BEYOND THE DISCOUNT

What brands and consumers say actually drives Q4 acquisition, loyalty, and repeat purchase

INSIGHTS PROVIDED BY

DTC × smile.io

During Q4, almost every brand is running a **deal.**

Shoppers expect it. Their inboxes and social feeds are full of offers, which means a discount can quickly become the baseline for getting their attention.

That puts brands in a difficult spot. Go too shallow and the offer may not be enough to win the sale. Go too deep and you can give away margin to customers who may have purchased anyway. Even when the discount works, there's still the question of what happens after that first order.

Brands know how much Q4 revenue can depend on promotions, and many are questioning how reliant they have become on them. During the biggest selling period of the year, changing that strategy is difficult.

This report looks at how much brands are willing to discount, what consumers say it takes to get them to try something new, and what happens after that first purchase. It also looks at how brands are approaching loyalty and retention, and how well they are measuring whether those efforts lead to repeat revenue.

DTC × smile.io

Key Stats

75%

of consumers factor price or discount into choosing a brand for the first time.

47%

of consumers say a 20 to 25% discount would be enough to get them to try an unfamiliar brand.

36%

of consumers say that after making a discounted first purchase, they buy from that brand again primarily when another discount appears.

57%

of brands are uneasy about their reliance on discounting, actively trying to reduce it, or have already shifted toward other sales drivers.

52%

of brands without a loyalty program say proof of higher customer lifetime value would make them consider starting one.

About the **Survey**

That's why we ran this survey: to understand how brands are approaching Q4 promotions, what consumers actually respond to, and what happens after the first discounted purchase.

We wanted to know:

- **When brands start their holiday promotions and how long they run.**
- **How deeply brands are willing to discount for acquisition and winback.**
- **What level of discount consumers say would persuade them to try something new.**
- **Which non-discount incentives influence purchase.**
- **How loyalty and rewards factor into holiday strategy.**
- **What drives repeat purchase once the first sale is won.**

DTC analyzed responses from 575+ DTC operators alongside a survey of 700+ consumers, with additional insights from Smile.io.

* Note: All brand-side data has been filtered to include only responses from individuals who own, run, or work at a DTC brand with over $1M in annual revenue.

About Smile.io

Smile is the leading loyalty platform for ambitious Shopify brands. Points, VIP tiers, Referrals and Membership experiences that turn first-time buyers into repeat customers. More Shopify Plus brands run loyalty on Smile than any other platform, including Liquid Death, e.l.f., Eddie Bauer, and Billabong.

About DTC

DTC Newsletter is a daily weekday newsletter read by 150,000+ operators, founders, and marketers at ecommerce brands. We cover what's new and what's working in DTC. From strategy and performance trends to creative, tips and tactics, and platform updates, our content helps you stay informed and make better decisions, faster. We also host podcasts that dive into real-world lessons from brand operators, agency leaders, and marketers driving growth in ecommerce. **Subscribe here** to get insights in your inbox every weekday morning.

WHAT YOU'LL FIND

This report follows the customer journey through Q4, from the offer that earns the first purchase to what brings that shopper back.

Each section pairs brand strategy with consumer responses, making it easier to see where merchant assumptions line up with shopper behavior and where gaps emerge.

Use the findings to pressure-test your promotional calendar, discount depth, non-discount offers, loyalty strategy, and plans for turning BFCM acquisition into repeat revenue.

Question One

When do your holiday promotions **start?**

6.6%	WE DON'T RUN HOLIDAY PROMOTION
45.7%	EARLY NOVEMBER OR SOONER
29.2%	MID-NOVEMBER
12.1%	THANKSGIVING WEEK
6.3%	BLACK FRIDAY ITSELF

How long do they run?

12.1%	WE DISCOUNT YEAR-ROUND, NOT JUST FOR THE HOLIDAYS
49.6%	NOVEMBER THROUGH DECEMBER
11.0%	MOST OF NOVEMBER
17.5%	ABOUT TWO WEEKS
9.9%	A FEW DAYS

Deeper brand insights

Holiday promotions are starting early and staying live for much of the season.

Nearly three quarters of brands begin their holiday promotions by mid-November, including 45.7% that start in early November or sooner. Just 12.1% wait until Thanksgiving week and 6.3% hold off until Black Friday itself.

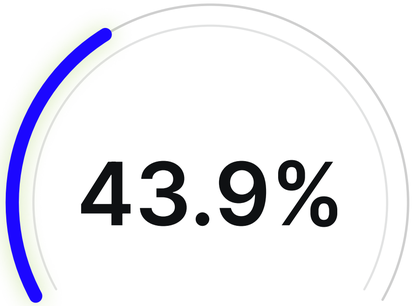
74.9%
MID-NOVEMBER

49.6%
NOVEMBER THROUGH DECEMBER

The promotional window is stretching too. **Nearly half of brands keep offers running from November through December,** while another 11% run them for most of November. Short, few-day promotional windows are now the exception, used by just 9.9% of brands.

Deeper consumer insights

Shoppers are balancing deal hunting with brand familiarity.



Describe their holiday shopping style as a mix of both.

37.3% actively hunt for the best deal and 13.2% primarily buy from brands they already know and trust.

Their shopping calendar is spread out too.

BFCM weekend is the most common shopping window, but only 33.9% of consumers say that's when they do their holiday shopping.

Another 27.7% buy as soon as they see something they want, whether it's on sale or not, while 18.7% shop later and closer to the holidays.

For brands, that makes the weeks surrounding BFCM meaningful too. The data supports an extended promotional calendar, with different opportunities to reach early shoppers, deal seekers, and those still buying into December.

Question Two

How much of your peak strategy rides on **discounting** versus other things?



Deeper brand insights

Discounting remains central to most peak-season strategies.

48% of brands say they balance discounts with other tactics, while another 41.3% rely mostly or almost entirely on discounts. Just 10.8% say they barely discount or lean primarily on other levers.

This means **89.3% of brands put discounting at least on equal footing with the rest of their peak strategy.**

> **"Promotions have a place, but they need to serve a clear purpose. Chasing a quick CAC win with discounts can backfire, but using them strategically to move customers into a higher-value behavior... can absolutely make sense."**
>
> — Bobby Bitton, O Positiv

Additional brand insights by revenue band

Reliance on discounting eases somewhat as revenue grows.

BRANDS OVER $10M

notably less likely to lean primarily on discounts (23.8%) than brands under $10M (33.3%) entirely discounts.

They are also more likely to describe their strategy as a balance of levers (51.0% vs. 45.9%).

Deeper consumer insights

Consumers give brands a clear reason to keep price in the acquisition playbook.

75.4% selected best price or discount among the top three factors they consider when buying from a brand for the first time, making it the most commonly selected response.

Trust and convenience also carry weight. Reviews and reputation were selected by 49.2% of shoppers, followed by free or fast shipping at 40.4% and familiarity with the brand at 32.7%.

A competitive offer earns attention, while reputation, shipping and familiarity give shoppers additional reasons to follow through.

What Smile.io platform data shows

How much of Q4 already runs on earned rewards?

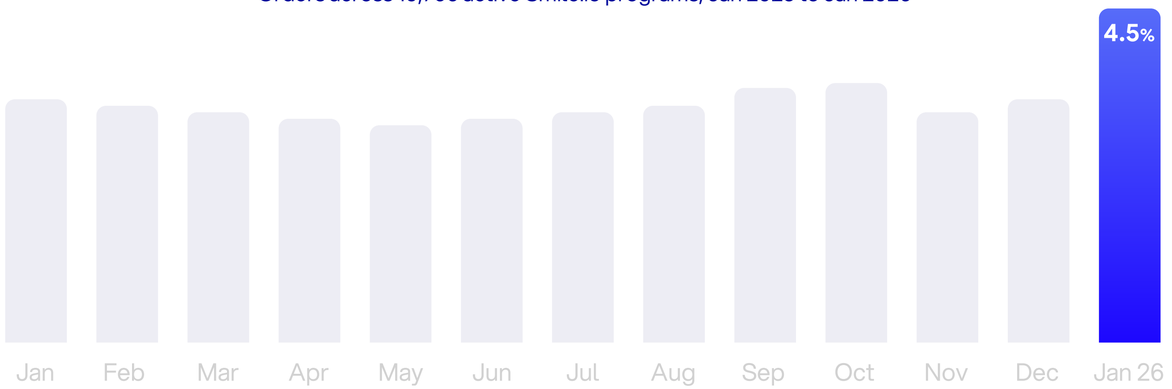
Earned rewards are already a measurable slice of peak volume. Across the stores measured, **1 in every 30 Q4 orders was paid for partly with redeemed loyalty rewards** (3.3% of 55.2 million orders).

