

Basically, up these  
kinds of products.  
one such



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Basically, rebates are acknowledged as accepted tools that are commonly used by both small and large business enterprises to encourage clients to buy merchandises. A rebate generally implies a deduction or refund that is given to a customer as a discount to reimburse a fraction of the buying price. Cash rebates are thus purported to serve various purposes since they are not merely permitting the evolving business enterprises to seize cash accruing from the undertaken transactions and accumulate interests generated in a particular time interlude, but they equally offer essential information appertaining to the clients and the bazaar.

Besides, cash rebates seem to be a kind of a proficient promotional tool other than just a price cutting technique given that not all merchandize buyers are willing to request for cash rebates (Belverd, 2010). Cash rebates is regarded as business ethical practice provided the clients are knowledgeable that the rebate is included in the commodity's selling price before the transaction and promotions are made. Furthermore, the technique becomes a sound business ethical practice only if the rebates application processes are visibly unveiled and the cash rebates are paid based on the agreed terms. It is therefore rather intricate to examine cash rebates as being unethical because the application for a rebate is based on an individual's will, and a client cannot necessarily receive it without making an application. Indeed, it might be inopportune from a client's discernment to receive cash rebates due to the application processes that have to be undertaken (Fabozzi, 2000). However, if a business enterprise cannot afford to decrease the prices charged on the commodity after offering the cash rebates, then it would rather be better for the customers to purchase the

services and products at full prices. A good business illustration where the cash rebates seem practical appertains to the case of printers. Basically, printers are traded at the feasible least prices to entice clients to buy the proprietary merchandise.

Thus, the printers market is very competitive with respect to hardware pricing and this normally tends to make the sales margin awfully petite. Most printers are often vended in retail stores which profoundly hinge on encouragement actions to enhance sales. Hence, the printer dealers always fancy dealing with producers who habitually encourage the buying of their respective commodities (Hill & Jones, 2007).

Hardware such as printers and other durable consumer goods normally have low margins and a majority of producers employ the most effective means possible to prop up these kinds of products. One such means is the use of cash rebates which have amongst other merits, considerable low effectual cost of marketing. This is generally achieved through floating the minimum rebate between eight to ten weeks before its issue. Whilst the purchasers will be unable to apply for the rebate, producers expect greater profits from inflated prices. Most of the manufactures will encourage consumers to give their personal details to qualify for the reimbursement. Producers use these personal details to promote the utilization of printers and as a result augment their sales. It is equally critical for clients to present appropriate information besides the information that is worth for the business to qualify the discount (Fabozzi, 2000). In return, the consumer get cash rebate rewards corresponding to the guarantee cards which are usually packed together with the majority of the long-lasting consumable products.

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Customer details are not only used to promote these products but are also sold to other producers and marketers who in most cases sell the same goods and services. Further, manufacturers can use the customer information as source of data to analyze the behavior of their consumers (Belverd, 2010). The information provided by the customer can also be kept as data base for future studies about the customer's uniqueness. In some cases, businesses use the receipts from sales to check the merchandize price performances in the marketplace. Fabozzi (2000) observed that those companies whose gains rely on the sale of supplementary products after the original sales also find cash rebates extremely important. This is because cash returns reduce the costs of marketing activities in addition to encouraging the customers to give out most important and private information that are used by the manufactures to promote their products.

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