What would a 15% sale have to sell?

The merchant wants to preserve one week's $27,000 contribution.

FULL PRICE

$60

1,000

units at $27 each

15% MARKDOWN

$51

1,500

units at $18 each

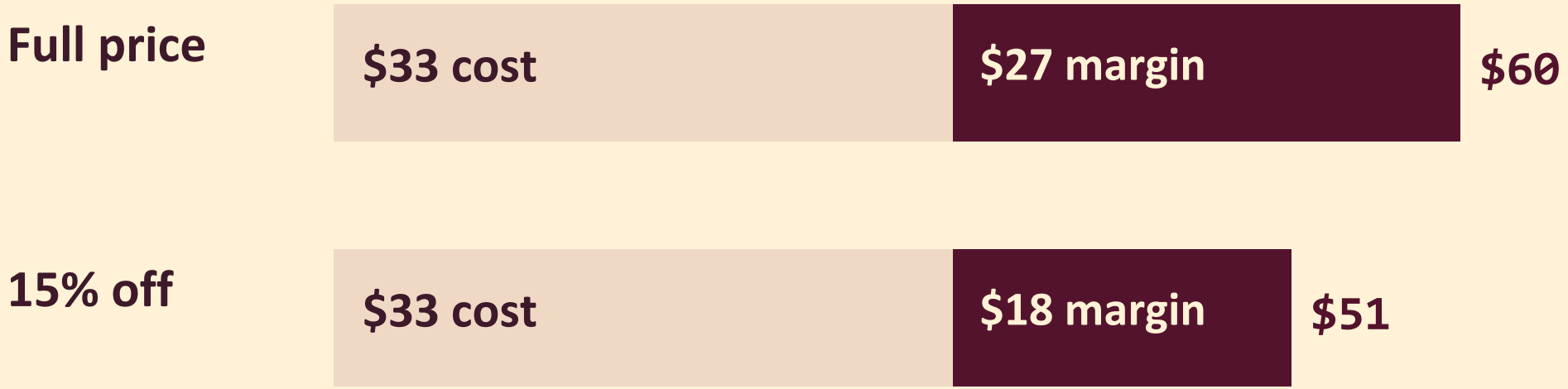
A 50% increase in unit sales offsets the markdown.

Required volume = target weekly contribution ÷ contribution per unit.

One-week merchandise scenario. Figures in US dollars.

Where does the $9 discount come from?

Each bar splits the selling price into variable cost and unit contribution.



A 15% price cut removes one-third of unit contribution.

Contribution falls from $27 to $18 because the $33 variable cost stays fixed.

One-week merchandise scenario. Figures in US dollars.

The volume hurdle accelerates

Each additional five points of discount requires more extra sales than the last.

Discount	Price	Unit margin	Units needed	Extra units
0%	$60	$27	1,000	Baseline
5%	$57	$24	1,125	+125
10%	$54	$21	1,286	+286
15%	$51	$18	1,500	+500

At 10% off, 1,285 units fall $15 short.

At $21 contribution per sale, 1,286 units produce $27,006. Round unit volume up.

One-week merchandise scenario. Figures in US dollars.

What if demand misses the forecast?

Weekly contribution above or below the $27,000 full-price baseline.

Units sold	5% off	10% off	15% off
1,000	−$3,000	−$6,000	−$9,000
1,125	$0	−$3,375	−$6,750
1,300	+$4,200	+$300	−$3,600
1,500	+$9,000	+$4,500	$0

At 1,300 sales, 10% off clears the target by $300.

At the same volume, 15% off misses by $3,600. Values are model outcomes, not forecasts.

One-week merchandise scenario. Figures in US dollars.

Choose the discount your volume can fund

With a weekly unit cap, round the minimum price up to the nearest cent.

Weekly units	Minimum price (USD)	Theoretical max. discount
1,000	$60.00	0.00%
1,125	$57.00	5.00%
1,300	$53.77	10.38%
1,500	$51.00	15.00%

A 1,300-unit cap implies a minimum price of $53.77.

Recheck variable costs, stock, returns and cannibalization before approving the offer.

One-week merchandise scenario. Figures in US dollars.