The share is at its lowest in November itself, when discount-driven volume floods in, and **hits its 13-month peak in January at 4.5%: 1 in every 22 orders.** As the sitewide sales switch off, the customers carrying earned value switch on.

For brands looking to reduce their reliance on markdowns, this is what the substitution actually looks like: not fewer orders, but a growing share of orders funded by value customers earned instead of value the brand gave away.

Share of all orders carrying a rewards redemption, by month

Orders across 10,766 active Smile.io programs, Jan 2025 to Jan 2026



Question Three

How do you feel about your brand's **reliance** on discounting heading into Q4?



Deeper brand insights

More than half of brands show some discomfort with their current reliance on discounting.

43.3%



say their current approach works and they are comfortable with it.

56.7%



are either uneasy about their dependence, actively trying to reduce it, or have already shifted toward other ways of driving sales.

That tension is especially relevant heading into Q4, when opting out of promotions altogether can feel difficult even for brands trying to rely on them less.

> **"If you don't run discounts and promotions like Black Friday, you will lose sales because others do. You have no choice but to participate in them."**
>
> — Neil Patel, NP Digital

Deeper consumer insights

An existing customer relationship can give brands some protection from competing offers.

When shoppers were asked to choose between rewards or perks from a brand they are loyal to and a discount from an unfamiliar brand:

45.2% chose the rewards or perks from the brand they already know.

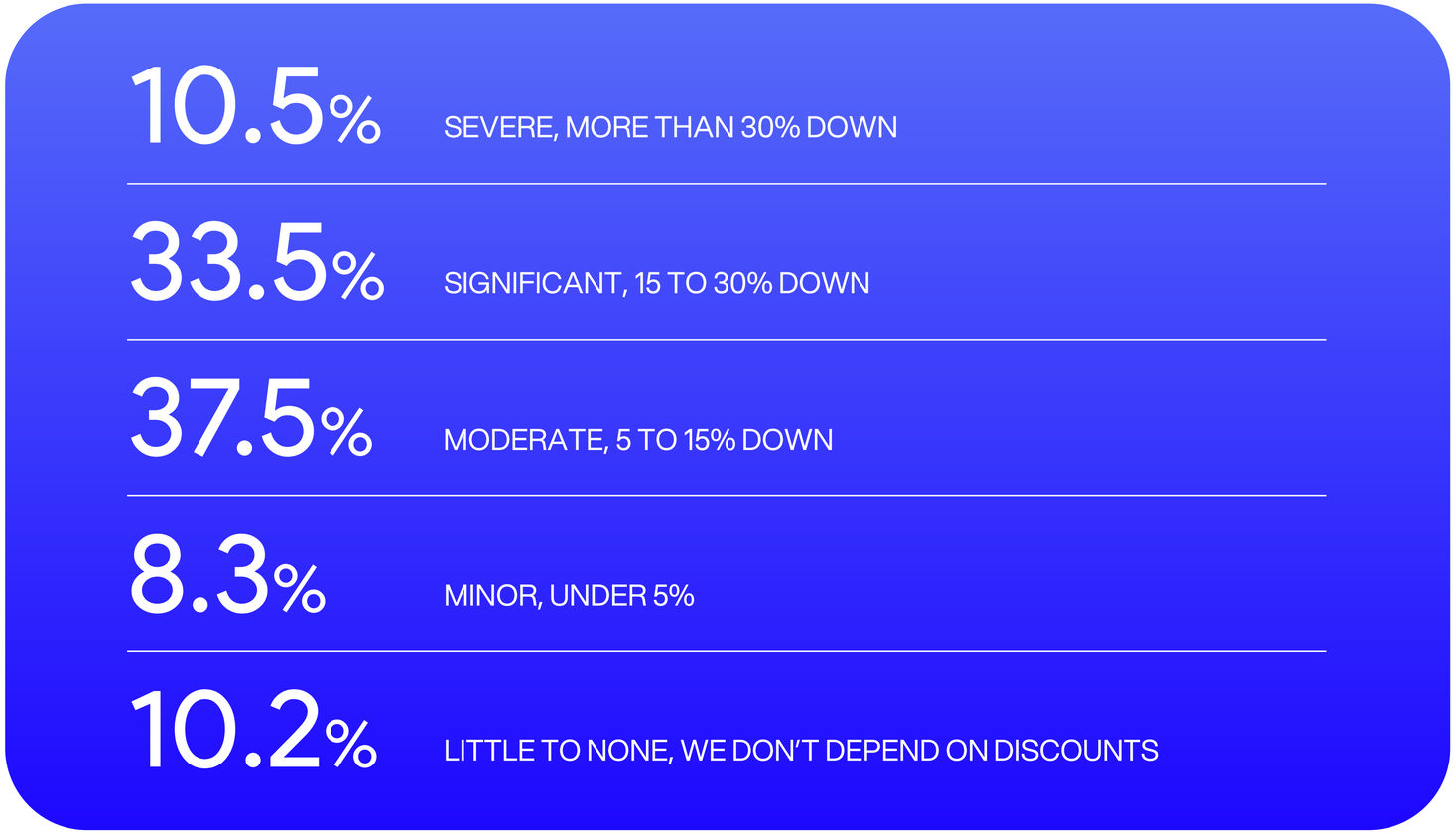
21.3% chose the unfamiliar brand's discount.

Another 26.9% said their choice would depend on the size of each offer, showing that price still matters.

Loyalty can make a brand less vulnerable to a competitor's discount, even when it does not remove price from the decision entirely.

Question Four

If you had to run Q4 with no discounts at all, how much of a **revenue drop** would you expect?



Deeper brand insights

Brands see a meaningful financial risk in pulling discounts completely.



of brands expect at least some revenue decline if they ran Q4 without discounts.



of brands believe the drop would be 5% or greater.

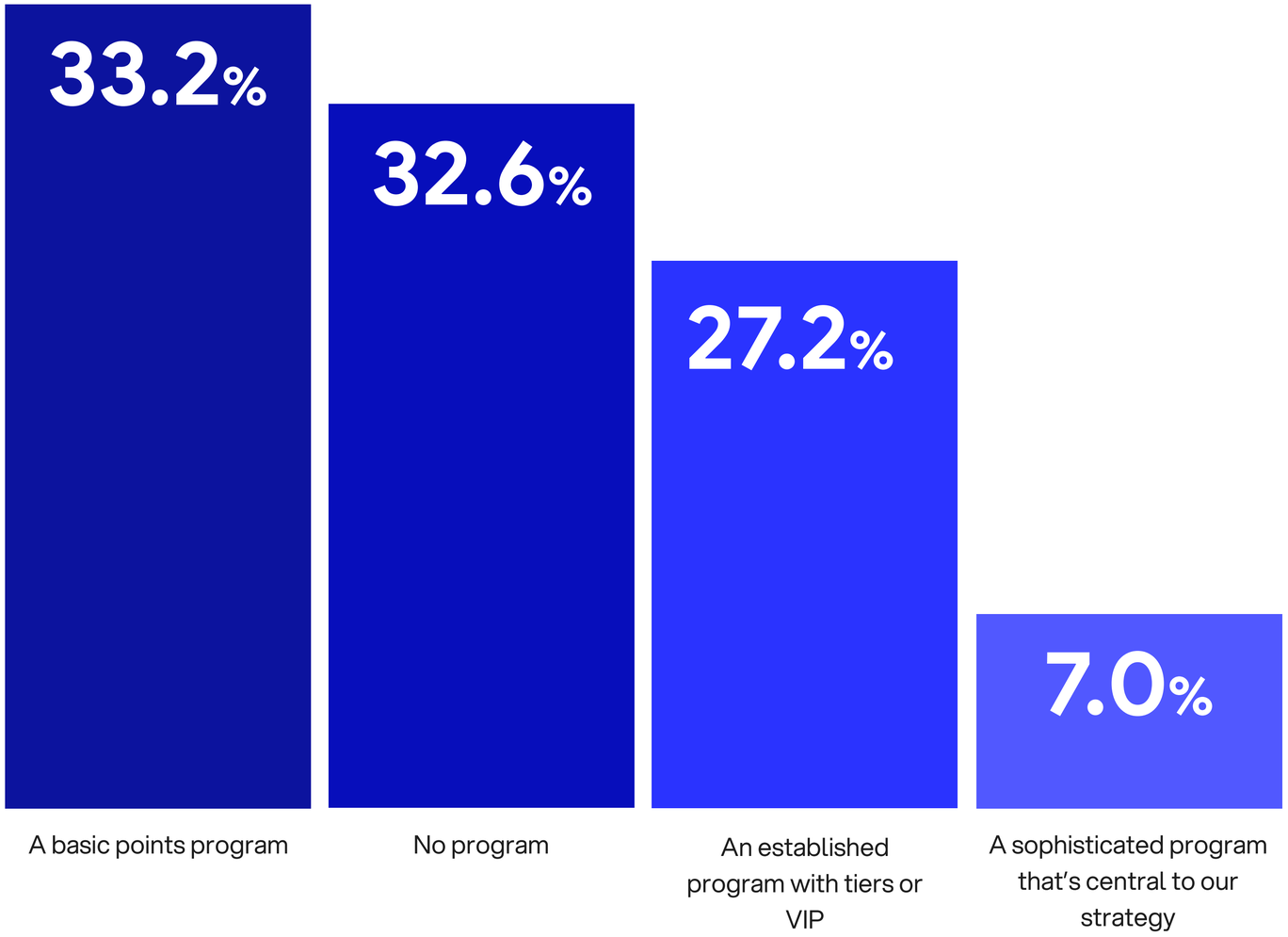
FOR

44%

of brands, the expected impact is even greater, with respondents believing revenue would decline by 15–30% or more.

