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Upgrading your website
Enhancing your online presence is a must

A balancing act: Should you raise prices or lower them?

Unauthorized credit and debit card transactions
Know the facts about your liability

Expanded Medicare taxes may take a bite out of your 2013 income

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Upgrading your website

Enhancing your online presence is a must

Did you know that more than 75% of consumers research products and services online before actually making a purchase? It's true, according to a recent survey by technology company Cisco.

Moreover, even though businesses are eager to create profiles on social media sites like Facebook, their websites remain a key component in driving online traffic, according to Manta, an organization dedicated to helping small businesses profit, connect and grow through its online community.

Despite the critical role websites play in most businesses' marketing initiatives, many suffer from ineffective designs that visitors find difficult to read or navigate. Here's how you can ensure your company's site is doing all it can to reflect positively on your business.

Offer regularly updated content

Incorporating new information within your website on an ongoing basis lets visitors know you're continually changing and growing your operations. It also can help attract the attention of search engines.

Conversely, if the most recent press release or blog posting on your company's website is from several years ago, potential customers are likely to wonder if you're still in business.

Make sure it's logical

Both online and off, customers want to get where they're going as easily as possible. Website links that lead nowhere or content arrangements that aren't intuitive — for instance, forcing visitors to click through numerous pages to get your firm's contact information — can prompt potential clients to leave your site.

By using Web analytic tools, you can more precisely target marketing efforts and potentially boost traffic and revenue.

Enhance the site's readability

Of course, you want your company's website to look great. But the form should *enhance* — rather than detract from — its function. A poorly organized website can quickly turn off potential customers. So make sure titles and subheads allow readers to find information just by skimming them. The text should be easy to read, and include plain fonts and a color that contrasts clearly with the background. Also, photos and graphics should relate to the information presented and large enough that customers can easily determine what they're seeing.

Provide a way to follow up

Potential clients coming to your website may want to follow up with an e-mail or phone call, a look at your social media profile, or a stop at your brick-and-mortar location. Make it easy for them to find you by providing contact information in logical places. Including this

your ad runs in a particular publication, you'll likely want to consider funneling more marketing dollars to that outlet, and fewer to venues that aren't providing the same level of results.

data reassures visitors that a real business exists behind the website, boosting your site's credibility.

Work the analytics

Web analytic tools can provide key information such as the number of visitors to your site each day, the paths they took to get there and their behavior once on the site. By developing this data, you can more precisely target marketing efforts and potentially boost traffic and revenue. For example, if site visits and sales spike after your ad runs in a particular publication, you'll likely want to consider funneling more marketing dollars to that outlet, and fewer to venues that aren't providing the same level of results.

Employ mobile devices

Some 33% of participants in a 2012 study by Oracle, a multinational computer technology corporation, said they'd increased the amount of product research conducted via their mobile devices. To capture these potential customers, make sure your website is formatted for mobile devices — in other words, simplify. Many mobile users look for basic data, such as a firm's phone number and address, so make this information easily accessible. And given the smaller screen sizes of mobile devices, minimize the amount of text and graphics on your mobile site.

A little work, a lot of dough

As you can see, offering a clear, easily navigable website can help enhance your firm's online and mobile presence. And, over time, it may very well boost your company's top and bottom lines. ◈

A balancing act: Should you raise prices or lower them?

After years in recession, the U.S. economy continues to just plod along, leaving thousands of business owners in a quandary as to how to continue running their businesses profitably. They face a delicate balancing act: Should they implement higher prices for their products and services in order to become more (or stay) profitable? Or should they stand behind their clientele and keep prices as low as possible?

It's a difficult choice indeed. If you're in this situation you understand how just one wrong move could eventually make you regret your decision. Here are some tips for making the right decision.

Develop a strategy

When developing a pricing strategy, consider a number of distinct situational factors, such as:

1. Costs. Factor in your fixed costs such as rent, utilities and salaries, plus variable costs such as packaging, shipping and commissions.

2. Economics. Research what the market will bear relative to supply and demand, price elasticity and other conditions, such as economic expansion or recession.

3. Customers. Know what your customers expect when it comes to capabilities and features. For example, they'll likely expect and value quality, performance, delivery and price. Of course, those features will vary depending on the business.

