



starfish marketing

Discounting v Increasing

Discounting

If your current gross margin is	20%	25%	30%	35%	40%	45%	50%	55%	60%
And you reduce your price by	To produce the same profit your sales volume must increase by								
10%	100%	67%	50%	40%	33%	29%	25%	22%	20%
12%	150%	92%	67%	52%	43%	36%	32%	28%	25%
14%	233%	127%	88%	67%	54%	45%	39%	34%	30%
16%	400%	178%	114%	84%	67%	55%	47%	41%	36%
18%	900%	257%	150%	106%	82%	67%	56%	49%	43%
20%		400%	200%	133%	100%	80%	67%	57%	50%
25%			500%	250%	167%	125%	100%	83%	1%
30%				600%	300%	200%	150%	120%	100%

Increasing your price

If your current gross margin is	20%	25%	30%	35%	40%	45%	50%	55%	60%
And you increase your price by	To produce the same profit your sales volume must reduce by								
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%
12%	38%	32%	29%	26%	23%	21%	19%	18%	17%
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%
16%	44%	36%	35%	31%	29%	26%	24%	23%	21%
18%	47%	45%	38%	34%	31%	29%	26%	25%	23%
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%
25%	56%	50%	45%	42%	38%	36%	33%	31%	29%
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%