Question Five

Do you run a **customer loyalty** or rewards program, and **how developed** is it?



Deeper brand insights

Loyalty programs are already part of the strategy for most brands surveyed.

67.4% have some form of program in place.

Including 33.2% with a basic points program, 27.2% with established tiers or VIP benefits, and 7% that consider loyalty central to their strategy. Another 32.6% currently operate without a program.

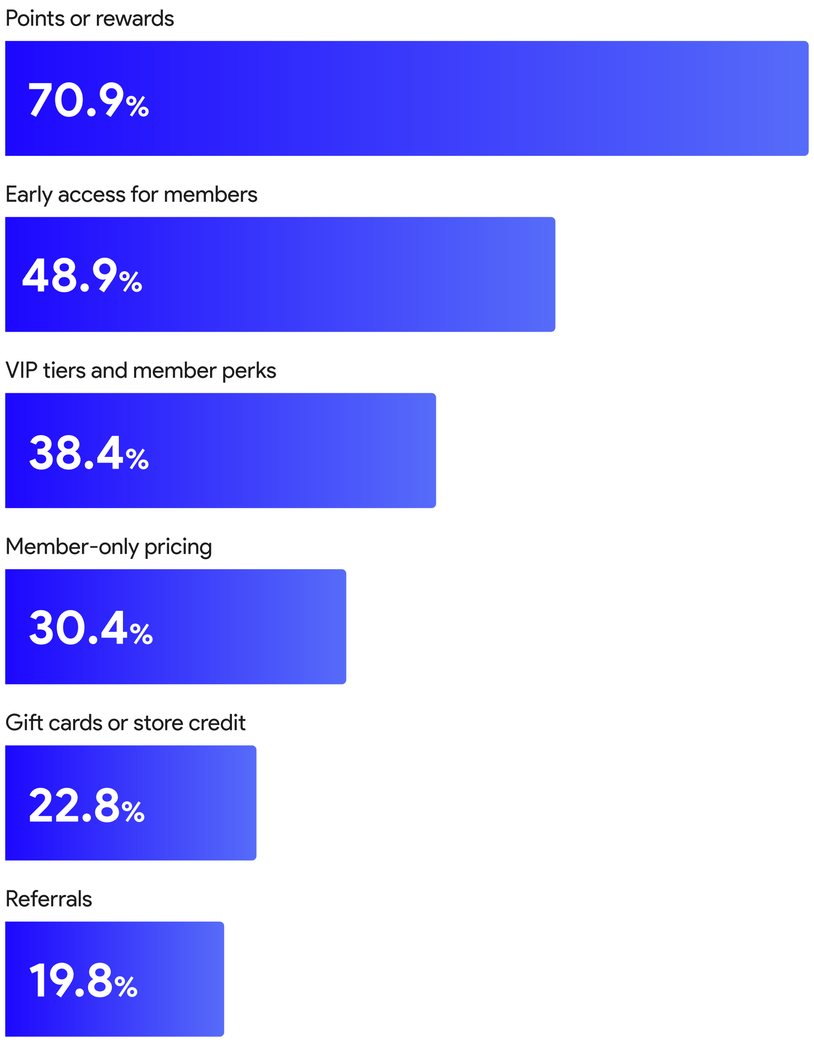
Additional brand insights by revenue band

Program maturity climbs sharply with revenue.

Brands over $10M are roughly 60% more likely to run an established, tiered loyalty program than brands under $10M (34.9% vs. 22.1%), and meaningfully less likely to have no program at all (28.2% vs. 35.6%). The gap widens further at $25M: 38.1% of brands above that line have an established program, compared with 23.4% below it.

What are brands with loyalty programs using this holiday?

Which **loyalty/membership levers** are you leaning on this holiday?



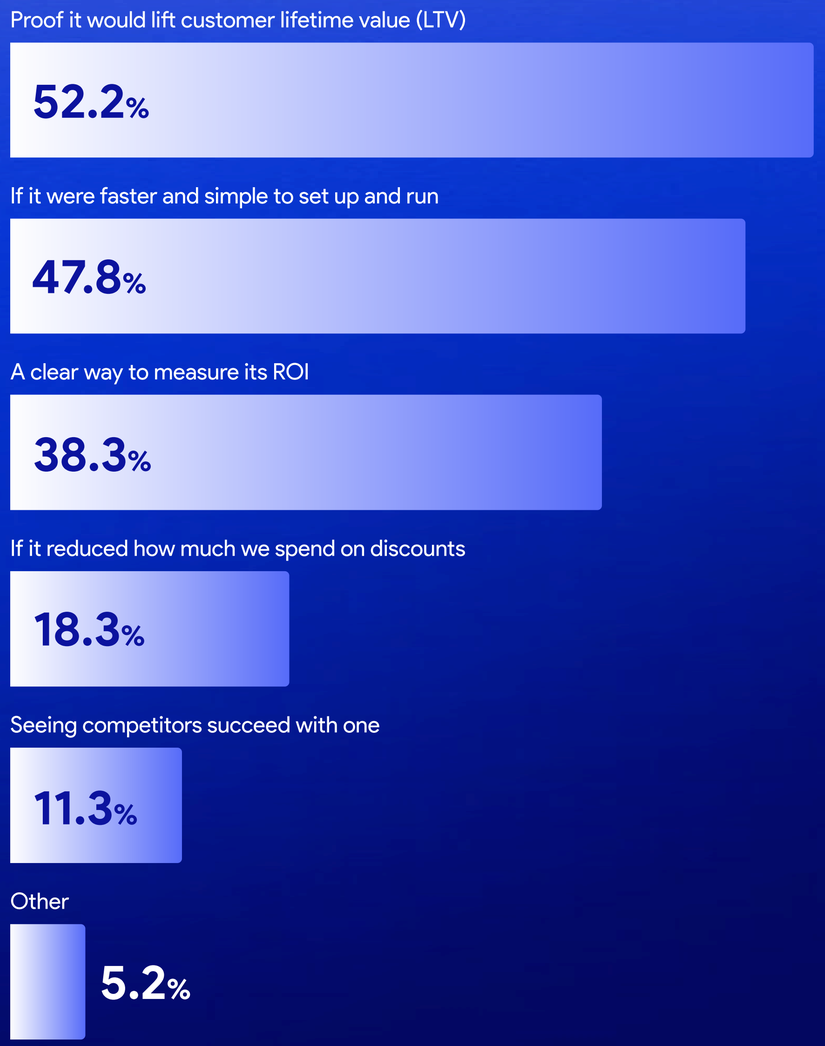
For brands with a program, points and rewards are the most common holiday lever, selected by **70.9%**. Early access follows at 48.9%, with VIP tiers and member perks at 38.4%.

Members-only pricing is being used by 30.4%, while gift cards or store credit and referrals are less common at 22.8% and 19.8% respectively.

The mix suggests brands are leaning heavily on benefits that give existing customers something additional to come back for during a period dominated by public promotions.

What would convince brands without a loyalty program to start one?

What would most make you **start** a loyalty program?



The biggest barrier appears to be proving the business case.

Among brands without a loyalty program, **52.2% say evidence that loyalty would lift customer lifetime value would make them consider starting one.** Ease of setup follows closely at 47.8%, while 38.3% want a clear way to measure ROI.

For these brands, starting a loyalty program comes down to proving it will pay off and making it easy to set up and run.

Deeper consumer insights

Membership alone does not guarantee that a shopper will choose the brand every time.

Among consumers, **42.6% say they buy from brands where they are loyalty members even when those brands are not the cheapest option. Almost the same share, 41.8%, say they still look for the best deal anyway.** Another 15.6% are not members of any loyalty programs.