4. Uniqueness. Do you fully understand how your product or service addresses your customers' expectations and values? If you don't, you're likely not meeting their needs, which in turn means it might be easy for them to align with another firm or vendor.

5. Competitors. Research your competition by understanding their product lines and services. Also look at their strengths and weaknesses, pricing strategies, discounts and special incentives. This can help you better understand how your company stacks up with similar businesses.

An intangible factor in the decision-making process is customer perception. As an example, a customer may perceive an underpriced product as lower quality — even if it's not — and purchase from your competitor instead.

Research the competition by understanding their product lines and services. This can help you better understand how your company stacks up with similar businesses.

Pricing is key

While pricing strategies depend on your situation, you essentially have two choices: raise or drop prices. Although dropping prices in a lackluster economy may make sense in order to keep customers, more often it's best to maintain current pricing or even price your product a bit higher than those of your competitors, as this conveys higher quality and allows negotiating room without jeopardizing profits.

Relying on low prices to differentiate your product or service is risky, however. This strategy may escalate to a price war where, eventually, the bigger guns will be the only ones left firing. Larger businesses with greater resources and operating efficiencies can quickly take out a smaller business.

You may need to hike prices to remain profitable when the cost of materials and production goes up or to balance a sudden surge in demand. In such cases, a graduated price increase is less noticeable and more palatable for customers.

Gaining market share

There are many price-raising strategies you can employ to help you compete for market share and increase profitability. One is to charge a premium. This approach works best when supported by a product's or service's unique competitive advantage. Sprucing up packaging or presentation can also create a perception of higher worth.

Or consider matching your competitors. If you raise prices to match a competitor, customers may perceive your product as equal — even if your competitor's offering is superior. If you're overpriced, however, this strategy could backfire. You could also charge a higher price for essential supplemental components or services. For example, a printer manufacturer might lower the price on a printer and boost its margin on toner cartridges.

And don't forget to offer add-on options which will entice customers with extra options to increase overall revenues. A restaurant, for instance, may sell a "meal card" that offers patrons special treatment, such as free desserts or drinks.

Understand the cycle

Any business owner who has been around for a long time understands the ups and downs of commerce. The key is not to panic during the downtimes. Use this time instead to make existing customers your best friends by providing quality products and impeccable service. ◈

UNAUTHORIZED CREDIT AND DEBIT CARD TRANSACTIONS

Know the facts about your liability

If someone fraudulently uses your credit or debit card, what costs could you be liable for? It's an important question because the risk is high: More than 25% of respondents to a 2012 study by ACI Worldwide and Aite Group have been a victim of credit, debit or prepaid card fraud during the preceding five years.

In the United States, a cardholder's liability for a fraudulent transaction can depend on the type of card used as well as the transaction type, so be sure to review the agreement with your card provider. However, several general guidelines typically come into play.

Credit cards

If your credit card is used without your permission, you may be responsible for up to $50 in charges, according to the Federal Trade Commission (FTC). If your card is lost or stolen and you report the loss *before* your card is used in a fraudulent transaction, you can't be held responsible for any unauthorized charges. Some card issuers have decided not to hold their customers liable for any fraudulent charges regardless of when they notify the card company.

When reporting a card loss or fraudulent transaction, contact the card company via phone; many provide toll-free numbers that are answered around the clock. In addition, the FTC advises following up via a letter or e-mail. This should include your account number, the date you noticed the card was missing (if applicable), and the date you initially reported the card loss or fraudulent transaction.

5 tips for safeguarding your cards

Taking these five simple steps can help cut the risk that your card will be used without your permission or knowledge — or at least that you'll be liable for any charges unauthorized users make:

1. Guard your cards. Carry only the cards you need and destroy old cards, slashing through the account number, before discarding them.

2. Protect your account information. Don't provide your card number over the phone or online unless you've initiated the contact.

3. Protect PIN numbers. Memorize your personal identification number (PIN). And don't choose a PIN that could be easily guessed, such as a simple one like 1111 or 1234 or numbers associated with you, such as your birthday, phone number or address.

