

Business Strategy / Pricing Models

Design discounting strategies (launch, seasonal, volume, annual prepay) that increase conversion without devaluing the product.

Difficulty: Intermediate

Model: GPT-4 / Claude / Gemini

Use Case: Discount Strategy, Promotional Pricing, Sales Campaigns

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Why This Prompt Exists

Most discounts devalue the product — training customers to wait for sales.

You get:

- customers who only buy on discount (destroyed pricing power)
- discounts that don't increase volume enough
- no strategy for which discounts to offer
- launch discounts that train customers to wait
- annual prepay discounts that aren't optimized

But discounting is not random.

It is a strategic lever with trade-offs.

- Launch discount: initial traction (use sparingly)
- Seasonal discount: predictable demand peaks
- Volume discount: higher AOV for multiple units
- Annual prepay: increases LTV, reduces churn
- Referral discount: customer acquisition

Without discount strategy, you train customers to bargain-hunt.

This framework forces AI to design discounts that increase LTV, not decrease it.

The Prompt

Assume the role of a discount strategist who uses promotions to increase LTV, not decrease it.

Your task is to design discounting strategies.

Generate:

1. LAUNCH DISCOUNT STRATEGY

- Discount % (10-20% recommended)
- Duration (7-14 days)
- Terms (first X customers, first Y days)

2. SEASONAL DISCOUNT STRATEGY

- Which seasons/events
- Discount % (10-25% depending on event)
- Duration

3. VOLUME DISCOUNT STRATEGY

- Tiered pricing for multiple units/seats
- Example: 5-10 users: 10% off, 11-20 users: 15% off

4. ANNUAL PREPAY DISCOUNT

- Discount % (15-30% off monthly price)
- Why it increases LTV

5. REFERRAL DISCOUNT STRATEGY

- Discount for referrer
- Discount for referred customer

6. DISCOUNT RISK ASSESSMENT

- Will this train customers to wait for sales?
- Mitigation strategies

INPUTS:

Product/Service:

[DESCRIBE]

Regular Price:

[INSERT \$]

Customer Price Sensitivity:

[HIGH / MEDIUM / LOW]

Competitor Discount Practices:

[DESCRIBE]

Launch Stage:

[PRE-LAUNCH / JUST LAUNCHED / ESTABLISHED]

RULES:

- Launch discount: 10-20%, short duration (7-14 days)
- Seasonal discount: 10-25%, predictable events (Black Friday, New Year)

- Annual prepay: 15-30% off monthly (increases LTV)
- Volume discounts: encourage larger purchases
- Referral discounts: acquire customers at lower CAC
- Avoid deep discounts (>30%) except for annual prepay
- Never discount more than once per quarter (trains bargain hunting)

How To Use It

- Avoid deep discounts (>30%) except for annual prepay.
- Launch discounts should be short (7-14 days) and limited quantity.
- Annual prepay discount increases LTV (15-30% off monthly).
- Never discount more than once per quarter (trains bargain hunting).
- Referral discounts are the most profitable (lower CAC).

Example Input

Product/Service: Project management software (\$15/month per user)

Regular Price: \$15/month per user

Customer Price Sensitivity: MEDIUM

Competitor Discount Practices: Asana: 10% annual prepay discount; Monday.com: occasional launch discounts; Trello: rarely discounts

Launch Stage: JUST LAUNCHED (seeking initial users)

Why It Works

Most discounts destroy pricing power.

This framework improves outcomes by forcing:

- launch discount discipline (short, limited)

- seasonal discount timing (predictable events)
- volume discount structure (higher AOV)
- annual prepay optimization (LTV growth)
- risk assessment (prevent bargain hunting)

Great discount strategies increase LTV without training customers to wait.

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