

# 3 Irresistible Discount Strategies

*to Boost Your  
Sales This Week*



# First Things First, is Discounting Worth It?

You may be thinking, can I afford to give a discount or is giving discounts going to hurt my business? And to be fair, most businesses offer discounts without a real plan or understanding of their strategic value.

Other questions you may have include:

- “Do people buy from us just for the bargain?”
- “Is a 5%-10% discount really worth it?”
- “Will customers ever come back?”
- “Am I cheapening my products?”
- “Is this a vicious cycle of constantly compromising my profit margins?”
- “Am I ultimately losing money by inviting more customers through the door?”

These are typical questions from business owners which deserve legitimate answers. In this guide, we’re going to help you make sense of discounting, and offer practical discount strategies which will turn out to be a very lucrative exercise for your business.

When you use these discount strategies as a business tactic, instead of a crutch to band-aid revenue, not only will you see a significant growth in your sales in the short term, you will also build a loyal customer base that will give you predictable repeat business over the long haul.

Whether you’re a traditional retail shop, an online store, or even a service-based company, the principles we discuss here will apply across the board.

So the question shouldn’t be:

“Can I afford to Discount?”

it really should be:

**“Can I afford Not to Discount?”.**

as long as it is as part of a smart, calculated growth strategy.

Enjoy reading and here’s to your discounting success,



**Brad Langdon**  
CEO, Doing Good Rewards



# Giving discounts doesn't make business sense unless you know your margins

As much as this sounds like commonsense, you'd be surprised what desperate business owners will do without understanding the true effects on their business..

Not knowing your margins but offering discounts is like giving away all your pandemic pantry food without tallying and keeping stock for yourself. It's noble to be altruistic, but often you'll end up hungry and bitter.

An urgent need for cash flow or the desire to clear up piling stock can mask judgement on sales strategies. By irrationally giving deep discounts, the business may get an adrenaline rush of

increased transactions and foot traffic, only to find out they are in more financial trouble at month end.

Smart businesses never understate the importance of having clarity with numbers. No matter how depressed they feel about daily sales figures, all decisions should be made by the numbers, especially in retail.

Therefore, whenever you change the sales price (and markup or markdown) your goods and services, it's important to understand how it will affect your profit margins and sales targets.



To successfully offer discounts without making a loss, you need to know your gross margin, markup and break even figure so you can work out how the discounted price will affect your profit.

Being too generous with large discounts even if it creates extra business will backfire on you as it's not enough to make up for the accumulated loss of margin. Thus, the amount of discount you offer depends on your industry and actual business.





# The goal of discounting is **ALWAYS** to acquire loyal customers.

**Whenever you decide to use discounting as part of your sales strategy, you should always be thinking about attracting new (as well as the lifetime value of your) customers. .**

Loyal customers are the lifeblood of most businesses. Once they're attracted to you and have a pleasant experience, buying from you becomes habitual. And they refer their friends and family, too! Over time they become guaranteed revenue on your yearly profit and loss statement.

Yes, initially you may be giving up some precious margin, even making a loss (though not recommended) to get their foot in the door, but you should see this as a customer acquisition exercise.

Would you spend \$20 now to “buy” a customer who would spend \$2000 with you over 12 months? You’d do this all day every day. That’s why knowing your margin is so vital to make sure future sales are predictable (as much as possible) and proven to be profitable in the foreseeable future.

All of a sudden loyalty business practises such as one-off discounts, repeat purchase offers and increased volume pricing make a lot of sense!

**Would you spend \$20 now to “buy” a customer who would spend \$2000 with you over 12 months?**

# Given your discount strategies are correctly positioned and timely deployed, your business will start to enjoy these benefits:

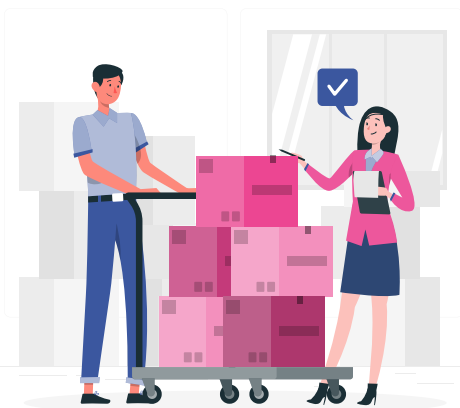


## Customers will Feel Positive about Your Business

An important factor is that discounts make your customers feel good. Research shows that when people receive a savings offer, they become happier and more relaxed. It could be beneficial in the long run if these positive feelings can be associated with your brand.