That near-even split shows the opportunity for brands with loyalty programs. Enrollment creates a relationship with the customer, while the value of the program still has to be strong enough to influence the purchase when competing offers appear.

What Smile.io platform data shows

The lifetime value proof brands are asking for.

The most requested evidence in this survey already exists. Measured across 10,766 active loyalty programs on Smile.io, **the median program's loyalty members are worth 72% more than non-members,** purchase 47% more frequently, and carry a 13% higher average order value.

Move from joining to redeeming and the gap widens: **customers who redeem rewards are worth 3.1x customers who never do.**

+72% Customer value, members vs non-members (median)

+47% Purchase frecuency, members vs non-members

+13% Average order value, members vs non-members

Question Six

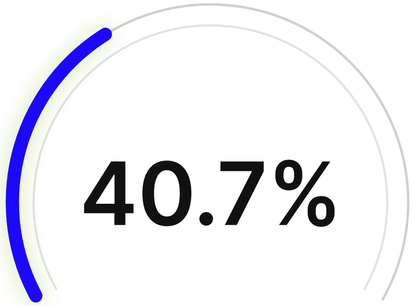
Which **non-discount promotions** are you running this holiday?

Deeper brand insights

40.7%	Gift with purchase
40.7%	Free or upgrade shipping
37.1%	Bundles or gift sets
34.5%	BOGO (buy one get one)
25.8%	New or limited-edition product launches
17.0%	Contest or giveaways
16.4%	Extended holiday returns
13.8%	None of these, discounts are our main play
7.6%	Charitable tie-in

Deeper brand insights

Brands are using a wide mix of promotional levers beyond a standard percentage-off offer.



Gift with purchase and free or upgraded shipping are the most commonly used tactics.

Bundles or gift sets follow at 37.1%, with BOGO offers close behind at 34.5%.

New or limited-edition product launches are part of the holiday strategy for 25.8% of brands, while contests or giveaways, extended returns, and charitable tie-ins are less common.

Which tactics do brands think can outperform a straight discount?

24.1%	Gift with purchase
20.7%	Free or upgrade shipping
18.6%	BOGO (buy one get one)
12.0%	Bundles or gift sets
11.3%	None of these, discounts are our main play
8.6%	New or limited-edition product launches
2.6%	Contest or giveaways
1.6%	Extended holiday returns
0.5%	Charitable tie-in

Gift with purchase leads again, with **24.1% of brands saying it works better than a straight discount,** followed by free or upgraded shipping at 20.7% and BOGO at 18.6%.

Bundles and gift sets drop to 12%, despite being one of the more commonly used tactics, while 11.3% of brands say none of the listed alternatives outperform a straight discount.

Deeper consumer insights

Consumers show strong interest in several of the same incentives brands are already prioritizing.

Free or fast shipping is the most commonly selected purchase incentive at 53.3%, followed closely by points or rewards at 51.3% and a gift with purchase at 48.2%.

A strong return or guarantee policy matters to 30.6% of shoppers, while 29.2% are influenced by bundles or a better deal for buying more. Early access or members-only perks are selected by 20.8%, and exclusive products by 15.1%.

There is clear alignment around two of the biggest holiday levers: **free shipping and gift with purchase rank near the top for both brands and consumers.** For brands looking to add value without simply increasing discount depth, those are two of the strongest places to start.

"I'm a larger fan of running free shipping or GWP promos for long weekends. Free shipping always does surprisingly well and basket sizes are typically not too far off from our typical AOVs."

— Laura Thompson, Three Ships Beauty

Question Seven

How deep a discount would you go to bring in a new customer?



Deeper brand insights

Most brands are keeping new-customer discounts relatively contained.

MOST COMMON RANGE

39.8%
WOULD OFFER 11 TO 20% OFF TO ACQUIRE A NEW CUSTOMER

28.3%
WOULD GO TO 21 TO 30% OFF TO ACQUIRE A NEW CUSTOMER

Deeper acquisition offers are much less common. 9.5% would offer 31 to 40% off and just 3.4% would go beyond 40%. At the other end, 12.3% would cap their offer at 10% and 6.7% say they do not discount specifically to acquire new customers.

Deeper consumer insights

Consumer responses skew somewhat higher than the range brands most commonly offer.

46.6%
of shoppers say a 20 to 25% discount would be enough to persuade them to try an unfamiliar brand.

24.4%
of shoppers say it would take a 30 to 40% discount.

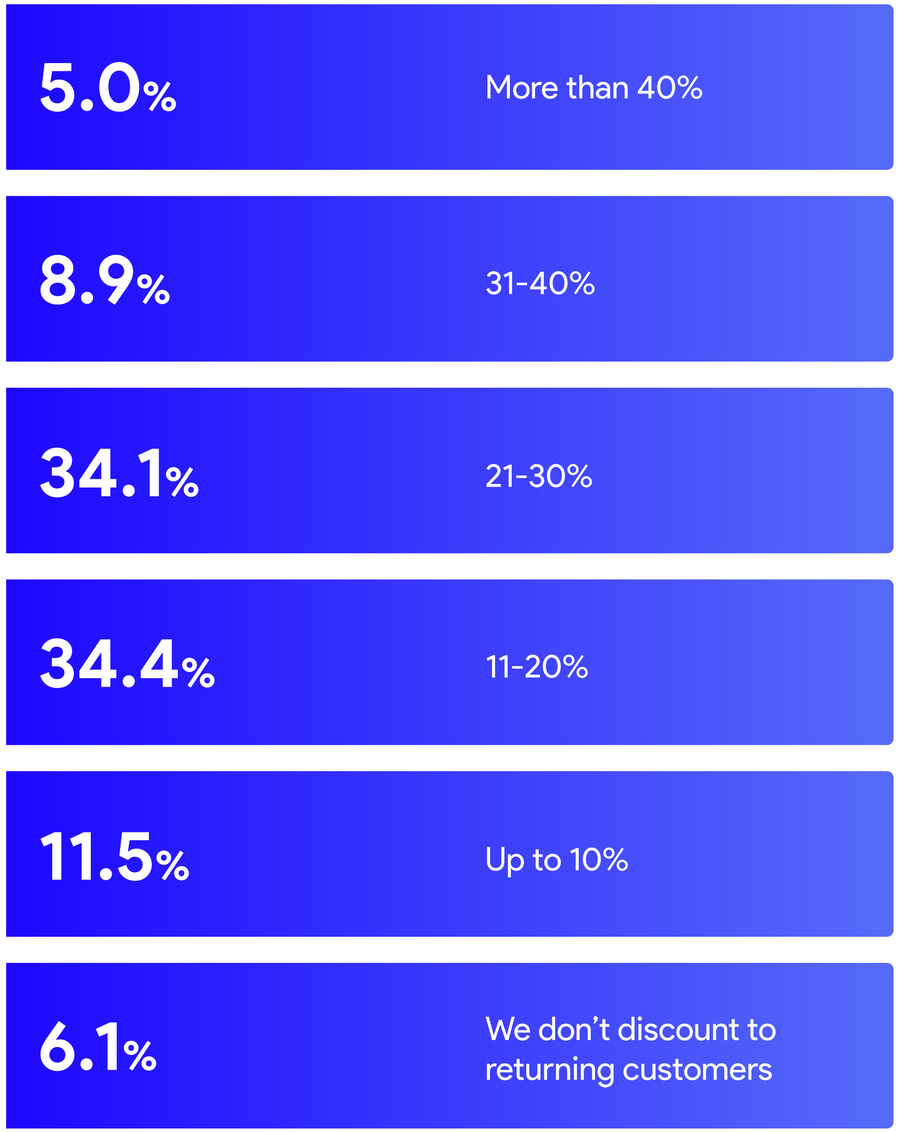
Only 12.1% say a discount around 10% would be enough. At the other end of the spectrum, 10.5% say even 50% off would not be enough on its own, while 6.5% say they would need a reason to trust the brand in addition to a discount.

The comparison suggests 20 to 25% may be an important acquisition range to test.

It sits above the most common discount brands say they offer, while landing at the level the largest group of consumers says would motivate them to try something unfamiliar.

Question Eight

How deep a discount would you go to **win back** a returning or lapsed customer?



Deeper brand insights

Brands show slightly more willingness to use deeper discounts when trying to win back a former customer.

34.4% would offer 11 to 20% off

34.1% would go to 21 to 30%

Compared with new-customer acquisition, the biggest shift is into that 21 to 30% range, which rises from 28.3% to 34.1%.

Another 8.9% would offer 31 to 40% off and 5% would go beyond 40%. Just 6.1% say they do not discount to returning or lapsed customers.