4. Review activity at least monthly. If you have online access, take a few moments to scan transactions every time you log on. If you don't have online access, be sure to review your monthly statements. If you notice a transaction that isn't yours, report it to your credit card issuer or bank as quickly as possible.

5. Keep a list of your account numbers and the contact numbers of your credit card companies and financial institutions in a secure place. This should be away from the cards themselves. Having this information handy will make it easier to report a missing card or suspicious transaction quickly.

Debit cards

The liability if your debit card is used without your permission will vary depending on whether the card was lost or stolen or is still in your possession, the type of transaction, and when you reported the loss or unauthorized transaction.

According to the FTC, if you report a missing debit card *before* any unauthorized transactions are made, you aren't responsible for the unauthorized transactions. If you report a card loss within two business days after you learn of the loss, your maximum liability for unauthorized transactions is $50.

If you report the card loss *after* that time but within 60 calendar days of the date your statement showing an unauthorized transaction was mailed, liability can jump to $500. Finally, if you report the card loss more than 60 calendar days *after* your statement showing unauthorized transactions was mailed, you could be liable for all the funds taken from your account.

If you notice an unauthorized debit card transaction on your statement, but your card is in your possession, you have 60 calendar days after the statement showing the unauthorized transaction is mailed to report it and still avoid liability.

While the lower protections required on debit cards may make you wonder if you're safer using a credit card, some debit card companies offer protections that go above what the law requires. For instance, some don't hold customers responsible for unauthorized charges. Others don't hold customers responsible for transactions completed with a signature, but do hold them responsible, according to the time frames outlined above, when a personal identification number (PIN) is used.

Good standing

Some card providers require the account to be in good standing and the cardholder to have exercised reasonable care in safeguarding the card in order to receive the protections. Finally, review your homeowners insurance policy. Some will cover the liabilities you incur because your credit or debit card was stolen. ◈

Expanded Medicare taxes may take a bite out of your 2013 income

The 2010 health care act includes some significant tax provisions, the most notable of which impose expanded Medicare taxes on higher-income taxpayers. Could these taxes take a bite out of your 2013 income?

Additional 0.9% tax on earned income

The health care act levies an additional 0.9% Medicare tax on FICA wages and self-employment income in excess of $200,000 ($250,000 for married couples filing jointly and $125,000 for married couples filing separately). Employers are required to withhold the additional tax beginning in the pay period when wages exceed $200,000 — regardless of the employee's filing status.

As a result, your employer might have to withhold the tax even though you don't owe it — for example, if your wages exceed $200,000 but you and your spouse's combined wages don't exceed $250,000. In this case, you can claim a refund when you file your 2013 tax return.

Distributions from qualified retirement plans and IRAs aren't subject to the 3.8% tax.

Or, your employer might *not* withhold the tax even though you owe it — for instance, if your wages alone don't exceed $200,000, but you and your spouse's wages together exceed $250,000. In this situation, consider submitting a W-4 to your employer requesting additional *income* tax withholding, which can be used to make up the difference and avoid interest and penalties.

New 3.8% tax on investment income

Traditionally, unearned income hasn't been subject to Medicare tax. The health care act changes this, imposing a 3.8% Medicare contribution tax on some or all net investment income if a taxpayer's modified adjusted gross income (MAGI) exceeds the same dollar thresholds that trigger the 0.9% tax.

Net investment income generally includes interest, dividends, capital gains, and rental and royalty income, reduced by certain expenses that can be allocated to that income, such as interest expense, advisory and brokerage fees, and state and local income taxes. The 3.8% tax applies to the *lesser* of net investment income or the amount by which your MAGI exceeds the applicable threshold.

Distributions from qualified retirement plans and IRAs aren't subject to the 3.8% tax. However, they are included in MAGI, so they may trigger the tax on your net investment income. Other income that's excluded from income tax is also generally excluded from the 3.8% tax, such as gain on the sale of a principal residence that qualifies for the $250,000 ($500,000 for joint filers) gain exclusion.

What can you do?

Timing strategies that can save income and capital gains tax may also help you reduce or avoid the expanded Medicare taxes. But the rules are complex. Consult your tax advisor to determine the best strategies for your situation. ◈