

Discounts

and your detailing business

Master the strategies of how and when to offer discounts in your detailing business.



Shawn Gervais
www.orbisx.com

The Advantages of Offering Discounts

Offering discounts at your detailing business is a way to quickly draw people in and acquire new customers as well as get your existing customers to come back more often. Anytime you tell a customer that they can save money, you're likely to grab their attention and attention in business is exactly what you want. Discounts don't only help your customers, but they also help your business from increased sales, more referrals, higher ticket prices and even an improved reputation. Discounts may be that one ingredient that can bring business success to your detailing business.

Generally, people prefer buying things on sale and discounts serve as a ploy to attract more customers. If your discount is only good for a certain amount of days, mention that when you advertise the discounted services. Scarcity and limited offers are great ways to promote your services and people are more likely to rush in and book a detail if they know they only have a few days to do so at the discounted price. With increased traffic to your detailing business, typically comes increased sales – and not only the discounted services. Because discounts attract more people, you have more potential buyers for other services and upsells during your conversations with customers and leads during the booking process and customer intake processes.

Furthermore, discounts for existing customers (not all the time of course) will be seen as rewards for their loyalty and can help solidify long-lasting relationships with your customer base. Ok so we know discounts are great but how do I implement discounts in my business properly? Let's continue the conversation by introducing something I refer to as the P.R.I.N.T.E.R. ideology that will have you printing money from discounts!

Introducing the P.R.I.N.T.E.R Ideology

The P.R.I.N.T.E.R. ideology is a way of thinking about discounts so that you can remember the methods by which you should apply and implement discounts in your detailing business. There are certain situations or reason and methods behind offering discounts and each situation will require a specific way to offer discounts and will change the actual discount being offered as well. To break it down as a summary of the scenarios for offering discounts using the P.R.I.N.T.E.R. framework see this list below:

- P** Promote a custom offer
- R** Reward loyal customers
- I** Increase the ticket price
- N** Nudge a lead or customer
- T** Total order value is high
- E** Expedite a purchase
- R** Reward referrals

The P.R.I.N.T.E.R. ideology was named this way because you will be pretty much printing money if you follow the strategies on the following pages in your detailing business.

Discounts aren't for everyone. And I can't tell you if you should use them or not. But I can tell you how to use them. There are countless ways to use discounts to get more leads and sales for your business but you need to use them wisely. Your discounting strategy should always depend on your business goals and the individual customer.

P - Promote a Custom Offer

Sometimes a short-term promotion of some sort should be offered with the discount being made up-front. These type of discounts are very common and you have likely even made a purchase based off of a promotion before. These type of promotions should almost always be time limited with an expiration date or a limited number of discounts available to be redeemed. An advantage of this type of discount is that you can time them and schedule them for when it makes sense for your business. For many, detailing has seasons of some sort and these timed discounts can be great for boosting sales during slower periods.

I have seen it too many times that these kind of promotions are done wrong. These type of promotions should almost never be done during or leading up to your busy season. Detailing is supply and demand just like any other business. If you are in high-demand then why would you discount your services. In the busy season or leading up to it if you need to get the ball rolling then it is better to offer more value or something free rather than a discount. We will touch on this more in the "I" section of the P.R.I.N.T.E.R. methodology.

A great way to use promotions and short-term discounts is when a competitor is opening up nearby or they are having some kind of promotion. You can offer a discount deal in order to tempt customers away from the competitive offer to steal their market share. This is where some research on the competition to stay in the loop is a good idea and with social media, it's super easy to keep up with what they are doing. Subscribe to their mailing list too (with a personal email of course) and stay in the loop.

R - Reward Loyal Customers

Customers are great. Loyal customers are better. Sales can be like dating where we pull out all the stops in the beginning. We open doors, put our jacket over the puddle, buy the fanciest champagne or whatever else you do to make a good impression to win the affection of your date. When everything is new and fresh all the little things are exciting and special. As the relationship grows and your customer gets comfortable with your amazing service and great results, the things that were new, exciting and impressive start to just be seen as common and part of the way you do business. Basically the things that shined and glittered before are now dull and lost in the background. This is where discounts can come out of the blue as a surprise to loyal customers to create some of that magic and first date luster again.