Deeper consumer insights

A discounted first purchase does not always turn into full-price loyalty.



of consumers say they will buy from the brand again, but primarily when another discount appears.

Another 31.1% say they become a regular customer willing to buy at full price, while 28.6% say it depends on the brand. Only 4.1% say they rarely purchase from the brand again.

The result highlights an important retention challenge:

winning a second purchase is common, but moving that customer away from discount-dependent buying is less certain.

For brands acquiring aggressively during BFCM, the value of the first discount depends heavily on what happens after that initial order.

What Smile.io platform data shows:

The alternative to the discount treadmill.

The survey shows what a discounted first purchase trains customers to do: 36.3% come back primarily when another discount appears. Smile.io's platform data shows what the alternative looks like.

Across 10,766 active loyalty programs, **customers who redeem loyalty rewards show +154% higher purchase frequency and +209% higher customer value (3.1x) than customers who never redeem,** measured as the median program's lift.

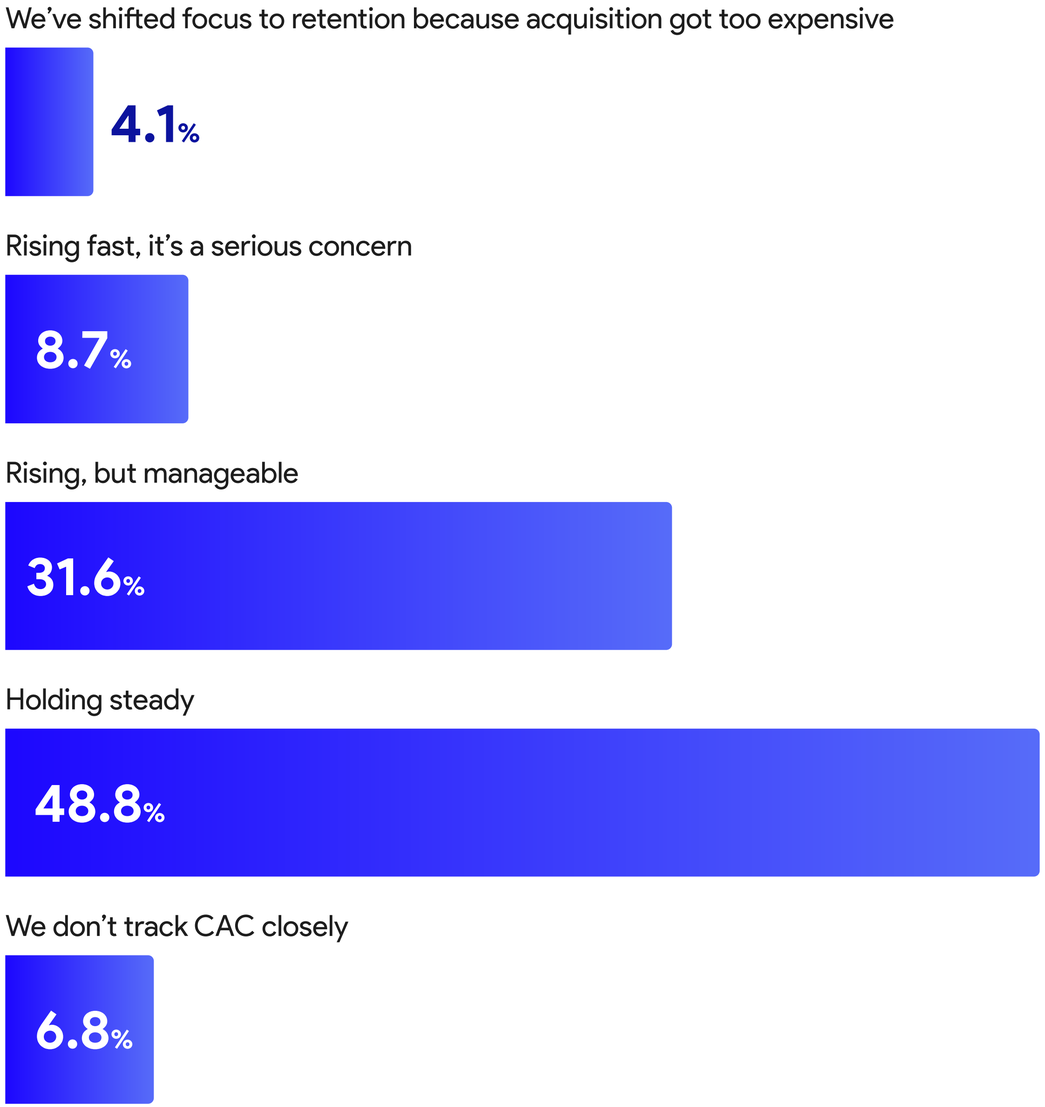
The mechanism is different from a blanket discount. A markdown asks the customer to wait for the next sale. An earned reward gives them a reason to come back that they already own:

the value sits in their account, not in your margin.

3.1x	customer value, redeemers vs non-redeemers (median program)
+154%	purchase frequency, redeemers vs non-redeemers
+17%	average order value on redemption orders

Question Nine

Heading into Q4, what's happening with your **cost to acquire a new customer?**



Deeper brand insights

Most brands are heading into Q4 without a major spike in acquisition costs.

48.8% say CAC is holding steady.

31.6% say it is rising but still manageable.

Together, that puts 80.4% of brands in relatively stable territory heading into peak season.

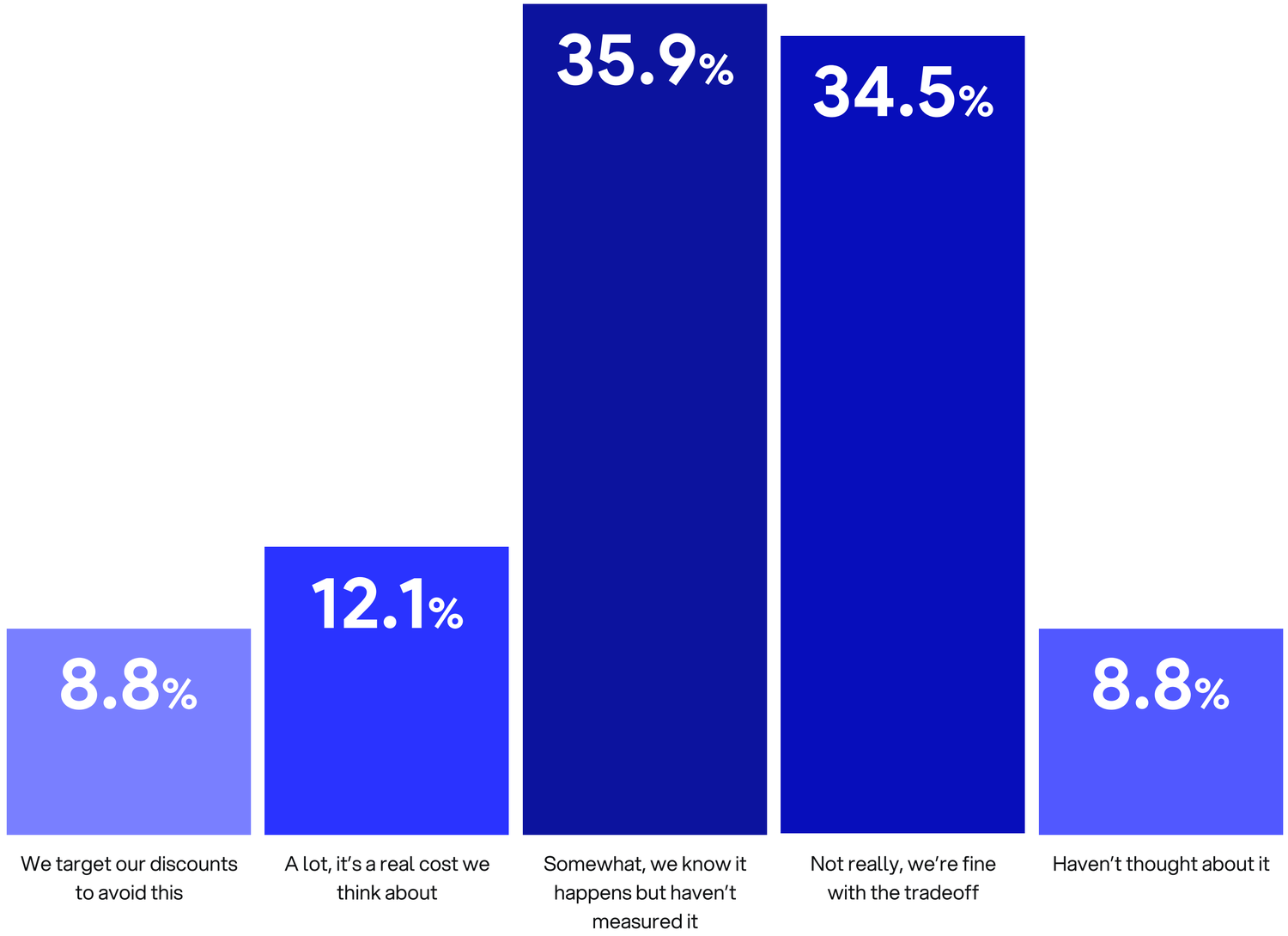
A smaller group is feeling more pressure.

