

Using Guarantees to Boost Small Business Profits

By David Frey

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One of the reasons people don't buy from you is the risk they are taking in purchasing your product or service. Risk of making the wrong decision. Risk of losing money. Risk of not receiving what they paid for. Risk of not being satisfied and then not being able to recoup their loss.

There are a number of risks that people must hurdle over to you're your product or service. One strategy to overcome these risks is to offer a rock solid guarantee that will make their purchase risk free, or at least decrease the risk as much as possible.

A strong guarantee makes it less threatening for people to consider your offer. You lower the barriers that prevent people from doing business with you. You give them a compelling reason to buy today without fear of looking bad tomorrow.

By removing the risk to buyers through guarantees, your business will stand out. You'll make it easy and fun for people to buy from you and your profits will dramatically increase.

I understand that delivering any product or service is not risk free, but by stating and trumpeting your guarantee it will decrease the risk in your prospects mind and increase their trust and willingness to buy from you.

The Guarantee Myth Revealed!

Businesses shy away from making strong guarantees because they think that a large percentage of their customers will take them up on it. In studies, that has proven to be false. At most, only about 1-2% of your customers will ever take you up on your guarantee.

Ask yourself the following questions:

- How many of my current customers have complained to me about my products or services in the past month?
- In the past year?
- How many of my customers have asked me for their money back or to replace a product or redo a service that you've provided?

You'll find that if your product or service is of acceptable quality (even mediocre quality), you should have few complaints, if any. (If you have a lot of complaints, that's OK. Now you know where to focus your efforts!)

The notion that your customers will take you up on your guarantee too often is a myth. It doesn't happen. Humans are generally non-confrontative and don't want to make a big issue of things (there can be a downside to that as well).

If your customers are mostly satisfied now, there's nothing to worry about. By offering a risk-free guarantee, you'll simply call more attention to the quality you already have in place.

Make the strongest promise you can comfortably live up to, and feature it prominently in all your marketing materials and don't worry about the myth that you'll lose your shirt redoing services or replacing products. It just doesn't happen.

The Invisible Guarantee

What's that you say, you don't have a guarantee? Wrong. 99% of all small businesses already have a guarantee - but they just don't know it nor do they publicize it.

Let me explain. If a customer called to complain that the work you did was unsatisfactory, what would you do

to fix the problem? Would you tell them, "Sorry, we can't fix that for you." or "Sorry, let the buyer beware."? No, you would probably offer to redo the work or replace the product. You would do what it takes to make your customer happy.

You see, you probably already have a strong guarantee but you don't publicize it because you think that a bunch of your customers would come back and take you up on it (I'll talk more about that in a minute).

If you're already honoring an invisible guarantee you need to start publicizing it. It's a powerful hidden asset in your business that you're not exploiting.

-- Sidebar --

If you're not taking care of your customers (whether you have a guarantee or not you should be. It just makes sense. Especially when you consider that according to one recent study, a satisfied customer tells one person about your company. But an unsatisfied customer tells NINE people. You need to put those numbers in your favor. You need to satisfy your customers and a guarantee makes it all possible.

-- End Sidebar --

Six Steps to Creating a Rock Solid Guarantee

Now, here's a step-by-step method for creating your guarantee and using it to supercharge your marketing efforts.

1. Look At Your Competitors.

Go through the Yellow Pages or the newspaper to search for other business' guarantees. Better yet, just have someone call and ask them about their guarantee. Look outside of your specific marketplace for good guarantees. Write them down.

When you finish your research, what patterns do you see? Are there many guarantees in this industry? What kind did you find? Guarantees of specific performance? Or the more common, dull-as-dishwater, "Satisfaction Guaranteed" variety?

2. Look At Your Strengths.

What area of your business is a strong point for you?

Do you do very fast installations, are you great at maintenance, do you respond quickly to customer queries? Do your products or services produce consistently outstanding results? Do you have the widest selection in town? Do you save money for your customers?

3. Guarantee Results.

Think about what specific RESULTS a customer wants when he or she buys your products for services. What good things happen when customers use your products? Better relationships? More money? Reduced stress? Write down the answer in specific detail, and then guarantee that outcome. (Just make sure you can fulfill on your promise.)

A delivery company that works fast can guarantee delivery times -- by 10:00 a.m., or within 24 hours. Do you have the widest selection in town? Guarantee it by daring customers and competitors to find more products somewhere else (just be sure you can back this up). Do NOT simply guarantee "satisfaction." Guarantee in detail what that satisfaction will look like to your customer.

