

TREMENDOUS

Win new customers with the right cashback offer

4 simple, research-backed ways to run promotions that convert.

[Find out how](#)



4 tips for acquiring new customers with cashback promotions

Simple strategies. Real bottom line impact.

Cashback promotions (aka “rebates”) can be a powerful lever for acquiring new customers and driving first purchases.

Today, many marketers do so by giving part of the purchase price back to customers via store credit, gift card, cash transfer, check, and other forms of payment.

A common example: “Buy our product, and we’ll give you a \$X store credit towards your next order.”

But which of these payment types is most enticing to potential buyers, and how should you present your offer to capture their attention? Our new research can help.



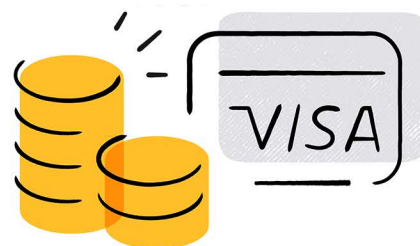
These tips are based on experimental research Tremendous conducted in partnership with The Decision Lab. It’s the first research on digital rebates in 20 years.

For more insight into how we did it, [take a look at our study methodology](#).

Tip #1: Offer cash or a prepaid card (not in-store credit).

Consumers perceive prepaid cards as \$130 more valuable than in-store credit.

- A prepaid card worth \$50 is as valuable to consumers as in-store credit for \$180.
- Offering cash or prepaid Visa cards instead of in-store credit is a lot more enticing to buyers.
- Consumers prefer cash transfers: PayPal, ACH, Venmo, etc. But these are challenging at scale. Tremendous offers these for a fee, or prepaid cards for free.



Tip #2: Frame your offer with the right language.

Present cashback in terms of dollars off the original price rather than a percentage off.

- Example: “Get \$50” is more compelling than “Get 10% back” on a \$500 item.
- In our experiment, rebates presented as a percentage were perceived as \$28.70 less valuable than rebates framed as a dollar amount.
- Inviting customers to “earn \$20” is slightly more enticing to consumers than saying they can “save \$20”, “get \$20”, or “receive \$20”.

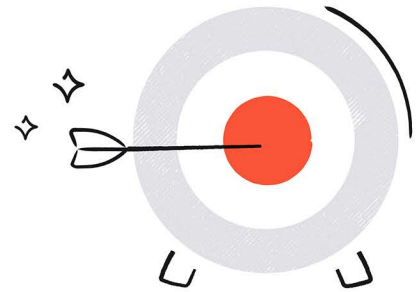


These language tweaks are free to make, and they can increase engagement.

Tip #3: Target a promotion worth 30% of the product price.

As part of our research, we reviewed 430 discounts and rebates across 21 e-commerce websites.

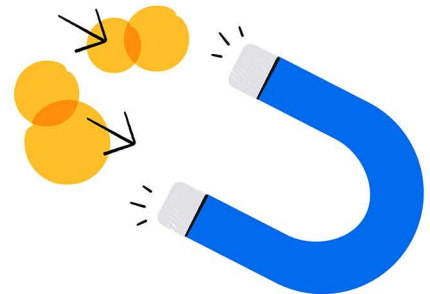
- The majority of promotions were in the 20-40% range.
- We found the most common rebate or cashback offer was for 30% of the sale price of the item.
- Toggle this percentage up or down based on what competitors in your industry are doing, and the sensitivity of your profit margins.



Tip #4: Make redemption easy, and label it accordingly.

Marketing a rebate as “easy to redeem” makes it feel a bit more valuable to prospects.

- Past research shows that difficult redemption processes can harm the perceived value of a rebate.
- In our study, employed adults in particular responded positively to an “easy to redeem” label.
- And even with a simple online redemption process, only a fraction redeem the payout.



Send cashback rewards at scale, in minutes, for free.

Upload recipients in bulk via CSV, or automate payouts with our integrations and dev-friendly API.

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