## Customers will Choose Your Products over Competitors

Discounts also make it less likely for people to compare your products with other brands, (according to a study from the Max Planck Institute for Tax Law and Public Finance). This can help new customers choose your products over your competitors, giving you a foot in the door.



## Moving your stock faster will aid cash flow and help roll out new, more timely products

Excess stock makes you no money (it actually drains you financially over time), it occupies valuable space and accumulates dust. It'll be a nightmare if your business sells perishable products or ones with limited shelf life.

It's common sense that the faster you sell your stock, you'll not only make money, but it allows you to bring in fresh products that customers want and that are in current demand. This not only shows that you efficiently and quickly meet your customer wants, but you're on the forefront of the latest and hottest market offerings leading to more sales through loyal and returning customers.

# Now let's get down to the how-to's!

Here are some of the most effective discounting strategies:



## 1. Special Offers

This is the most common and straight-forward discount strategy. You simply give a percentage off or a special \$'s discount offer. You may already be doing this. A simple 10% or \$10 off your goods goes a long way in attracting and then retaining and encouraging repeat business. But again, you have to make sure you're not compromising too much of business profits and start making a loss.

## 2. Volume Pricing Deals

If you want to move a lot of stock, you could offer an increasing discount for the more a customer spends. For example 5% off for any spend up to \$50, 10% off for any spend between \$50 - \$100, and 20% off for any spend > \$100. This appeals to many customers especially when you emphasise that they'll save more money the more they spend, so their "deal" gets better & better.

## 3. Seasonal or Periodic Discounts

If you sell seasonal items (clothing, festive merchandise or travel bookings) some businesses opt to promote them with seasonal or periodic discounts. This can accelerate sales of your products that have less demand now than at other times. Think "stock clearance"- the sales term that's been shown to attract customers to your store like bees to honey. There's a reason for the success of last season's stock flying off the shelves at record speed - they're heavily discounted, sometimes up to 80% off the RRP. Even offering anything 20% off or more will look like a sweet deal for your customer and in most cases, and won't eat into the unit cost price for your product.

## Here are some practical examples:



### An expiring offer of % or \$'s off discount offer

#### Example:

A boutique fashion retail store can offer a pop-up 20% “end of winter” sale storewide which only lasts for 48 hours.

#### Effect:

Creates a sense of urgency or a “fear of missing out (FOMO)” feeling in customers’ minds.

#### Result:

They feel like a smart consumer by jumping on the best deal on market, and other people are missing out



### A one-off large discount (to attract new customers) plus a reduced ongoing discount

#### Example:

A local salon can offer a men’s haircut at 25% for the first visit as an incentive to try them out, and then 10% off for all ongoing haircuts to encourage repeat business.

#### Effect:

Initial exposure with large discount plus a small incentive to cement customer behaviour

#### Result:

Customers feel like a VIP and buying from you becomes a habit

### A set \$ saving with a minimum spend (ensuring discounts don’t apply on small spends (eg. for a single coffee)) Here are some examples:

- **Discount with a minimum spend**  
eg. Save 10% or \$5 after a minimum spend of \$20
- **A discount with a cap on the total so you don’t give away too much \$’s**  
eg. Save 10% up to the maximum value of \$50
- **A day &/or time based offer to help encourage business during quiet periods**  
eg. 20% off on Mon - Thur between 2pm - 5pm
- **A day/time based offer to exclude discounts during peak periods**  
eg. 10% off except on Fri & Sat’s after 5pm

#### Effect:

Lets customers know that they will be saving a lot more when they spend more with you (under the conditions you set without affecting your most busy periods).

#### Result:

Encourages increased spending amounts and may boost your sales during the quieter periods.