4. Choose A Payback.

As unlikely as it is that you'll be making good on your guarantee (remember -- only about 2% of customers will ever take you up on it), you want to create an attractive payback in case customers are unsatisfied. Ideally, it won't cost you much but will have a high perceived value.

A hassle-free, money-back guarantee is a good place to start. But try to dress it up a bit. Remember, a better-than-risk-free best guarantee is the best guarantee of all. Yours should exceed customer expectations and be memorable.

5. Start Small, Test And Track Your Results.

This is vital! You must know how well your guarantee is performing before you make it a permanent part of your marketing. How? You might advertise the guarantee in only one of the publications you advertise in. Or you mention it on your telephone message. Or on one set of business cards. Or in a letter that you send to a small segment of your customer base. Then, track the results.

How much have sales increased over your previous totals

before you had a guarantee? Be sure to test at least two combinations of your guarantee to find the one that works best for you. You can guarantee results for 30 days in one test and 90 days in another (longer guarantees generally work better). You might even use a lifetime guarantee. Experiment!

6. Get The Word Out.

Once you've tested and found a guarantee that you're comfortable with, publicize it! Make your full guarantee -- in writing -- a part of your advertisements and marketing communications. Put it in your newspaper and Yellow Pages ads, your business cards, your Website, your letterhead, your brochures, etc.

Breaking Down Your "Soft" Guarantee

Breaking down your guarantee into specifics can turn a weak guarantee into something powerful that builds trust and reduces skepticism. This tactic works well not only for "hard" guarantees but especially for "soft" guarantees.

What are a "soft" guarantee and a "hard" guarantee? Hard guarantees provide a promise based on specific results. For instance, assume you have a flat tire and you get it fixed by a company that guarantees you that if your tire gets a puncture wound within the next 12 weeks you can bring it back and they'll fix it for free.

That's a hard guarantee because it makes a promise based on specific results. You should always try to use hard guarantees in your marketing message because they are more powerful and tend to stir people's emotions.

However, what if you have a product in which you can't make a promise for specific results but want you want to let your customers know that you still stand behind your product.

This calls for a soft guarantee. A soft guarantee makes promises based on generalities and not specifics. For instance, "We guarantee to be kind to you." This is a soft guarantee because it's very general and not specific. You should be kind anyway.

A technique for turning your soft guarantee into a

powerful statement is to break it down into pieces and explain what each part of your guarantee means. The following is a live example from a credit counseling company for which I just did some copywriting.

Allow me to give you an example from a recent copywriting project that I did for a credit counseling firm. This company didn't want to make any hard, fast promises (unfortunately, that's typical of most businesses). But they did want to express that they were willing to stand behind their product.

So what I did was take their general marketing statements and break them down into guarantees. Each guarantee taken separately is weak but when they are put together it makes for an impressive statement.

The Soft Guarantee - A Live Example

We stand behind our promise to help you reach your financial goals. We don't just talk the talk. We walk the walk. In fact, we'll walk with you every step of the way.

Here at Acme, we not only stand behind our services but we tell you what it means by clearly spelling it out for you.

Guarantee #1 - The "Pay Off Your Debt Faster" Guarantee

We have experienced counselors who help people like you every day to develop a comprehensive financial plan that results in paying off your debts faster than you ever could have on your own. In nearly every case, we'll take years off your payment schedule allowing you to reach your financial goals sooner than expected.

Guarantee #2 - The "Be Courteous and Understanding of Your Situation" Guarantee

Our representatives are understanding and respectful of your situation and will talk with you on a human level. Many of our counselors were in the same position as you not long ago and so they intimately understand what you are going through and can empathize with your situation.

Guarantee #3 - The "Pay You Money Back" Guarantee

At Acme we have created an exclusive and unique incentive plan called the "Pay Off Your Debt" program. We promise that if you qualify for this program and make all your payments in full and on time for six months, you'll received 50% of the "fair share" funds that we've collected on your behalf.

Guarantee #4 - The "Simplify Your Debt Payment Effort" Guarantee

We make bill paying ultra-simple. You'll make only one simple payment to Acme and we'll do all the dirty work of paying all your bills. We will stop all the creditor hassles, nagging phone calls, and bill collection letters by helping you consolidate your payments into one simple monthly payment.

Guarantee #5 - The "Provide 24/7 Access to Payment History Information" Guarantee

Our state-of-the-art telephone system allows you to access your payment information twenty-four hours a day, seven days a week. You'll never be in the dark again about when your payments come in, when they go out, and any other payment information you need to know.