Additionally, people like to be rewarded and feel appreciated. This is true in all relationships and your customers are no different. Offering special discounts only available to loyal, returning customers is a great way to show your appreciation and make your customers feel like their patronage at your business is recognized and valued.

A very successful way is to use discounts like this is to offer things like tiered discounts for different loyalty timeframes. For example, after XX amount of visits or XX years of being a customer. This works well because it reinforces the idea that the longer they maintain the relationship with your business the more they will be appreciated later. Maintaining loyal customers is more profitable in the long run too because you have already absorbed the acquisition costs when you converted the lead to a customer.

I - Increase the Ticket Price

When some business owners think about discounts they think about losing money. This mindset can be detrimental to your profits and you can be leaving money on the table. Yes discounts equate to monetary savings but it's all in how you approach things. For example if you are selling a detailing package for \$250 and you offer \$25 for new customers then yes you are losing \$25 off every sale. However, let's approach discounts from another angle. If your sales process is to try and close just the \$250 package and you use the discount to do this then you will lose \$25 per sale and only make \$225 each time. If instead you change your sales process that every time you try and sell the \$250 package you are going to pitch a \$200 one year protective coating and you will do so by offering \$25 off the \$250 package if they add on the coating.

With a tweak like this in your sales process you are actually selling a \$450 package (coating included) and giving \$25 off but you are now making \$425 per sale instead so really you're not giving away the same % off the job as the first scenario because you are making more profits per sale.

This type of sales process is quite common and is seen in everything from pizza shops with things like "Game Day Deals" where you save some money on pizza if adding a bucket of wings etc. The magic with these types of discounts lies in the desire for customers to get the best deal and value possible by combining things and you are only paying one customer acquisition cost but getting two or more sales for one sales call or follow-up. This works very well with complimentary services and packages and is a very effective way to harness the power of discounts.

N - Nudge a Lead or Customer

People are usually big procrastinators. Especially if not given a valid reason to make a decision. Customers are often scared to make a quick decision for fear of making the wrong decision. This is where typically your expert sales tactics and strategies will shine to close your deals however there are instances where leads require a ton of follow-up, sales pitches, emails and messages before you can close the deal.

Discounts can help to nudge a lead to make a decision. This will allow you to take control of the sales process and get your prospects to make a decision on the spot.

The best way to do this is not in the initial conversations but rather as an attempt to close a deal after you have already taken a few shots during your regular sales process. For example, if you are trying to close a customer on your VIP detailing package and you have spoken on the phone, sent some emails and even sent an estimate. If the prospect keeps putting you off or is hesitant to make a decision then you can pull out your secret weapon - the nudge.

Send the customer another follow-up saying something like we have discussed all of the reasons why you want to get the VIP package and you know it's the right package for you. Putting it off only means that you are losing time when you could be enjoying your showroom ready clean SUV today! To help you start enjoying the results of the VIP package today I have gotten approval to save you 10% by making the decision today. Give me a call to book as spots are filling up fast and I don't want you to put off enjoying the VIP package any longer! you deserve this!

T - Total Order Value is High

Discounts can be a great tool to use when your total order is high or to encourage addons and upsells to be added to a ticket price for a service at your detailing business. This is a great strategy to capture cost-conscious customers that may be deterred from making a purchase if the price is too high. Keep in mind that a "high price" is a relative term as there is no such thing in reality; however some prospects can be hit with "sticker shock" when seeing the final price of an estimate. In other instances customers may not want to pay a higher price if they don't think they are getting a deal. Of course your rock star sales tactics can overcome this but if you are hesitant or inexperienced in sales then it can be helpful to employ discounts for high ticket estimates or invoices. You have likely even seen this strategy used by businesses without even knowing it. Usually it will come in the form of something like "Spend an extra \$250 and save 5%" or something.

