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Group Deals How Small Businesses Can Use the Power of Group Buying to Save Money by Grant

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An independent study on small business owners found that they are forced to pay five times more than big businesses for essential products and services. These businesses are responsible for employing more than 4.5 million people in the UK; yet they pay almost 10 per cent more than big suppliers. These businesses are overcharged by more than Â£ 3.6 billion for goods and services. For an SME (Small to Medium Enterprise), pricing can be very important. His pricing is directly dependent on the price through which he sources his raw materials and other essential services required for production. Large scale retailers can use their clout and bargain for a favourable price from suppliers. But small scale businesses often end up paying more. Most of these sellers often end up buying from the second hand market. Considering the fact that weâ€™re living in tough times, it is important that they use the power of group deals to bargain better.

Hereâ€™s how they work:

Group buying sites are subscribed by suppliers and businesses looking for cheap products. Suppliers get to post a deal for a certain time period, within which subscribing business firms can buy their products. The products that are covered in the deal period are almost 30-40 per cent lower than the market price. Some sites allow better interaction; subscribers can either request for an old and expired deal to be revived, or can request the supplier to provide discounts on some products. Suppliers may yield in to popular demand, if it is in their favour.

Is it profitable to the supplier:

Obviously yes, or they wouldnâ€™t be there in the scene! The money that is given away as discount in these sites is often spent on advertising and marketing. Through these group buying sites, suppliers can not only source a steady stream of demand, but also come in direct contact with buyers. In fact suppliers boost of a 20 per cent increase in revenue by using these sources.

What are the products that are sold through these sites:

Everything and anything! Buyers can source anything from the latest search engine optimization service to office equipment such as whiteboards, chairs, projectors and even tech goods such as laptops and printers. You can also hire professionals to conduct training on various subjects, and even source financers for your startup projects.

With governments across the world pinning their hopes of economic recovery on small and medium businesses, it is important that they are treated well and get a better hand in bargains.

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a Group buying sites are probably the only way to ensure a level playing field to small business owners. The author of this article focuses on issues a group deals and other issues that affect SMEâ€™s.

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