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Saturday, June 27th

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Bartering exchange is bringing in customers

By Luci Scott
THE REPUBLIC | AZCENTRAL.COM

A Valley businessman discovered a way to increase his pool of potential customers by at least hundreds of people in one simple way: joining the Arizona Trade Exchange, a company that promotes bartering.

With his wife, Arlene, Fred Gosielewski owns three Fast-Fix Jewelry and Watch Repair shops — in Arrowhead Towne Center in Glendale, Chandler Fashion Center and Scottsdale Fashion Square.

Being a part of the bartering network brings in customers, Gosielewski said.

"Everybody has a watch," he said. "Everybody has a piece of jewelry or a ring that doesn't fit."

Here's the simple way the exchange works: One credit equals one dollar. An exchange member buys a watch battery from Fast-Fix for $19.95, but instead of cash, the exchange transfers that credit from the watch owner's account to the Fast-Fix account.

When Gosielewski needs his floors waxed, or needs a phone or security system, he finds the service in the directory published by the exchange.

With credits, he has bought business cards, signs and banners, window cleaning and glass counter tops.

When he has leftover inventory, if he were selling it for cash, he'd have to discount it 30 to 50 percent.

Instead, he sells overstock at an exchange Christmas bazaar for credits at full value.

"I'm maximizing my profits," he said.

Gosielewski figures he has used a quarter-million dollars in trade credit.

LUCI SCOTT/THE REPUBLIC

Fred Gosielewski, who owns Fast-Fix Jewelry and Watch Repair at the Arrowhead Towne Center in Glendale, is an active member of the Arizona Trade Exchange.

Products and services on the exchange include cruises, used cars, northern Arizona mountain cabins, limo rides, house cleaning, pool cleaning, pest extermination, floral arrangements, Suns tickets, home and auto glass, and chiropractic treatment.

Rob Miller, president and majority owner of the Arizona Trade Exchange, started the network in 1999. He had owned a large sports bar in Tempe and joined a trade exchange.

"Things I had been paying cash for on a daily basis, all of a sudden I was trading chicken wings and cheeseburgers for," he recalled.

He started his own exchange. He has a staff of nine and is hiring more. The 550-member exchange is growing, getting a boost from the poor economy.

"People don't have as much expendable income," Miller said. "One of my trade members said, 'When the economy was good, I felt I could afford to trade. Now that the economy's bad, I feel I *have* to trade.' "

Miller has members in Surprise, Queen Creek and the cities between.

Trades for his members range from $10,000 a year up to hundreds of thousands a year.

"An orthodontist would be trading for a $5,500 set of braces," Miller said. "At 10 sets, he's a $55,000-a-year trader."

The exchange had a trade volume last year of just under $5 million, and this year Miller expects to hit $7 million.

"The interest now is huge in comparison to six or eight months ago," he said.

Among the members are CPAs, hair stylists, painters, electricians, plumbers and general contractors.

"There are not too many things that we don't have," Miller said.

The exchange even did a trade for its own rent.

Miller's new landlord has a lot of vacant property, so Miller cut a deal in which four of the lease's five years are not cash but trade. The landlord can use the credits, for example, for dry-wall repair, painting or carpet cleaning, advertising or sending flowers to a new tenant.

What it costs

In the Arizona Trade Exchange, members pay a 12 percent commission on any purchase. The joining fee is $495. Members pay $9.50 a month in trade. They can ask for a line of credit, and interest is charged in trade. When applicable, sales tax must be paid in cash.

Information

» www.arizonatradeexchange.com.
» 480-633-9363.
» www.nate.org.

Other groups

» www.barterbrokersusa.com.
» www.bartergroup.com.

ARIZONA TRADE EXCHANGE LLC