A great way to utilize discounts in these scenarios is definitely with caution as you don't want to give away too much of course but you can always factor this in ahead of time by inflating a price and then showing the discount on the estimate. Or you can add a discount if they combine 2 or more services etc. This can help to upsell and cross-sell your services to increase the ticket price and getting the customer to say "yes" and close the deal faster as they will see the extra value with the discount for spending more at your business. Of course this should definitely be combined with a time limit so that they can be rewarded with the discount while you are rewarded with time saved from closing a deal faster and even more money from a larger purchase.

E - Expedite a Purchase

Sometimes the best time to use a discount is to speed up a purchase and get a lead or customer to make a decision right away. This can help if you have a no-show, cancellation or if you have a vacant spot in your calendar that you really want to fill.

For customers that are on the fence, this may be just the thing to push them over the edge to buy now and complete the sale.

These type of discounts should always have a time limitation and the time limit should be relatively short. For example, if you book in the next 24 hours I can get you 20% off but if you only book within the next 72 hours I can offer 10% off. It is important to let them know there is a urgency in making a decision and saying something like "after this deal passes it won't be offered again and I'm putting a note on the account to apply 20% on booking before XXX date/time. This way if you call back within the 24 hours you won't lose your discount but a decision needs to be made.". This sense of urgency can cause the prospect to take action right away before the deal disappears in a cloud of smoke before their eyes.

One way to make more money detailing is to streamline the time you spend on each job so you can take on more appointments however there is also the sales side of things to factor into your business processes. Closing deals faster can streamline your operations so you can take on more jobs and pump out more work in a day. Time spent following up and closing leads can be reduced by incentivizing prospects with a discount to make a decision now instead of after 5 phone calls and several emails later.

R - Reward Referrals

Word of mouth is super powerful for bringing in new customers. One way to supercharge your referrals is by offering customers discounts if they send you referrals. This is great because you are getting new customers without paying a sales person and instead paying with a future discount on another sale so it's kind of like you are getting two sales at the same time with one being discounted but only if you close the first one. So there is no cost to you unless you get the sale which is great as this minimizes your upfront costs normally associated with sales and increases your profits from increased sales.

An attractive referral reward program with a discount for referrals can often nudge your existing customers to make the effort to be a spokesperson for your detailing business. The right referral incentive will also make it easy for new customers to buy and a tempting discount combined with a friend's recommendation makes an offer that often can't be refused. Additionally, referrals usually lead to more similar type clients that will require less conversation for the sales process as there will be a certain level of trust established from the supportive statements made by your new brand spokesperson.

A final note about referral rewards is that it's super important to track them properly as referral partners will lose interest and stop referrals if they don't feel like their efforts are working or yielding results. This is where an app like OrbisX can be super helpful since you can setup and track your referrals right in the app and customers can even receive their reward earned notifications from the app too!

Discounts can make or break your business



Offering discounts is not a new strategy, but it is an effective one — when you follow a few best practices. Most customers want a discount and most businesses don't want to offer them. Depending on how you implement discounts and policies regarding discounts, your business will either thrive or fight to stay alive.

It's important to realize that discounts and the topic of discounts will happen regardless if you want them to or not or if you have even given it any thought. The good news is that you are in the driver's seat and you control how and when discounts are offered, applied or even discussed in your business.

You must understand the human psyche to understand discounts in your business properly. Discounts aren't always a financial issue. Sometimes people just want to feel special or feel like they got something unique or exclusive. Customers love being rewarded. So, when you offer exclusive discounts or promotions to your customer base — they'll feel both excited and valued. This is the perfect mindset for a customer to make a purchase and often you can utilize discounts to your advantage and actually increase your ticket prices. Try out some discounts in your sales and marketing and harness the power of nudging customers to make a decision!