XP professional and a jump to Windows 8 may require some training sessions for staff as well as upgrades to servers and network software.

One thing is for sure – the onward march of technology is relentless. Eventually businesses will have to move away from Windows XP which will cost in terms of staff training and hardware upgrades. It will be interesting to see whether Windows 7 or Windows 8 garners favour with business users.

GROUPON – COULD IT BENEFIT YOUR BUSINESS?

For those of you who are unfamiliar with Groupon, the company partners with local businesses to send a daily coupon e-mail shot to its members. The members who buy the coupon get 50 to 70 percent off on a product or service, and Groupon splits the proceeds with the retailer — usually leaving the retailer with about 20 to 25 percent of the retail price. At this stage many business owners will start asking themselves if this is a marketing initiative that is worth trying.

Selling your product or service at 70% – 75% discount may seem like madness, until you consider what Groupon is and what it can do for your business. Groupon's service should be considered as advertising. A full page advertisement in a business magazine could cost you £5,000 and you may not get a single phone call as a result of the advert. Groupon's massive database offers huge exposure for your business and you could win a significant number of new customers as a result. First you must consider the suitability of a Groupon campaign for your business. How many potential customers in your area don't know about you? Do you have excess capacity? Can you handle a surge in trade? The next thing to consider is branding. Do you believe that by giving out a large discount you risk damaging your brand? It depends on the business. For example, a professional business consultant offering discounted services may not create a great impression, however a hair dressing salon could attract new customers by flooding the market with e-vouchers on Groupon.

Whether you decide to use Groupon or not, bear one thing in mind; Groupon is advertising - it costs money. Instead of writing a check for an ad, you are choosing to lose money on sales. If your campaign costs you £5,000 in lost profits but you attract 50 new clients, then the "Cost of acquisition" per customer is £100. If you succeed in attracting those customers to come back and do business again and again then the investment of £100 to win each new customer is money well spent. You can find out more about Groupon by visiting www.groupon.co.uk

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CUSTOMERS ARE BECOMING MORE VALUE -CONSCIOUS

Consumers of everything from retail products to business services are becoming more and more value-conscious as a result of the economic downturn. This has put downward pressure on prices which has resulted in many businesses cutting prices in order to remain competitive and maintain market share.

The customers of your business are in a money-saving mood but they aren't willing to sacrifice on quality. This presents business owners with a new challenge – to maintain a quality product or service but offer more value to customers at the same time. Your business can take advantage of this focus on quality by minimizing price reductions and instead offer more “value added” services to customers. Since customers today are more focused on value for money you must make them feel like they have got more “bang for their buck”.

Take a management consultancy firm as an example. Instead of reducing their prices, they could offer more “value added” services free of charge to customers by offering a free 2-hour business strategy health-check. This health check could consist of a review of the current business plan, sales and marketing activities with a report being developed which shows the business which areas to focus on throughout the rest of the year.

The customer has now received extra value for the same price that they paid last year. The customer now feels that they have received value for money and the consultancy firm has managed to avoid cutting prices. Therefore the business and the customer benefit from the value-added approach.

As customers have become more focused on the value they get, more and more businesses have implemented this value added approach. Tesco have done it by offering mobile phone, car insurance and financial services in-store. 3 mobile have done it by offering unlimited data usage plans to mobile phone packages. Now it is your turn to give your customers a little value added extra and avoid cutting your prices at the same time.

OUTSOURCING

In the current economic climate, many small and medium sized businesses face the same challenge – they want to expand, but their current level of turnover means that they may not be able to afford to take on personnel with the right qualifications to drive the business forward. As a result, many firms have decided to buy in these skills through outsourcing.

Where a particular skill or level of expertise is required, businesses can outsource and employ staff on a contractual basis, rather than hiring staff full time. The benefit of this approach to the firm is that they can hire top-notch professionals but only pay for the work done. This can be a one-off expense, but some firms pay professionals for a few hours per month on an ongoing basis rather than hiring a full time, salaried employee.

The benefits are quite clear – the business saves money and top quality professional services are now within the budget of smaller businesses. Until quite recently, there were only a few business functions that small and medium sized firms outsourced, such as book keepers, management accountants etc. Today, largely thanks to the internet, it is possible to outsource virtually anything from phone answering services to website management.

As the internet has provided access to overseas outsourcing, businesses can also benefit from exchange rates. For example, if a service provider is located in a country where the currency is quite weak, the business will be able to buy in professional services for a lower price than the same services might cost in their home country.

There is one golden rule that businesses should adhere to when outsourcing - you get what you pay for. Yes, there are cost benefits to outsourcing globally, but if you aren't willing to pay at least a reasonable rate for the outsourced services, you're probably not going to get a very professional result!

