

Promotion Proposal for Summer Essentials: Buy X, Get Y

 Creator **Leslie Russell**  Created **May 16, 2025, 10:20**  Last updated **May 22, 2025, 11:59**

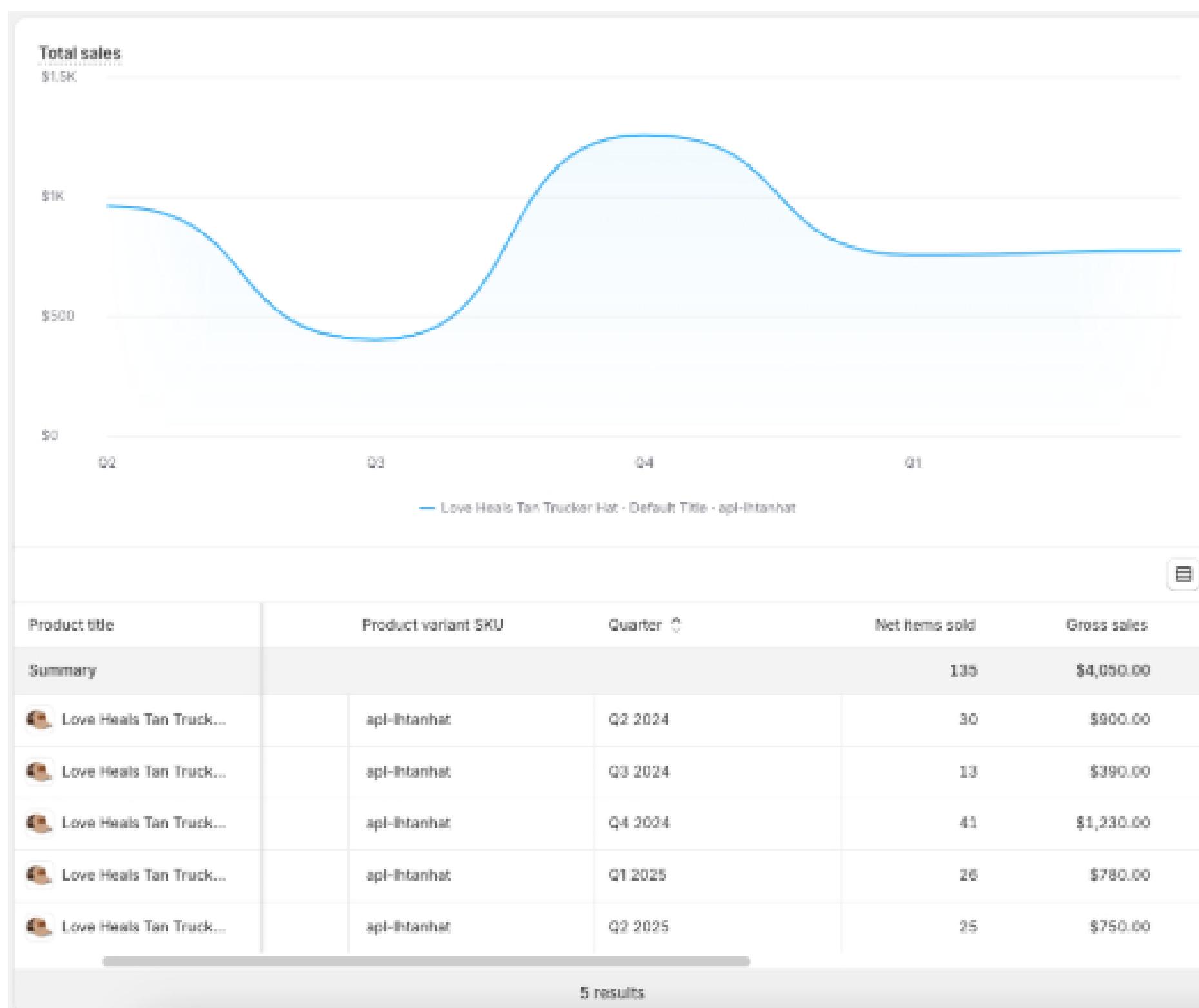
Why are we doing these promotions?