8.7% say CAC is rising fast enough to be a serious concern, while 4.1% have already shifted their focus toward retention because acquisition has become too expensive.

Another 6.8% say they do not track CAC closely, leaving a meaningful minority heading into the most competitive acquisition period of the year without a clear view of what a new customer is costing them.

Question Ten

How much does it **worry you** that your holiday discounts mostly go to customers who would've bought anyway?



Deeper brand insights

Brands are divided on the cost of discounting customers who may have purchased anyway.

48% say it concerns them to some degree, including 35.9% who know it happens but have not measured the impact and 12.1% who consider it a significant cost.

Another 34.5% are comfortable with the tradeoff, while 8.8% have not given it much thought.



say they actively target discounts to reduce the risk of giving away margin on purchases that may have happened regardless.

The measurement gap is significant. A large group of brands recognize potential margin leakage from broad holiday discounts without yet knowing how much it is costing them.

Deeper consumer insights

For repeat purchase, shoppers point most strongly to the fundamentals of the customer experience.

SELECTED FACTOR

77.8%

Product quality

SELECTED FACTOR

63.6%

Good experience or service

SELECTED FACTOR

46.8%

Rewards or points

Brand values or story (21.8%), VIP perks or early access (20.9%), and recommendations from friends (17.4%) rank lower.

Brands acquiring customers through holiday offers should be aware that the discount only covers part of the journey.

Product quality, customer experience, and useful rewards give brands additional levers to drive the repeat purchase after the promotional period ends.

What Smile.io platform data shows

The discount that arrives with a bigger basket.

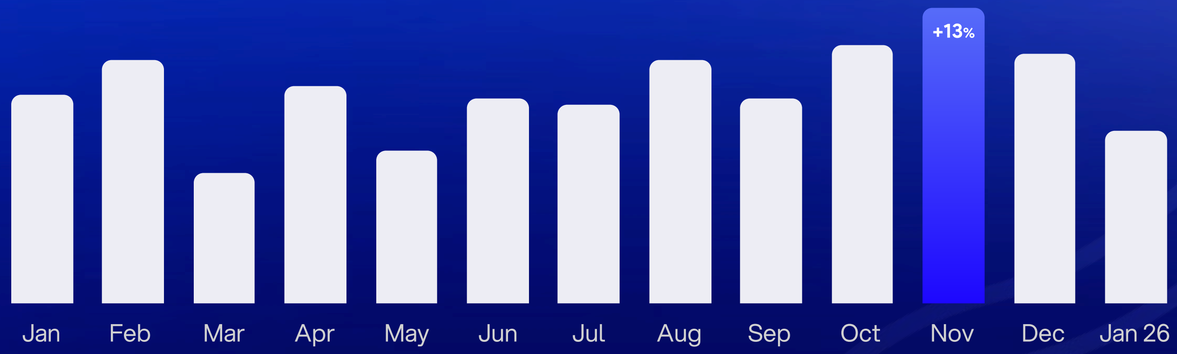
A sitewide markdown gives margin to every shopper, including the ones who were buying anyway. A points redemption is the opposite structure: the discount only exists for a customer who already earned it through past purchases, and it is claimed at the moment they act.

The order math reflects that. Across the programs measured, **orders paid for partly with redeemed rewards carried a higher average order value than other orders in every one of the last 13 months,** with a median premium of +9%. In November 2025, the peak discounting month of the year, the gap widened to **+13% ($119.61 vs $105.81).**

Reward-funded discounts are, by construction, targeted: they concentrate on identified repeat customers and arrive attached to larger orders.

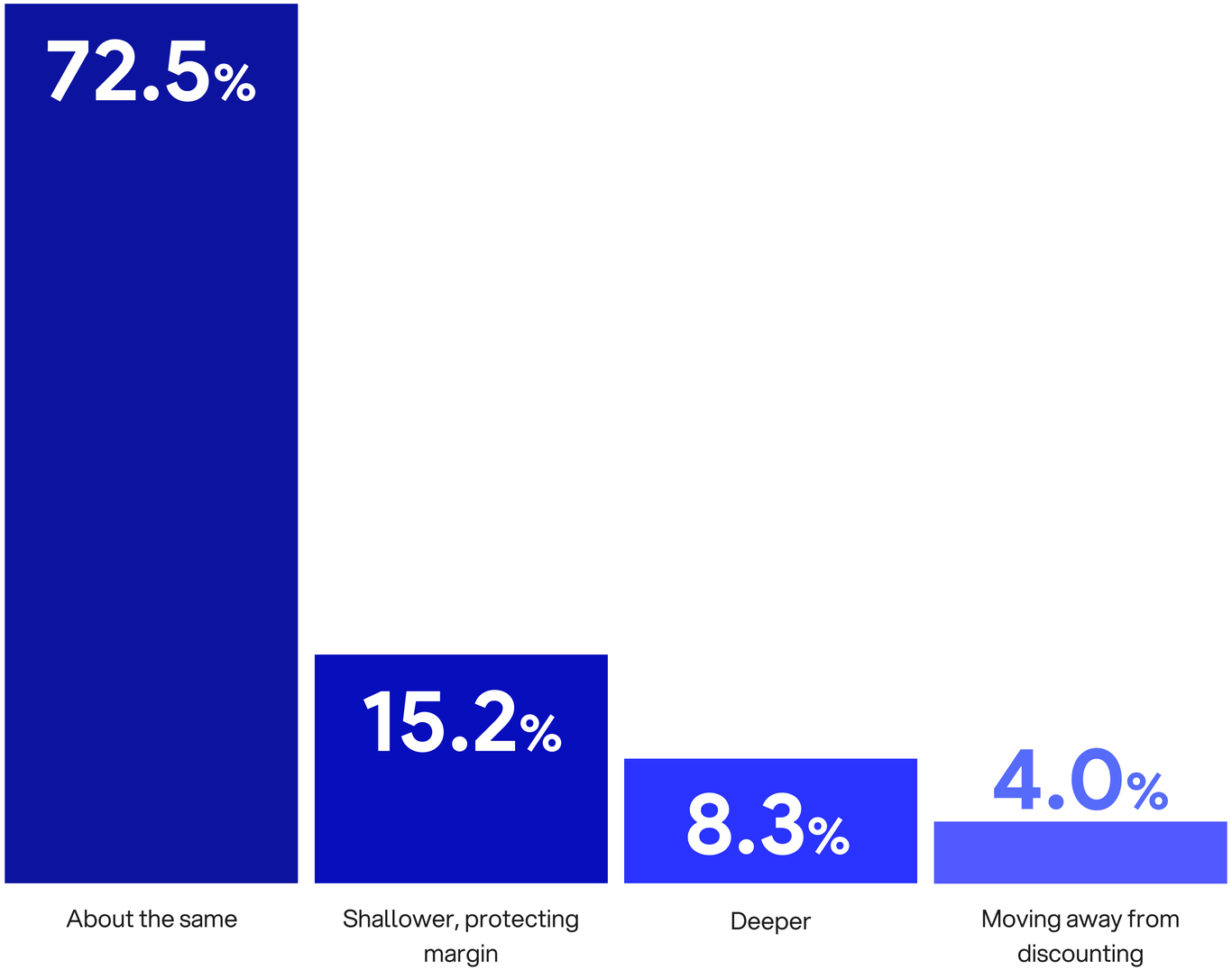
AOV premium of redemption orders vs all other orders, by month

USD, orders across 10,766 active Smile.io programs, Jan 2025 to Jan 2026



Question Eleven

Compared to last year, your **discount depth** this Q4 will be:



Deeper brand insights

Most brands are sticking close to last year's discount strategy.

72.5%

say their discount depth will be about the same as last Q4, making stability by far the most common approach heading into peak season.

Another 15.2% plan to offer shallower discounts to protect margin, while 8.3% expect to go deeper. Just 4% say they are moving away from discounting altogether.

The result suggests that while many brands are questioning their reliance on promotions,

most are still reluctant to make a major change to discount depth during their highest-stakes selling period.

