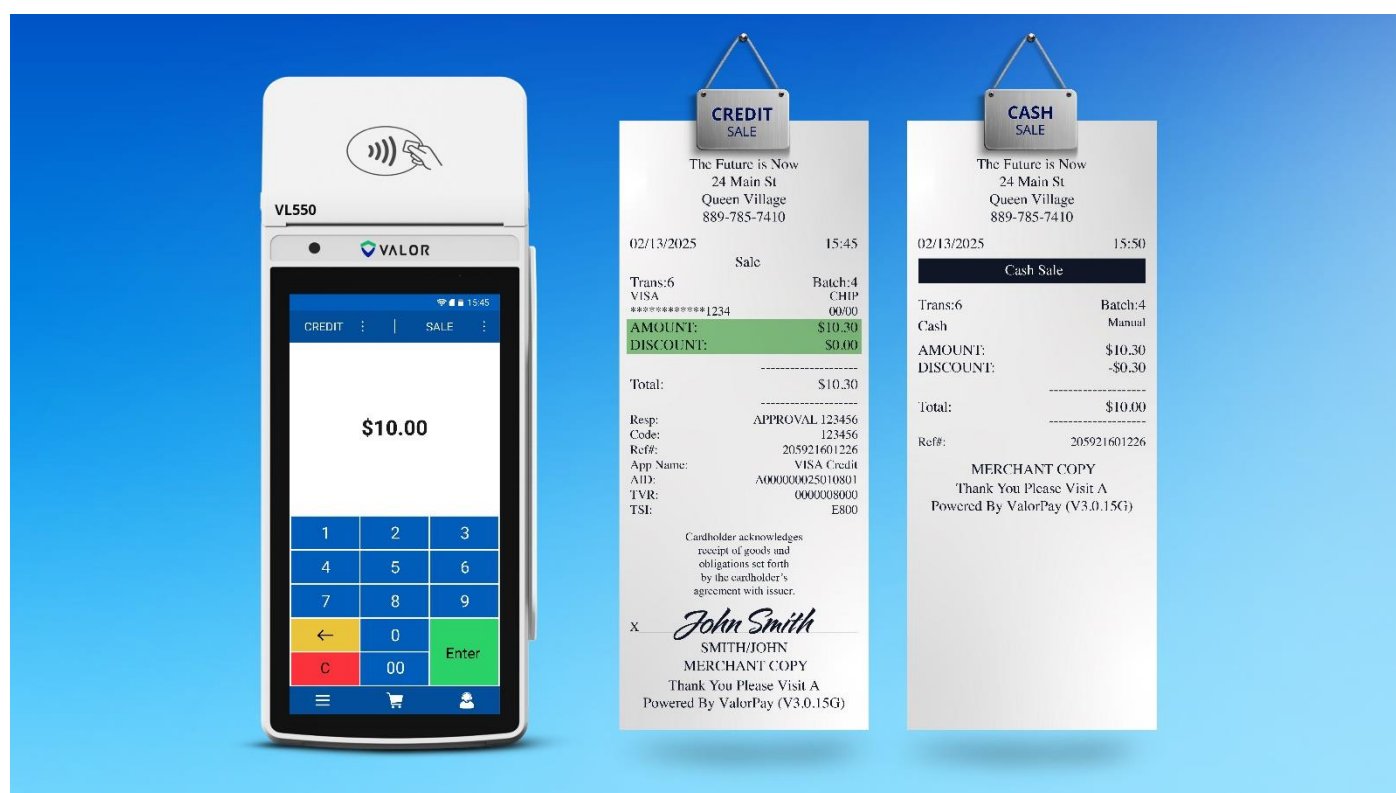# CASH DISCOUNT

USER GUIDE

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What is a Cash Discount?

A cash discount is a strategy that allows merchants to offer lower prices to customers who choose to pay with cash instead of credit cards. This program not only rewards cash payments but also helps businesses reduce the fees associated with credit card transactions.

By encouraging cash payments, merchants can increase profitability by avoiding the middlemen— such as credit card processors and banks—that typically add fees to card payments. This method is legal, and merchants can attract customers who enjoy receiving a discount on their cash transactions.

How Does Cash Discount Work?

A cash discount program is simple: the listed price of an item remains the same for all customers, but those who pay with cash receive a discount at the time of purchase. This means that while card users pay the full listed price, cash-paying customers enjoy immediate savings.

How is the Discount Applied?

- **Pricing Consistency**

  The merchant displays prices that apply to all customers, regardless of how they pay.

- **Automatic Discount**

  At checkout, if the customer pays with cash, a discount is applied, lowering the total amount due.

