

# The effects on your business of discounting

If you discount the price by			5%	10%	15%	20%	25%	30%	35%	40%	45%
On goods which have been marked up by %	Thus giving a margin of %										
10	9.1		122.2								
12	10.7		87.5	1,400.0							
14	12.3		68.7	438.5							
16	13.8	The additional percentage volume of sales required to make the same \$ gross profit is	56.9	263.6							
18	15.3		48.8	190.3	5,900.0						
20	16.7		42.9	150.0	900.0						
25	20.0		33.3	100.0	300.0						
33.3	25.0		25.0	66.8	150.3	401.5					
40	28.6		21.2	53.8	110.5	233.3	700.0				
50	33.3		17.6	42.9	81.8	150.0	300.0	900.0			
60	37.5		15.4	36.4	66.7	114.3	200.0	400.0	1,400.0		
67	40.1		14.2	33.2	59.7	99.4	165.3	296.4	683.6	33,400.0	
75	42.9		13.2	30.4	53.8	87.5	140.0	233.3	445.5	1,400.0	
100	50.0		11.1	25.0	42.9	66.7	100.0	150.0	233.3	400.0	900.0

**Think before you give your profit away!**

