

## How Can Discount Deals Work for You? - By Ken Burgin

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A bar's discount offer caught my attention: Book now and get a voucher to the value of 5% of your party spend.

A clever offer, but a few thoughts come to mind:

Can people actually 'do the sums'? Do they know this means that, for a \$700 function, they get a \$35 voucher to spend at the bar? Many people find percentages hard to work out.

Is this discount enough to shift behaviour - does it convert 'not interested' into 'what a great deal, sign me up'?

Is it giving a discount to people who were happy to pay full price anyway?

At least it didn't look desperate, as many offers like this do.

Most discount deals are treated with cynicism: 10% off the price of tyres, a free glass of wine with your meal on Monday, spend more than \$50 and have a chance to win a holiday...zzzzzz. Discounts need to be thumpingly good to make an impact, which means you've probably given away your profit margin!

When it may be worth giving a discount:

As part of a smart 'meal deal' or function package that wraps items together for a 'special price' that works for everyone.

When the customer pays cash or bank cheque and not credit card.

For giving you all their business (eg corporate entertaining) instead of just some of it.

When an event reaches a certain size.

For paying a large deposit or paying for an entire event well in advance.

For booking on a less-popular day or month.

Check the powerful [Discount Effect Calculator](#) to see how many customers you need for a discount offer to really work for you [Open access for one week]. Take note of 50% off deals (2-for-1). If they give you a big boost in bar takings, that's great. But do they?

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