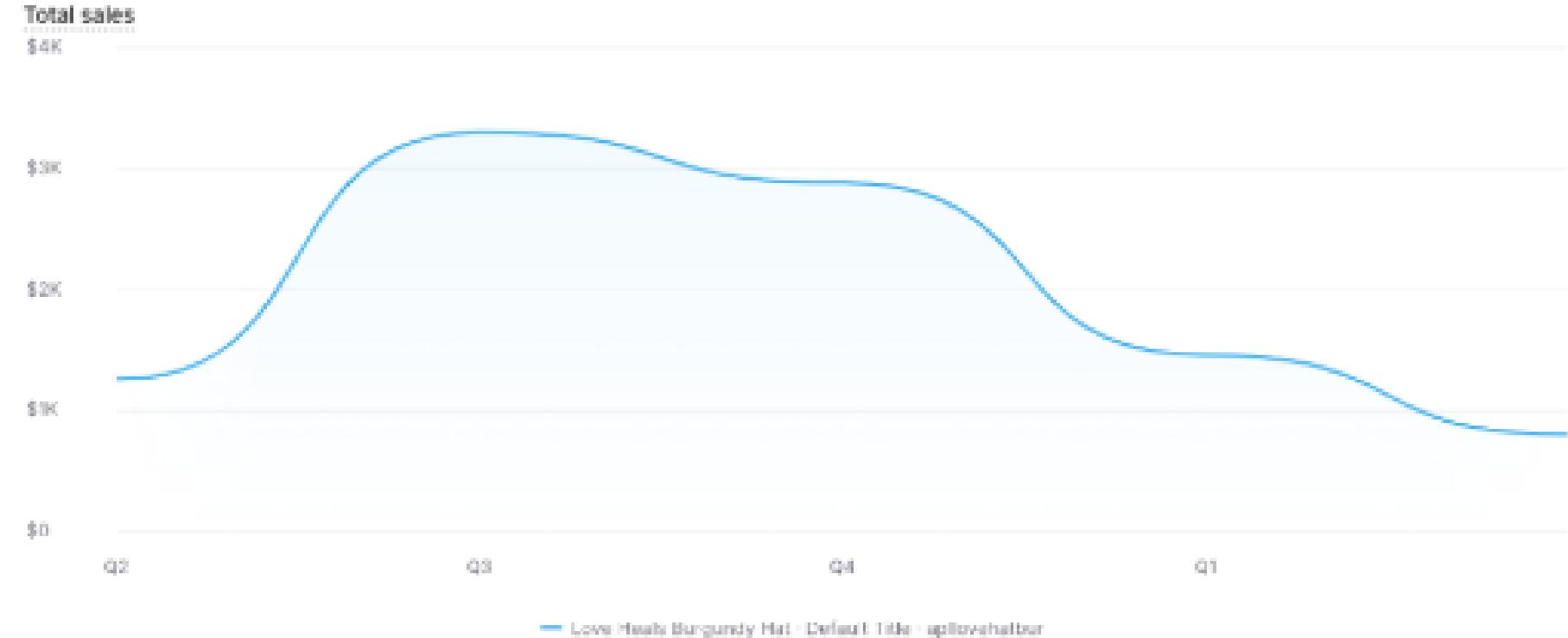
Buy X, Get Y of the Body Products:

- *Reformulation* : We need to clear out inventory of our lotions due to a reformulation of our lotions/body butters that is occurring later in the summer.
- *Utilize Tubes*: We are plentiful on our Lotion tubes and before we can utilize the new packaging, we need to use the old.
- *Promote Summer Items*: The sunscreen hasn't had the proper highlight that it deserves including:
 - Natural - 8 nourishing botanicals and 2 minerals
 - Water and sweat resistant
 - Shared Trade Vendor Made
- Higher price point items to get Free item is something different than the typical Buy X, Get Y of the same product

Also, 20% off Thistle Farms Branded Hats

- Most Hats Sold in Q4 of FY25 - Trucker Hat & Burgundy Hat





Product title	Product variant SKU	Quarter	Net items sold	Gross sales
Summary			367	\$8,386.00
Love Heals Burgundy ...	apllovehatbur	Q2 2024	51	\$1,272.00
Love Heals Burgundy ...	apllovehatbur	Q3 2024	126	\$3,184.00
Love Heals Burgundy ...	apllovehatbur	Q4 2024	109	\$2,834.00
Love Heals Burgundy ...	apllovehatbur	Q1 2025	52	\$1,352.00
Love Heals Burgundy ...	apllovehatbur	Q2 2025	29	\$754.00

Proposal 1 - Buy 2, Get 1 FREE:
 Buy Bug Spray & Sunscreen,
 Get Mini Lotion **OR** Mini Body Butter **FREE** + 20% OFF Hats!