Question Twelve

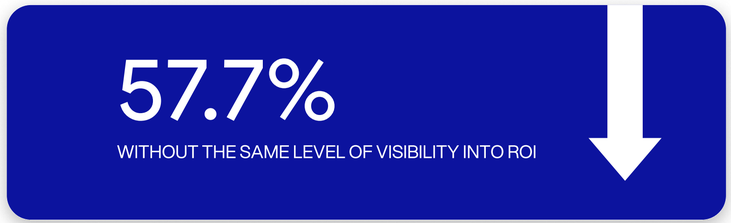
How do you **measure** the return on your loyalty and retention efforts?



Deeper brand insights

Clear measurement remains a gap for most brands.





Within that group, 37.1% track performance loosely, while 14% say they know retention matters but do not really measure it. Another 6.6% do not measure retention ROI at all.

That measurement gap also shows up earlier in the report: among brands without a loyalty program, **38.3% say having a clear way to measure ROI would make them more likely to start one.**

For brands investing more heavily in retention after BFCM, the challenge extends beyond running the program itself.

Being able to connect those efforts to repeat purchase, customer value, and revenue is still missing for a majority of brands.

What Smile.io platform data shows

Redeemer value lift by industry.

57.7% of brands lack clear measurement of loyalty ROI. As a starting benchmark: **in every industry measured, customers who redeem rewards are worth at least 2.5x a customer who never redeems, ranging from +157% in Electronics to +310% in Arts & Crafts.**

If your redeemers are not meaningfully out-spending your non-redeemers, the issue is usually program design, not the model.

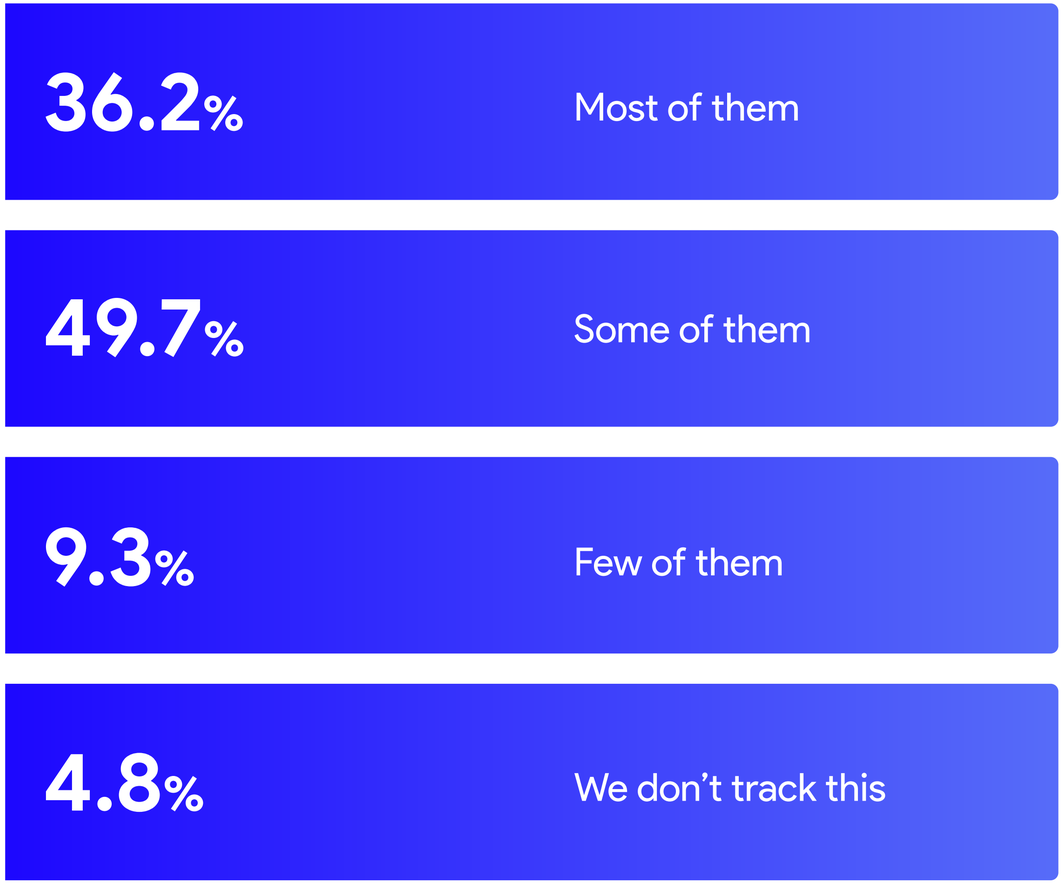
Customer value lift: redeemers vs non-redeemers, by industry

Median lift across active Smile.io programs, per industry

+310%	Arts, crafts & hobbies
+274%	Baby & kids
+226%	Pets
+221%	Food & drink
+198%	Fashion & apparel
+197%	Lifestyle & general
+192%	Beauty & wellness
+184%	Health & fitness
+181%	Home & living
+157%	Electronics & tech

Question Thirteen

Of the customers you bring in during BFCM, how many do you expect to **come back and buy again?**



Deeper brand insights

Brands are broadly optimistic about turning BFCM acquisition into repeat business.

85.9% EXPECT AT LEAST SOME OF THE CUSTOMERS THEY ACQUIRE DURING BFCM TO PURCHASE AGAIN, INCLUDING 36.2% WHO EXPECT MOST OF THOSE CUSTOMERS TO RETURN.

9.3% EXPECT FEW BFCM CUSTOMERS TO COME BACK.

4.8% SAY THEY DO NOT TRACK REPEAT PURCHASES CLOSELY ENOUGH TO KNOW.

The expectation is clear that for most brands, **the value of BFCM acquisition extends beyond the initial holiday order.**

What Smile.io platform data shows:

The BFCM points curve: November's points become January's orders.

Point earning peaks with the promotions. Across the programs measured, **orders where customers earned points jumped 41% in November 2025** against the October baseline, then fell back after the holidays.

Redeeming follows its own curve. **Points redeemed nearly doubled from November to December (+91%), and redemption orders kept climbing into January, peaking at 34% above the October baseline** in the same month total order volume fell back to normal.

In other words, the value a loyalty program gives away during BFCM is not spent during BFCM. It comes back across December and January as orders that arrive when the paid traffic and the sitewide sales have stopped.

The discount ends with the season. The points outlast it.

Point-earning orders vs redemption orders, indexed to October 2025 = 100

Monthly order counts across 10,766 active Smile.io programs, Sep 2025 to Feb 2026



Additional insights from Smile.io's platform data

Do BFCM customers actually come back? The members do.

We followed every first-time buyer acquired during BFCM week 2025 across 10,766 stores: 4.6 million new customers.

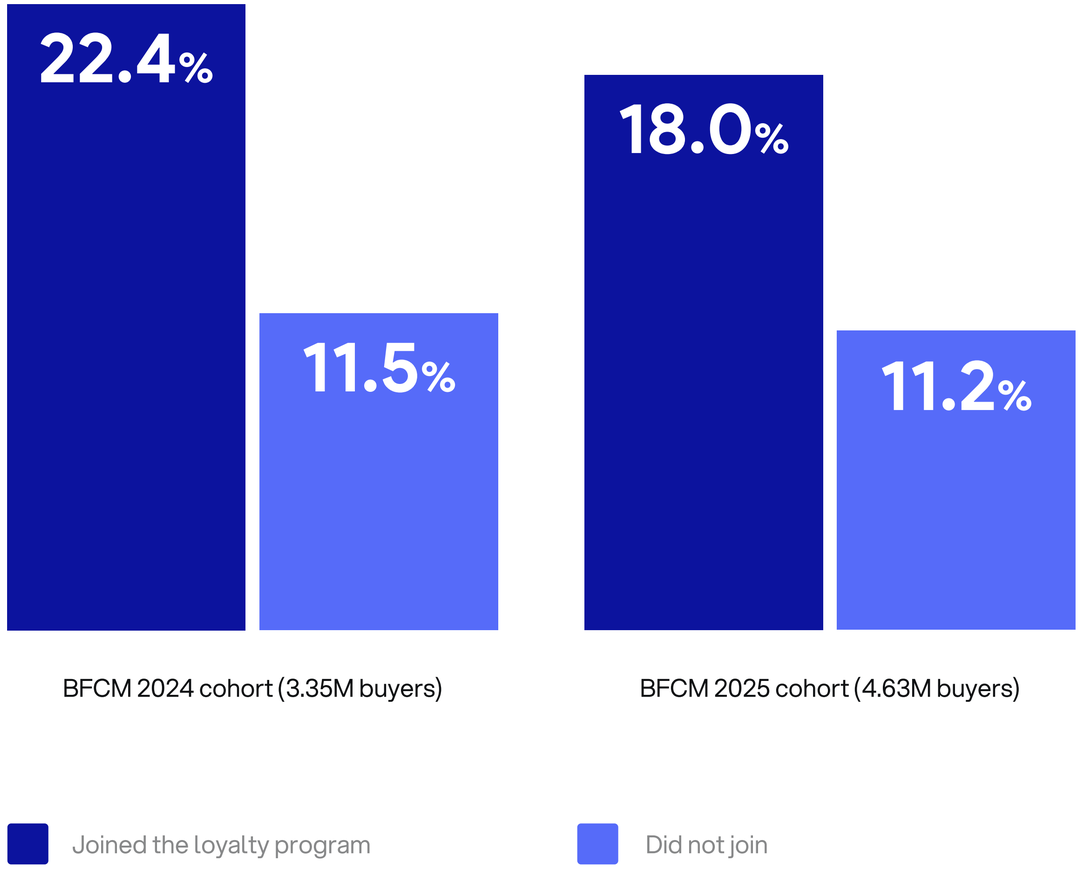
First-time buyers who joined the store's loyalty program repurchased within 90 days at 18.0%, versus 11.2% for those who did not join: a 60% higher repeat rate. Members also came back faster, with a median of 14 days to the second order versus 18.