Notice that each one of the guarantees is general in nature. Individually, they are weak guarantees but put together they make a strong statement and in the credit counseling industry (where no one makes any promises) it has set them apart from their competitors.

Making Your Guarantee Your Unique Competitive Advantage

Companies that make their guarantee part of their Unique Selling Proposition have prospered. Have you seen the commercials for the Men's Warehouse in which the CEO says, "You're gonna look good. I GUARANTEE it." That one phrase has made the Men's Warehouse the most successful men's retail chain in the nation.

The ability to differentiate your business by the guarantee that you provide will set you apart from your competition because most companies don't use their guarantee as a unique selling proposition.

This is especially true with service companies. For example, I know a small business tax consultant whose

unique selling proposition is, "I GUARANTEE that I can save you 15% more money above and beyond what your current CPA or financial advisor is saving you today." Now that's a bold guarantee. It's no wonder his practice is full.

Another associate of mine runs a small business marketing firm (much like mine) and his unique selling proposition is, "I GUARANTEE that with my help you'll double your business revenues and profits within 12 months or my services are free."

What I'm suggesting is that you make your guarantee a focal point in your marketing efforts. Your opportunity lies in how aggressively you're willing to tell the world about your guarantee. To the extent that you do, you'll enjoy a competitive advantage over all other companies in your industry. Your business courage will pay you tremendous long-term dividends.

Magic Words to Create Powerful Guarantees

How you word your guarantee can make all the difference in the world. Power words and phrases significantly boost your sales and response rates. Here are few strong words and phrase that will bring some zing to your guarantee:

- Take-It-To-The-Bank
- Better-Than-Risk-Free
- You Can't Lose
- Unconditional, Money-Back Guarantee
- Your Money Back, No Questions Asked
- I Personally Guarantee
- No Way That You Can Lose
- 30-Day Free Examination
- No-Questions, No-Quibbles, Money-Back Guarantee
- Iron-Clad Money-Back Guarantee
- 100% On-The-Spot Full Refund
- My 110% "Call me Crazy" GUARANTEE!

- Absolutely No Risk To You!
- 100%, no-hassle refund!
- My 110%, No-Fuss, No-Questions, "Take-It-or-Leave-It" PROMISE!
- No Pussyfooting Around And Get Every Single Penny Back GUARANTEE!

There's no better place to find some of the most powerful copy written guarantees than on the Internet. Here's a few that I think are heads and shoulders above the rest.

Most are for information products so keep that in mind. As you read these notice that each guarantee has its own headlines. Your headline is 80% of your guarantee.

Sample Guarantee # 1 - Yanik Silver - Instant Sales Letters

[http://www.marketingbestpractices.com/a/salesletters . htm](http://www.marketingbestpractices.com/a/salesletters.htm)

100% Better-Than-Risk-Free-Take-it-To-The-Bank Guarantee:

I personally guarantee that if you make an honest effort to try just a few of these proven sales letters in your business, you'll produce at least 10 times your investment in profits within the next 60 days. That's right, 10 times extra profits you wouldn't have made if you didn't send out these sales letters. You've got 2 full months to prove to yourself these templates really do work. But if you aren't 100% satisfied, let me know and I'll issue you an immediate, no-hassle refund right on the spot. Plus, the free bonus gifts are yours to keep regardless, just for your trouble.

Sample Guarantee # 2 - Kirt Christensen - Buying Web Businesses

[http://www.marketingbestpractices.com/a/webbusiness. ht m](http://www.marketingbestpractices.com/a/webbusiness.htm)

Here's My 125%, Walk Away, "No Hard Feelings," No Fuss, Full Money Back Guarantee!

I'm so convinced that you'll be absolutely delighted with your membership that I'm prepared to give you an iron-clad, 30-day, "Take-It-Or-Leave-It," totally outrageous GUARANTEE.

This "impossible-to-turn-it-down" guarantee is simple:

Try my Buying Web Business Power Mentoring System out for a full month, read through the entire site, download all of the bonuses, post questions on the private discussion board to your heart's content and use the step-by-step checklists.

If you don't pick up at least one good idea that can help you get every penny back in less than 30 days, simply cancel and owe us nothing. In other words, if you're not totally delighted with the techniques you've learned, drop me a line...

I'll refund your \$29, right there, on the spot!

Simply put, I'll gladly issue you a refund and we'll part as friends, no harm done. What could be fairer than that?

(Of course, on top of my "No Hard Feelings," 30-day money back guarantee, you can simply cancel your membership at any time. Billing will stop from that point on. No problem!)

