

E-commerce gifting business The Neighbours Cellar has done so, to good effect. After seeing stock and shipping costs increase by 10 and 15 per cent respectively in late 2022, owner James Emery went on a savings quest.

“We reviewed our whole product range and swapped suppliers where it made sense, switching from mailer bags to cardboard boxes to ship our products, for example,” Emery says.

The business has also saved money by increasing the size of its stock orders, but doing so can put pressure on cash flow, Emery notes.

Around half their business’ cost increases have been passed on to customers. They’ve been receptive to messaging on the subject thus far but it’s possible orders may start drying up as more consumers pull back on discretionary spending.

“Ultimately, we can only control how we operate as a business and we’ve tried to take a proactive approach to managing expenses while inflation remains high,” Emery says.

How to pass on costs fairly

Sharing the pain of higher costs with customers is unavoidable, if the increases are too large for your business to absorb, Barker says.

You’ll stand a better chance of retaining customers’ trust and custom if you communicate with them honestly before raising your prices and resist the opportunity to boost your margins excessively, she believes.

“This is a good opportunity to demonstrate what it means to be a great business that really cares about its customers,” Barker says.

Cover when it counts

Inflation is also making insurance more expensive. The cost of recovering from an adverse incident is rising and those increases may be reflected in your premium. But while cutting back your cover may deliver a short-term saving, it could also mean your business is unable to bounce back from unavoidable damage, disruption and destruction.

If you’d like to discuss your level of cover and whether it’s appropriate for your business needs, contact your broker today.

Important notice - Steadfast Group Limited ABN 98 073 659 677

This general information does not take into account your specific objectives, financial situation or needs. It is also not financial advice, nor complete, so please discuss the full details with your Steadfast insurance broker. Deductibles, exclusions and limits apply. Insurances are issued by various insurers and can differ.

Important notice - Steadfast Group Limited ABN 98 073 659 677 and [Steadfast Network Brokers](#)

This article provides information rather than financial product or other advice. The content of this article, including any information contained in it, has been prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of the information, taking these matters into account, before you act on any information. In particular, you should review the product disclosure statement for any product that the information relates to it before acquiring the product.

Information is current as at the date the article is written as specified within it but is subject to change. Steadfast Group Ltd and [Steadfast Network Brokers](#) make no representation as to the accuracy or completeness of the information. Various third parties have contributed to the production of this content. All information is subject to copyright and may not be reproduced without the prior written consent of Steadfast Group Limited.