The pattern held the year before. In the BFCM 2024 cohort, members repeated at 22.4% versus 11.5%, nearly double, and returned a week faster (12 days vs 19).

Program membership does not prove causation on its own; customers who join are already leaning in. But that is exactly the point of enrollment during BFCM: **it identifies which holiday buyers are open to a relationship, and gives them a stored reason to return before your next promotion does.**

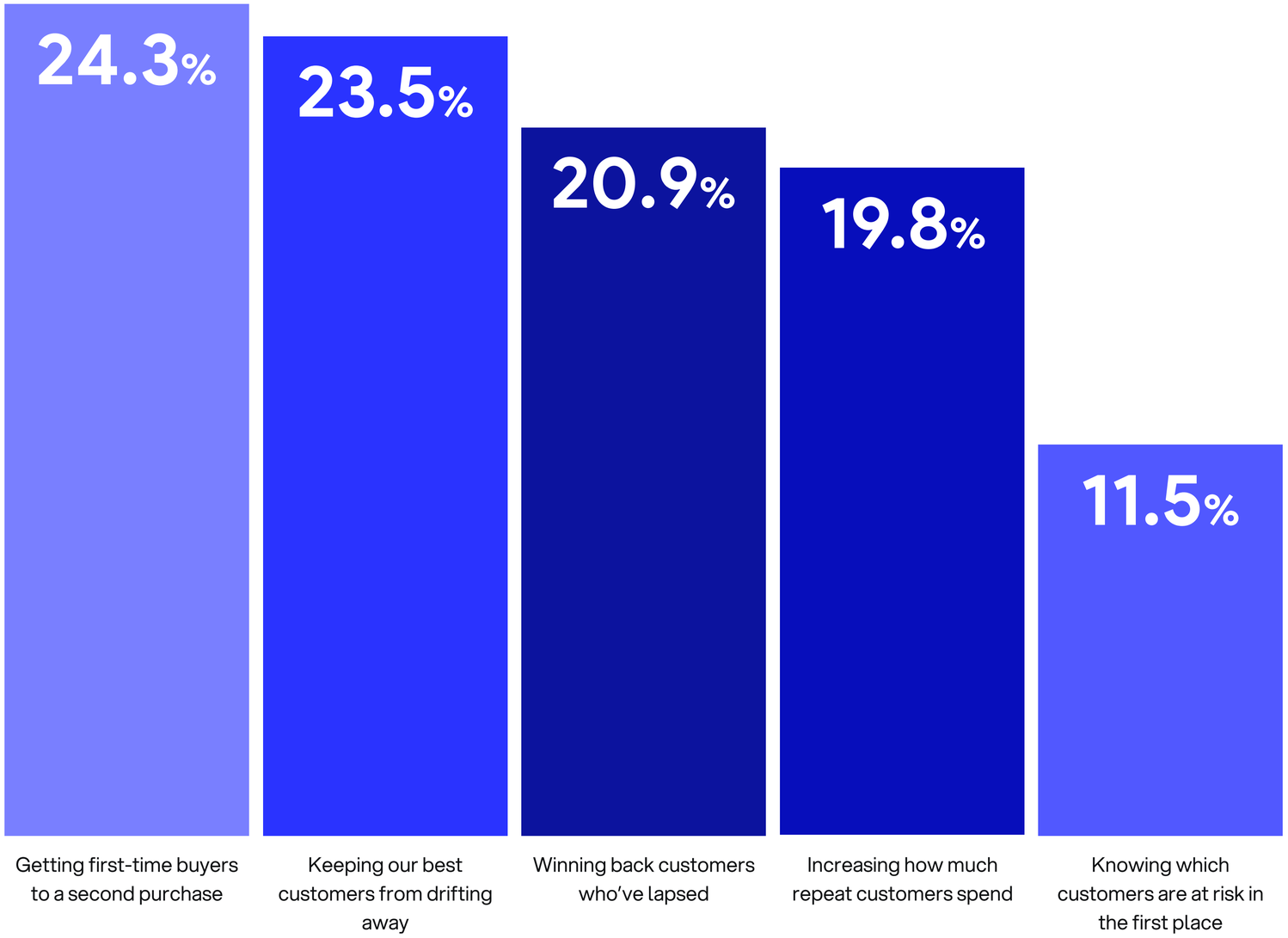
Repeat purchase rate within 90 days of a BFCM first purchase

First-time buyers acquired during BFCM week, members vs non-members



Question Fourteen

What's your **biggest gap** in customer retention right now?



Deeper brand insights

Retention challenges are spread across the customer lifecycle.

24.3%

Getting first-time buyers to a second purchase.

23.5%

Keeping top customers from drifting away.

Winning back lapsed customers sits at 20.9%, while 19.8% say their biggest challenge is increasing how much repeat customers spend.

Only 11.5% point to identifying which customers are at risk in the first place as their biggest gap.

With the top four challenges separated by just 4.5 percentage points, there is no single retention problem dominating for DTC brands.

The pressure stretches from converting the second order through to maintaining and growing long-term customer value.

Deeper brand insights

Brands are entering Q4 with a strong focus on refining how they promote.

Question Fifteen

What's the one thing you're **doing differently** this Q4 that you think will matter most?

The most common responses centered on changes to discount and promotional strategy.

- TARGETED OFFERS
- BOGO PROMOTIONS
- BUNDLES
- GIFTS WITH PURCHASE

The next major theme was retention. Brands cited loyalty programs, VIP experiences, and greater focus on repeat customers as areas they believe could make a meaningful difference this holiday season.

Marketing and channel expansion also appeared frequently, with brands looking for new ways to reach shoppers and diversify where holiday revenue comes from.

The responses show brands approaching Q4 from several angles: **refining the offer that earns the first purchase, creating more reasons for existing customers to return, and expanding the channels used to reach them.**

AUDIT

YOUR Q4 DISCOUNTING STRATEGY

- How much did it cost to acquire a new customer last Q4?
- How much discount depth do you actually need to win the first purchase?
- Are you using the same offer for first-time, repeat, and lapsed customers?
- What happens after a customer makes their first discounted purchase?
- Which non-discount incentives could protect margin while still adding value?
- Can you measure whether your retention and loyalty efforts are driving repeat revenue?

Discounting remains one of the most important tools brands have for winning attention during Q4.



75.4%

of shoppers selected price or discount as one of the top factors they consider when buying from a brand for the first time.



81.5%

say a 20 to 25% discount would be enough to persuade them to try an unfamiliar brand.

Brands clearly feel the importance of those offers. **89.3% rely on discounting to at least some degree during peak season**, even as 56.7% say they are uneasy about that dependence, actively trying to reduce it, or have already shifted toward other ways of driving sales.

The bigger challenge comes after acquisition.

Among consumers who first purchased from a brand using a discount,

36.3%

say they continue buying primarily when another discount appears.

31.1%

say they become regular customers willing to pay full price.

That makes the post-purchase experience especially important. Product quality was selected by 77.8% of consumers as something that keeps them buying from a brand, followed by good experience or service at 63.6% and rewards or points at 46.8%.

Loyalty programs can contribute to that relationship. Among loyalty-program members, 42.6% say they will buy from brands where they are members even when those brands are more expensive. Almost the same share, 41.8%, still look for the best deal.

FOR BRANDS **HEADING INTO Q4**

Treat acquisition and retention as connected parts of the same strategy.

Use the holiday offer to earn the first purchase, then give that customer strong reasons to make the second through product quality, customer experience, useful rewards, and a retention strategy that can be measured beyond BFCM.