

THE BUSINESS GROWTH SYSTEM VAULT

How To Transform Your Business
Into A Money-Making Machine

**Marketing Asset #5:
Guarantees**



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GUARANTEES

INTRODUCTION

As you know, the benefit of your product or service is gained only after the sale is made. Sometimes this can be days, weeks, months or even years after the sale was made. This in itself places an enormous risk on the shoulders of would-be customers. It's this risk that often prevents them from buying.

However, if you lower or eliminate the risk, then the natural consequence is people will be more inclined to buy from you. Agreed?

That's the secret of creating a powerful risk reversal or guarantee.

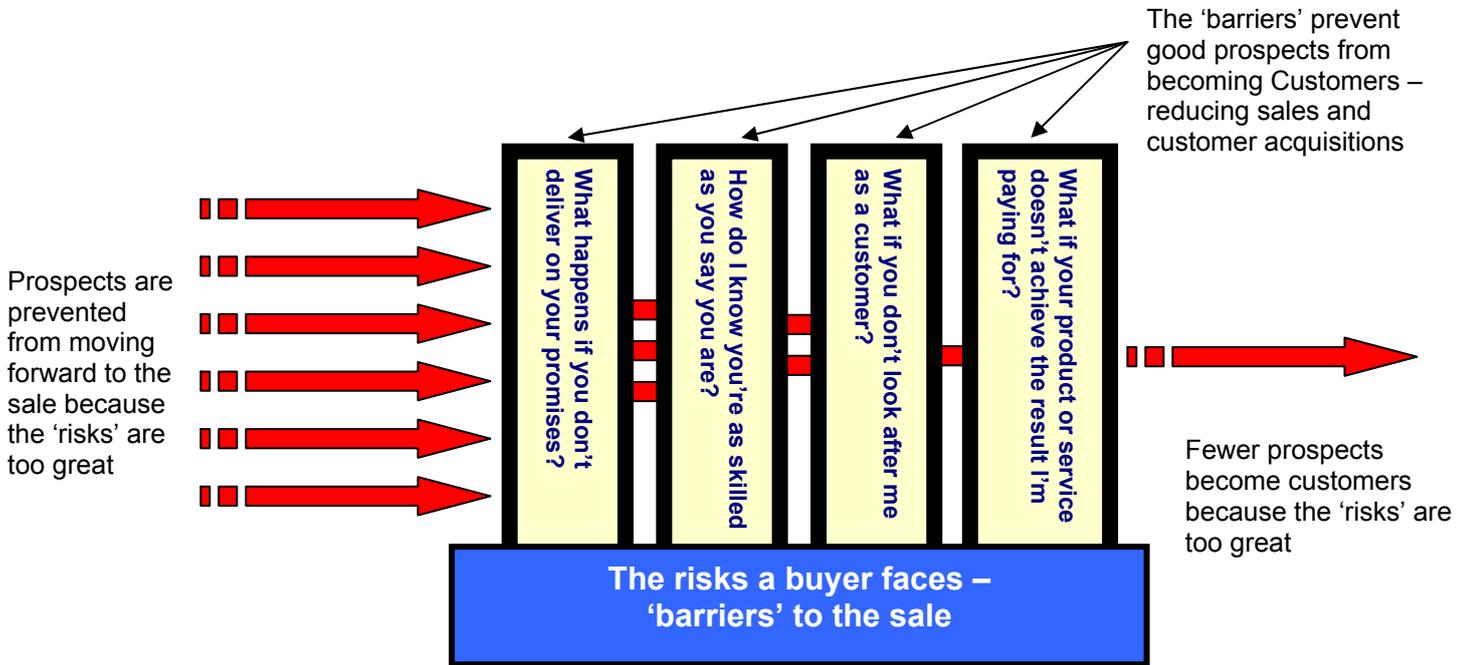
The risk reversal is nothing more than a simple method that takes the 'barriers' away from the purchase and ensures objections and worries are taken away, making it easier and less risky for customers to buy.

To show you how this Marketing Asset works, please see the diagrams on the next page...