Sample Guarantee # 3 - Ted Nicholas - How I Sold \$400M Worth of Products

<http://www.marketingbestpractices.com/a/ted.htm>

30-Day Ironclad Money-Back Guarantee

Not to worry. You may order the book with no risk whatsoever. Review it for 30 days. If you are not delighted, upon request you will receive a prompt and courteous refund or credit.

Sample Guarantee # 4 - Jeff Gardner - The Ultimate Million Dollar Idea Generator

<http://www.marketingbestpractices.com/a/ideas.htm>

Stronger Than Steel No-Risk Money-Back Guarantee!

I'm so confident that my proven system will help you create mounds of exciting new product ideas, that I'm standing behind it 100% with this remarkable guarantee:

Get The Ultimate Million Dollar Idea Generator - and if you don't instantly believe it's worth 100 TIMES the amount you paid for it, let me know - and I'll refund every penny! No Questions, No Headaches, No Hassles! And you can keep all bonuses, worth \$196.75

- Absolutely FREE - as my gift for checking out my complete Million Dollar Idea System.

Sample Guarantee #5 - Alex Mandossian - Marketing With Postcards

<http://www.marketingbestpractices.com/a/postcard.htm>

"I'll Absorb the Burden - Risk Free Guarantee"

I'll tell you what ... I'm willing to absorb your entire burden of risk, if you're willing to do what it takes to find out. So, here's my unconditional, 100% lifetime guarantee that makes your decision a no-brainer:

If, at any time, you're not completely satisfied with Market with Postcards, I'll personally send a UPS driver to your front door, pick up the manual and CD-ROM, and refund your entire purchase price, including shipping charges! You can keep the \$650 in free bonuses as my gift to you, and we'll part as friends. Fair enough?

Sample Guarantee #6 - George McKenzie - Going Public: 10 Ways To Use The Mass Media For Free Advertising

<http://www.marketingbestpractices.com/a/public.htm>

You Can't Lose With Our 100%, Ironclad, Money Back Guarantee

Your satisfaction is assured through our no risk, you-can't-lose, 100%, no-questions-asked, iron-clad money back guarantee. If for any reason, you aren't thrilled and satisfied with our product, just contact us (or send the product back) within one year and

we'll refund 100% of your purchase price. No hard feelings, and you won't have to ask twice.

If you're a smart business person, you don't just hand over \$47 without a reasonable assurance that you're getting your money's worth. So how about this? Don't decide now if this product is for you.

Just get it and try it out. If it doesn't do everything I say and more, if you don't save money, time and frustration, if it isn't life-changing, if it doesn't work for you, you have nothing to worry about because you can get every dime of your money back under our no-loopholes guarantee. So you have nothing to lose and everything to gain.

Sample Guarantee #7 - Lee Benson - Ezine Tactics

<http://www.marketingbestpractices.com/a/ezine.htm>

The Triple Your Money's Worth, String-Free Warranty

It's simple. If you're not absolutely, entirely and utterly thrilled with your purchase within one year from the date you bought it, you get a full refund plus you'll get to keep any of the material that you've already downloaded from our website.

All I ask is that you give it chance, for your own sake. Yes, these strategies do work. My advice will make you profit, I absolutely guarantee it... but only if you take action and follow the advice for your own inspiration.

If you don't make a return on your investment with my package, I don't want your money. Instead, you will get a full refund of 100% as well as the knowledge you've earned from the package and the free consultations giving you at least three times the worth of your investment.

Sample Guarantee #8 - Ken Evoy - Make Your Knowledge Sell

<http://www.marketingbestpractices.com/a/myks.htm>

"You will gross at least 1,000 times your purchase price within two years, or we'll refund 10 times what you paid for MYKS!"

That's right -- 10 times your money back if you fully use the strategies of the MYKS! package over the next two years and you don't pull in at least 1,000 times your purchase price. There is only one single, simple, common-sense condition (that protects both of us)...

Make a full, honest effort over the two-year period. Use all the relevant techniques, tools, suppliers and devices in the Complete ToolKit, as appropriate.

Conclusion

You guarantee can be one of your most powerful marketing tools. Unfortunately, the vast majority of businesses just don't want to place a strong guarantee on their product or service. They're too afraid of the perceived negative consequences.

It's a pity.

Develop a guarantee today that stretches you to the limits and test it. If it doesn't work for you...fine.

I "guarantee" that it will though and you'll start winning customers with ease.

Happy guarantees!

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