Promotion Profit Worksheet

LoftyBiz 072 · Promotions That Make Money: Bundles, Gift Cards and Repeat-Purchase Offers

These are examples, not promises. The people and businesses are illustrative. Figures are for general business education, not financial, legal or tax advice. Prices are examples, not recommendations. Results vary. Your numbers will be different. loftybiz.net

A good promotion raises what each customer spends, or brings them back sooner, while your price stays the same. Cost the promotion first. Then choose one clear deal: a bundle, a reorder card, or a gift card and member perk.

Cost a promotion before you run it

Item	How to work it out
Selling price	What the customer pays today
Cost to make, pack and sell	Materials, packing, delivery, a fair share of time
Profit per unit	Selling price minus cost
Profit given away by a discount	Discount amount in money, taken from the profit
Break-even extra sales	Full profit ÷ profit after the discount, minus 1. That is how many extra units you need, jus

Five product steps

1. Work out the cost of a promotion before running it. 2. Bundle instead of discounting, at the same price per unit, and stay honest: do not invent a higher reference price. 3. Put a reorder card in every package, timed to when the customer runs low. 4. Make the reorder easy, and test one change at a time. 5. Track average order value, how many customers reorder within a month, and profit per order, not just sales.

Five service steps

1. Sell gift cards before the busy season, in fixed amounts. 2. Treat gift cards as a promise, not a bonus: record them as money owed, keep cash aside, and check local rules on expiry and unused balances. 3. Turn gift card guests into regulars with one simple second-visit offer. 4. Give members a small lasting bonus you can afford. 5. Price busy days, and protect members.

Worked examples in the video (illustrative only)

Owen, a coffee roaster in Halifax (illustrative). Bags about $12. Cost about $7, so each bag earned about $5. Fifteen percent off took almost $2 of that $5. He sold a three-bag pack: buy one bag for $36, get two free — $36 was always the price for three bags. After four months, average order about $14 to about $26. About 1 in 3 online customers used the reorder card. Profit per month rose by about a third, without a price cut. These figures are labelled examples from the video, not forecasts.

Joy, a day spa in Cebu with nine therapists (illustrative). A massage about $25. Gift cards at $25, $50 and $100, valid a full year. Second visit within 30 days: a free hand treatment. Members: a free ten-minute scalp massage. Before, about 1 in 6 members cancelled; after, fewer than 1 in 10. Saturday prices up about $4 for non-members; weekdays unchanged; members pay the normal price any day. Gift card sales about $9,000 in November and December. About a quarter of gift card guests came back within two months. These figures are labelled examples from the video, not forecasts.

This week

Look at your last discount. Work out how much profit it gave away. Choose one promotion to replace it: a bundle, a reorder card or a gift card. Write the price, the end date and the one number you will track. Run it for one month, then compare profit, not just sales, with the month before. Keep it, fix it or stop it. Put that plan into Systex, our own product, at loftybiz.net.

There are no contact details in this document. Systex is our own product. loftybiz.net