Proposed Bundle Price = \$39 + tax

Current AOV online = \$80+

Historically :

Candle that Started it All (Buy 3 Love Heals Candles, Get 1 FREE) = \$20,102.59 , increase \$3,500 net sales on eComm over Regular time

Benefits:

- Leaves opportunity for Customer to purchase items outside of proposed bundle

Margins:

- With free BL: 38.6%
- With free BB: 41.4%

Items part of Buy X Get Y						
Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntuman	\$24	\$12 + 2.04 = 14.04 + 1.49 = 13.49	50% 42% 43.8%
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15	\$6.06	59.6%
				\$39	\$18.06	109.6% 101.6% 103.4%
FREE ITEM						
Body Lotion Mini	2,225	Lavender Grapefruit Jasmine Eucalyptus Mint	tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7	\$2.04	70.9%
Body Butter Mini	1,325	Lavender Eucalyptus Mint	tf23bu2ozlv tf23bu2oze m	\$5.60	\$1.49	73.9%
DIFFERENT OFFER						
20% OFF TF Branded Hats						
Love Heals Tan Trucker Hat	21		apl-lhtanhat	\$30.00 \$24.00	\$15.50	48.3% 35.4%
Love Heals Burgundy Hat	86		apllovehatbu r	\$26.00 \$20.80	\$12.61	51.5% 39.4%
20% OFF Shared Trade Hats						
Handprinted Canvas Bucket Hat		Sweet Pea Coral	rbr-cnvshatswtp ea rbr-cnvshatcorl	\$24 \$19.20	\$6.07	74.7% 68.5%

Proposal 2 - Buy 3, Get 2 FREE:

Buy Bug Spray, Sunscreen & Hat,

Get Mini Lotion **AND** Mini Body Butter FREE!

Proposed Bundle Price = \$69 - \$63 + tax

Push over threshold with FREE Shipping Online

Benefits:

- Clear out inventory quicker
- Typical online AOV is \$80+
- Offer a bundle that is relevant to seasonality

Margins:

- Trucker Hat = 29.7%
- Burgundy Hat = 30.8%
- Bucket Hat = 37.7%

Buy Trucker Hat - \$30

Option 1: Buy X						
Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntumvan	\$24	\$12	50%
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15	\$6.06	59.6%
Love Heals Tan Trucker Hat	21		apl-lhtanhat	\$30	\$15.50	48.3%
				\$69	\$33.56 + Added Cost \$3.53	\$37.09
FREE ITEMS!						
Body Lotion Mini	2,225	Lavender Grapefruit Jasmine Eucalyptus Mint	tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7	\$2.04	70.9%
Body Butter Mini	1,325	Lavender Eucalyptus Mint	tf23bu2ozlv tf23bu2oze m	\$5.60	\$1.49	73.9%

Buy Burgundy Hat - \$26

Option 2: Buy X						
Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntumvan	\$24	\$12	50%
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15	\$6.06	59.6%
Love Heals Burgundy Hat	86		apllovehatbusr	\$26.00	\$12.61	51.5%
				\$65	\$30.67 + Added Cost \$3.53	\$34.2
FREE ITEMS!						
Body Lotion Mini	2,225	Lavender Grapefruit Jasmine Eucalyptus Mint	tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7	\$2.04	70.9%
Body Butter Mini	1,325	Lavender Eucalyptus Mint	tf23bu2ozlv tf23bu2oze	\$5.60	\$1.49	73.9%

Buy Bucket Hat - \$24

Option 2: Buy X						
Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntuman	\$24	\$12	50%
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15	\$6.06	59.6%
Handprinted Canvas Bucket Hat		Sweet Pea Coral	rbr-cnvshatswtp ea rbr-cnvshatcorl	\$24	\$6.07	74.7%
				\$63	\$24.13 + Added Cost \$3.53 \$27.66	
FREE ITEMS!						
Body Lotion Mini	2,225	Lavender Grapefruit Jasmine Eucalyptus Mint	tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7	\$2.04	70.9%
Body Butter Mini	1,325	Lavender Eucalyptus Mint	tf23bu2ozlv tf23bu2oze m	\$5.60	\$1.49	73.9%

Proposal 3 - Buy Bundle Fun & Sun Bundle:

Buy 4 oz Bug Spray, Sunscreen, Lotion, & Bucket Hat

**NOW
VALUE**

Bundle Baby 1

10% OFF

Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15 \$13.50 (10% OFF)	\$6.06	59.6%
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntuman	\$24 \$21.60 (10% OFF)	\$12	50%
Body Lotion	2,225		tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7 \$6.30	\$2.04	70.9%
Handprinted Canvas Bucket Hat	50	Sweet Pea Coral	rbr-cnvshatswtp ea rbr-cnvshatcorl	\$24 \$21.60 (10% OFF)	\$6.07	74.7%
				\$70 VALUE NOW \$63!	\$26.17	52.1% Total Margin
						 Leslie R