# BONUS Strategy:

## The Real Game Changer

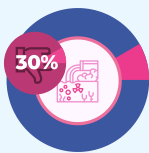
### - Connecting Discounts to Charity Giving

The above discount strategies and examples have been tried and tested to effectively scale most businesses and increase profits.

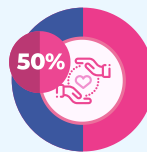
While you can apply them to your business, the impediment you'll face is that a lot of your competitors already have some form of these strategies.

This means you need to step up your game to get ahead. Everyone can give discounts, but how else can you differentiate yourself and be seen as the merchant of choice?

### This may be a new concept to you, but consider this emerging consumer trend:



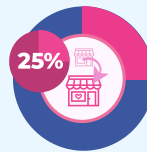
**Brand trust is at record low. 30% of those interviewed expressed dislike publicly, and even boycotted brands who appear ruthless in maximising profits, and/or showed ingenuine social responsibility schemes.**



**50% of consumers would only trust businesses that have shown genuine support to charities.**



**2 in 3 Australians are more likely to shop with merchants who are attached to charities.**



**25% are actively seeking to switch to brands and merchants who support charities.**

Conscious Consumer Research conducted by BePartnerReady.com® in Aug 2020

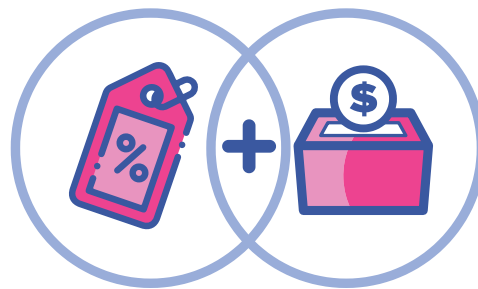
Like most businesses, you may not see the immediate connection to your business yet. And NO, we are not asking you to radically change your business model, become a social enterprise or start sourcing fair trade products.

**To capture this up-and-coming customer base, you can do business as usual and choose to use Doing Good Rewards as the vehicle to deliver your discount strategy and really STAND OUT as a BUSINESS with HEART.**





# At Doing Good Rewards, we've created the world's first loyalty program to combine shopping discounts and automatic charity giving in the same transaction.



As long as you're willing and able to offer ongoing discounts, every time a loyal socially conscious customer buys from you, a portion of their savings will be automatically donated to their favourite charity.

## Here's how it works:



Bob spends \$100 with you



You offer a 10% discount (= a \$10 saving)



\$5 being 50% of the saving (or whatever % Bob chooses) automatically goes to his favourite charity



\$5 (or whatever % he chooses) goes back to Bob's credit card

**This requires no extra cost from you, no effort to create complex programs, not even loyalty cards; your competitors will start to wonder why customers are suddenly attracted to you at an unstoppable rate.**



**You can book a 10 Minute Discovery Call with us to find out how to implement Doing Good Rewards into your business: [doinggoodrewards.com/merchants/](https://doinggoodrewards.com/merchants/)**

**The average person spends approximately \$26,500 per year on everyday consumables. A big part of this pie is up for grabs for forward-thinking businesses who are connected to social impacts.**

We invite you to join the mission to funnel public spending into automatic charity giving. If we all do our part - that's you becoming a Doing Good Business and we channel/ direct our growing database of socially-aware customers to shop from you, you will be a part of achieving \$200 million in charitable giving by 2026.

The traditional model of spontaneous giving has proven to be unsustainable for a long time. Together, let's make charitable giving built-in and habitual.



## **Doing Good Rewards is a WIN-WIN-WIN.**



**Customers** get discounts;  
**You** get more business, a loyal following and be seen as a forward-thinking brand;  
**Charities** get automatic donations

**...The World becomes a better place for mankind because you've taken the lead to join this mission.**

Think about an army of socially-aware consumers lining up to buy from you. The marketplace will regard you as a humanised company who cares about social impact as much as your commercial success. You are a business with heart!



**Book a discovery call today to get your market share of this customer base today:**  
**[doinggoodrewards.com/merchants/](https://doinggoodrewards.com/merchants/)**