

# Mediaburst profitable thanks to fewer staff and new clients

Text message company pulls in £110,000 for year on sales of £2.6m

BY MICHAEL FAHY

Alderley Edge-based text messaging firm Mediaburst has just posted its first profit in several years after winning a series of projects for major clients including PC World, Kellogg's and a "massive" crisp manufacturer whose name the company is unable to disclose.

The business is now run by former finance director Gary Bury after its former sales and marketing director Stuart Brown moved on to run the northern division of listed media firm Ten Alps in June.

Bury said it achieved a retained profit of £110,000 for the year to the end of March on improved sales of £2.6m.

"We've got cash in the bank as well, and our credit rating has turned from a red blob into a green one," he added. "Internally it's given us a real boost. It's the final piece on our jigsaw in terms of our restructuring."

A major factor in the turnaround has been a reduction in the company's headcount.

It had previously been a profitable provider of premium rate competition line services with sales of £4.8m and 29 members of staff, but changes to the way in which competitions were run, imposed by regulator PhonePayPlus, prompted a shift into text messaging.

Bury, 34, said that the product development work carried out over the past few years has allowed it to reduce headcount to its current level of eight. In fact, it now has as many shareholders as employees.

Bury, who became a shareholder following a management buy-out in August 2006, said the slimmed down firm was more appropriate, and that

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GARY BURY



its business model was scalable so it could bolt on new clients to its platform without having to take on extra staff. "We're a lot leaner now," he said. His plan to grow the business is

focused on two revenue streams. One is enriched MMS messaging for larger corporate clients whom he argues are beginning look beyond the fact that the medium costs five times more than SMS messaging.

He is also targeting the SME market, arguing that text marketing campaigns are cheaper and more customisable than direct mail campaigns or other forms of advertising.

## Target audience

James Kelly, managing director of the London-based Direct Marketing Association (DMA), whose members include both mobile and direct mail marketing companies, said that while Bury was right about the comparative costs between the two media, the effectiveness argument is

more difficult to gauge. "It depends on who the target audience is," he said, adding that mobile marketing was much more likely to appeal to younger consumers.

The association recently published a study which showed that although direct mail is still the biggest part of the industry — responsible for 26 per cent of the total £57bn spent on B2B direct marketing last year, mobile marketing is one of the fastest-growing and increased by 8 per cent in 2007.

"Digital is revolutionising the direct marketing industry, in some case breathing new life into and reinventing traditional channels," said the DMA's head of membership and research, Victoria Bytel.

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Mediaburst  
Figures in £000s



# Horners 'never recovered' from MG collapse

BY JAMES CHAPELARD

Poor trading and the demise of the MG Rover brand were behind the £5.5m collapse of Manchester motor dealership Horners, according to a report from the receiver.

restructuring would return the companies to profitability. Trading losses however continued to be incurred. Steps were put in place to reduce costs, including making 25 staff redundant and reducing the amount spent on advertising and insurance.

claims while its unclear how much Bank of Scotland — owed £4.3m — will recover. The claims of other creditors including Volkswagen UK Ltd and Lubricants UK Ltd, which supplied oil, have not been finalised.

Over 150 vehicles have already been returned to manufacturers under retention of title.

Rob Stagg, managing director of second-hand dealer Hyde Motor Company, of Dukinfield Road, Hyde, said he was surprised that Horners