Bundle Baby 2

15% OFF

Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15 \$12.75 (15% OFF)	\$6.06	59.6%
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntuman	\$24 \$20.40 (15% OFF)	\$12	50%
Reorder 3 weeks						
Body Lotion	2,225		tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7 \$5.95 (15% OFF)	\$2.04	70.9%
Handprinted Canvas Bucket Hat	50	Sweet Pea Coral	rbr-cnvshatswtp ea rbr-cnvshatcorl	\$24 \$20.40 (15% OFF)	\$6.07	74.7%
				\$70 VALUE NOW \$59.50!	\$26.17	47.1% Total Margin  Leslie R

Possible Return if we sold ALL Bundles:

Bucket Hats = 50 Quantity of Hats, \$2980 in net sales probable

Proposal 4 - Buy Bundle Fun & Sun Bundle:

Buy 4 oz Bug Spray, Sunscreen, Lotion, & Burgundy TF Hat

NOW**VALUE**

Bundle Baby 3

10% OFF

Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15 \$13.50 (10% OFF)	\$6.06	59.6%
Turmeric and Vanilla Sunscreen	126	2.1 oz	tl-sunscrntuman	\$24 \$21.60 (10% OFF)	\$12	50%
Body Lotion	2,225		tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7 \$6.30 (10% OFF)	\$2.04	70.9%
Love Heals Burgundy Hat	86		aploovehatbusr	\$26.00 \$23.40 (10% OFF)	\$12.61	51.5%
2 weeks				\$72 VALUE NOW \$64.80!	\$26.17	48.1% Total Margin 

Possible Return if we sold ALL Bundles:

Burgundy Hats = 86 in quantity, \$5,508 in net sales

Bundling:

- **What it is:** Selling multiple products together for a lower price than if they were purchased individually.
- **Why it works:** Increases the average order value (AOV) and helps move related or potentially less popular items. It also provides convenience for the customer.
- **When to use it:** Great for showcasing product pairings, increasing AOV, and clearing out slower-moving items by bundling them with popular ones.

Discounting

- **For brands with average margins of 50% or higher, discounts often range from 10% to 20% off the subtotal of the individual items.** This allows for a noticeable saving for the customer while still maintaining healthy profit margins for the business.
- **For businesses with average margins of 50% or less, a discount rate between 5% to 10% is more typical.** In these cases, the focus might be more on the perceived value and convenience of the bundle rather than a deep discount.

Key Considerations for Bundle Price Reduction:

- **Perceived Value:** The discount should be significant enough for customers to feel like they are getting a good deal and be motivated to purchase the bundle over individual items.
- **Profitability:** The discounted bundle price must still allow for a profitable sale for the business. It's crucial to calculate the margin of the individual items and ensure the bundle price covers the cost and provides a profit.

the costs of the individual items and ensure the bundle price covers those costs plus a desired margin.

- **Strategic Goals:** The depth of the discount might also depend on the goal of the bundle. For example, a larger discount might be offered to clear out slow-moving inventory, while a smaller discount might be used to simply increase the average order value.

Equations:

Calculate the New Margin: After factoring in the "free" or discounted "Y" items, what is the resulting profit margin on the entire transaction?

Let's say you have a "Buy 1 Get 1 Free" offer. The price of one item is \$24, and the cost of one item is \$12.

- $X = 2$ (items bought)
- $Y = 1$ (item free)
- $P = \$24$ (price per item)
- $C = \$12$ (cost per item)
- $$\text{New Margin (\%)} = \frac{(X \times P) - ((X+Y) \times C)}{(X \times P)} \times 100\%$$

Now, let's plug these values into the equation:

- Total Revenue = $1 \times \$24 = \24
- Total COGS = $(2+1) \times \$12 = 3 \times \$12 = \$36$
- New Margin (%) = $\frac{\$24 - \$36}{\$24} \times 100\% = -40\%$
- New Margin (%) = $\frac{\$24 - \$36}{\$24} \times 100\% = -40\%$
- New Margin (%) = $0.1 \times 100\% = 10\%$

Total Cost of Goods Sold (COGS):

- You incur the cost for all the items the customer receives, which is X (paid) + Y (free).
- Total COGS = $(X+Y) \times C$
- For our example: $24 + 8 \times (15.09) =$

My equation =

Break-Even Point: How many "Buy X Get Y" transactions do you need to achieve to cover your costs and reach profitability for this promotion?

Summer Essentials: All Body Products

Product Name	Quantity as of 5/21	Variants	SKU(s)	Price	Cost	Margin
TF Bug Spray	914	4 oz	tf21bfir4oz	\$15 \$13.50 (10% OFF)	\$6.06	59.6%
		2 oz				
Body Lotion		7 oz	tf23bl2ozlv tf23bl2ozgj tf23bl2ozem	\$7 \$6.30 (10% OFF)	\$2.04	70.9%
		2 oz				
Body Butter		8 oz				
		2 oz				
				\$72 VALUE NOW \$64.80!	\$26.17	48.1% Total Margin
						 Leslie R