



# REASONS WHY a Daily Deal Can Help Your Business

**Save Local**™  
*from Constant Contact\**

**If you're considering running a daily deal, that's great news!**

The bottom line is that deals – done right – can help grow your business.


Deals are a great way to reconnect with existing or past customers and inspire them to bring their family and friends along for offers on goods they're already in the market for, or at least interested in trying.

If you're still unsure about whether you should take the plunge, here are five hands down, rock solid proven reasons why a deal can help your business.

**LET'S GET TO IT.**

# 1

## Deals reengage customers.

Did you know that  more than 70%\* of deals are sold to existing customers? Here's why. Customers prefer to buy deals from businesses and brands they know.

### PRO

The deal keeps you top of mind and gives customers a bona fide reason to buy.

### CON

You're thinking, "why give a discount on something they'd already buy?"


### RECOMMENDATION

Consider creating deals on new items you want to show customers you offer, or on something that complements your biggest sellers. Do you sell handmade candles? Offer a deal on candleholders or accessories. Or, why not create a deal that demonstrates your in-depth expertise. For example, got a great deal on cookware? Why not throw in a free or discounted cooking class when a friend joins them? This way, you'll start to be known as the go-to place for all cooking needs.

*\*Foresee Daily Deal Commentary 2012*

# 2

## Deals inspire existing customers to tell their family & friends about your business.

 As long as the deal is compelling, it will prompt your customers to want to go in on it with their friends.

### PRO

People buy from people they trust – so give your fans a reason to brag about you to their friends. It's great word of mouth marketing – AND it's from a trusted source.

### CON

You're worried they won't pass along the deal.

### RECOMMENDATION

The trick here is to make the offer "share worthy," meaning it must be considered valuable by both the new and existing customer. Sometimes all it takes is reminding customers that they can do something nice for people they know - some of our favorite deals are simple "friends and family discounts" that encourage sharing. And they spread like wildfire.

# 3

## Deals give insight into the types of deals and products your customers find valuable.

You can certainly track inventory, monitor email click-through rates and use other, less high tech and more straight-forward methods to know which products are hot and which are not. Using this information to create your deals is a no-brainer. However, what deals can also offer is insight into the types of offers that are most appealing to your customers, whether it's a percentage discount or two-for-one, for example.

### PRO

Boosts sales and allows you to learn more about your customers so you can create even more compelling deals in the future.

### CON

You know what sells but are wondering how to promote the goods in the murky middle that are either new or sell at a slower pace.

### RECOMMENDATION

Know that boosting sales for slower selling products can often be a matter of awareness. [So why not pair slower selling items with more popular ones.](#) Just make sure the combination makes sense. For example, a bicycle store can create a deal around helmets and locks and another one around helmets and gloves.

# 4

## Deals drive new business.

Sure, everybody knows that doing a daily deal will bring in new customers. But when those new buyers are just deal seekers and you don't have any way to follow up, the cards are stacked against repeat buying. Don't just hope that customers who come in once will keep coming back! Put the odds back in your business' favor by targeting the right new customers – such as the friends of your current best customers – and ensuring your deal company will give you buyers' contact information.

### PRO

[Of those existing customers that take advantage of your offer, 35.9% percent spend over the value of the voucher.](#) (*"How Businesses Fare with Daily Deals" – Uptal M. Dholakia, 6/11*)

### CON

New customers won't come back on their own, especially if they're those deal seekers.


### RECOMMENDATION

It's up to the merchant to establish a connection with a new customer when they come through your physical or virtual doorway. Make it worth their while to return to your business. However, don't give away the farm with the hope of transforming every new customer into a regular. Remember that an engaged customer is far more valuable and profitable than a pure deal seeker.

# 5 Deals create a reason to follow up with your customers to drive repeat business.

A deal brings customers in, they tell their friends, everybody takes advantage of the offer, and the merchant deems the campaign a success. But the scenario shouldn't end there. Give the customer a great service experience while they're in your business then keep connecting with them after they leave. Send them your regular newsletters and promotions, or invite them to become your fan on Facebook.

## PRO

You can continue to  **engage customers beyond the transaction.**

## CON

They might find all the outreach intrusive and opt out.

## RECOMMENDATION

Don't just send out emails for the sake of keeping in touch – send your followers relevant, interesting content that they'll want to read, respond to, and keep receiving. Monitor the results of each email campaign or social post and see which communications your customers are engaging with the most, then adjust future content in that direction.

## DAILY DEALS CAN HELP YOUR BUSINESS GROW.

The original concept of the daily deal is fantastic because it does drive awareness and sales. Where things go haywire is when the merchant doesn't have full control over the terms of the offer.

However, if you're at the helm and are able to create compelling and profitable offers that are based on the interests of your customers, you can turn the deals marketing vehicle into a highly profitable revenue stream.

## WANT TO LEARN MORE?

Check out our guide to running profitable daily deals,  
*["The Dirty Dozen: Do's and Don'ts of Delivering a Daily Deal."](#)*

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