- **No Discounts for Card Payments**

  Customers paying by card simply pay the price displayed, without the discount.
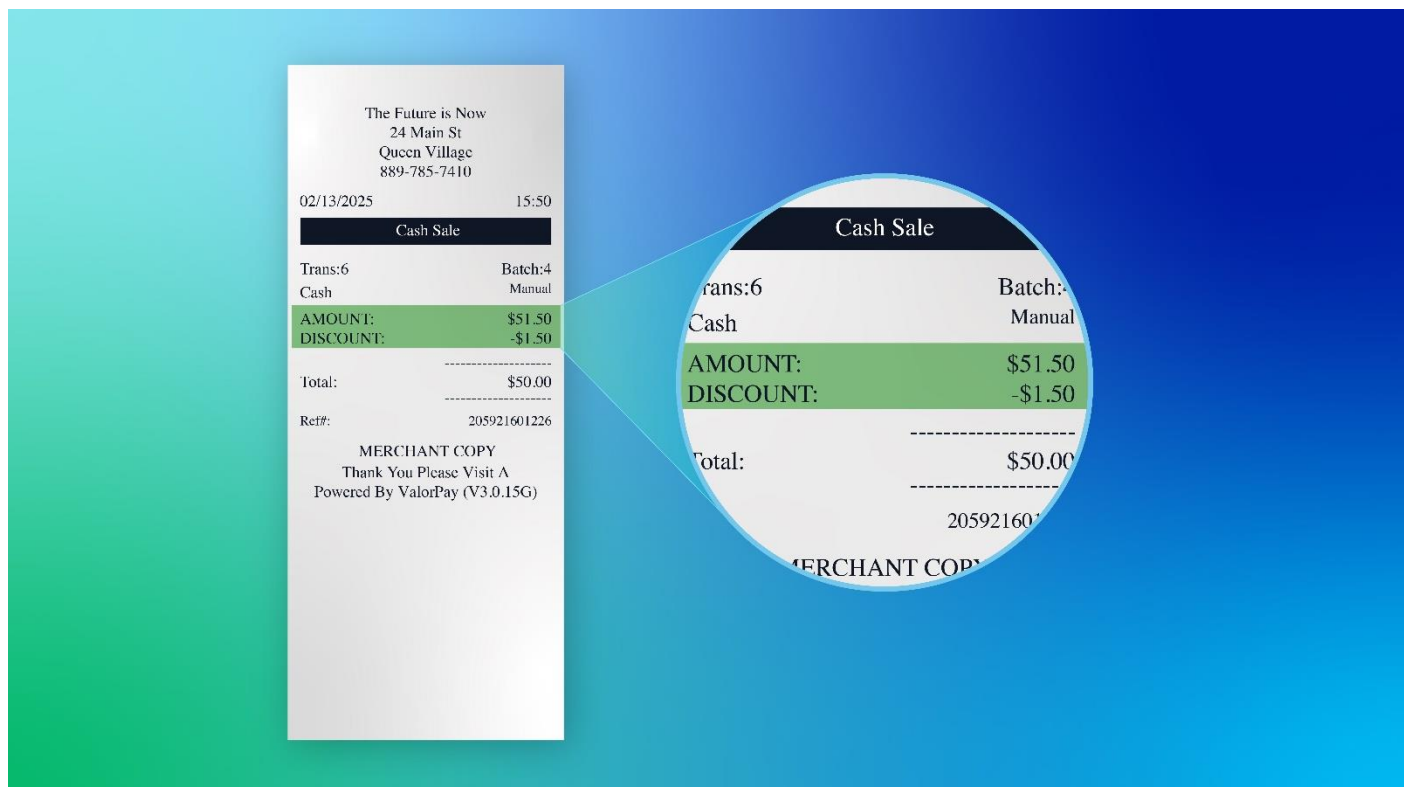
This approach allows merchants to reward customers who choose cash while maintaining straightforward pricing.
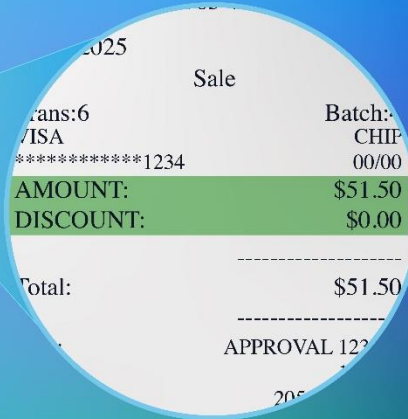
Example

To make this clearer, let's walk through an example:

Imagine a customer visiting a bakery to buy a cake priced at $51.50.

- **When the Customer Pays with Cash:**
  - The customer pays the listed price of $50.00.
  - The customer receives a cash discount of $1.50.

- **When a Customer Pays with a Card:**
  - The customer pays a total of $51.50.
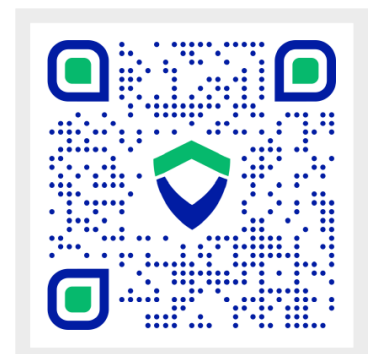 - There are no discounts applied.

THANK YOU

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