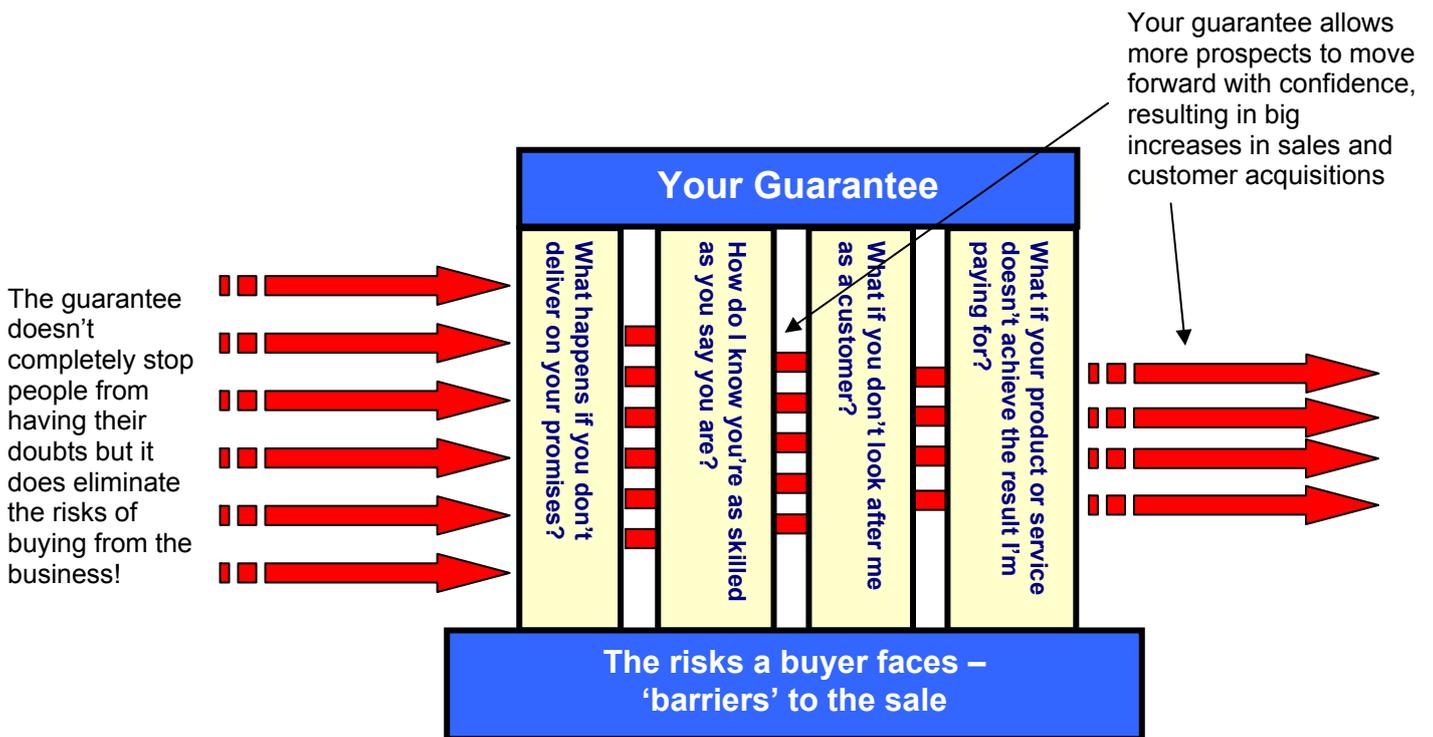
Please Note:

Don't forget, you can use your guarantee or risk reversal as your UPB or as a way to make the UPB even stronger.

TRADITIONAL APPROACH WITHOUT RISK REVERSAL/GUARANTEE



OUR APPROACH – USING A RISK REVERSAL/ GUARANTEE



As soon as you add a guarantee to the business you...

- Remove the risks so you automatically gain more sales and customers
- Automatically differentiate your business from the competition
- Your prospects will value the business much more, because they'll automatically assume you must be excellent at delivering your product or service (“why would they offer a guarantee if their product or service wasn't great?”)

The ultimate is to guarantee the result of your product or service and add a ‘penalty’ should you fail to deliver on your promises. Here's how it looks...

Perfect Guarantee	=	Guarantee the result or benefit of product/service	+	Penalise the business if result not achieved
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Please bear this in mind. This one Marketing Asset can significantly grow your business and quickly!

Before moving on, let's take a closer look at risk reversal and further explain what risk reversal is all about.

DO YOU HAVE ANY FEARS ABOUT PUTTING IN PLACE A GUARANTEE/RISK REVERSAL?

As you start formulating the guarantee/risk reversal you may get nervous. So let us ask you a couple of simple questions. First...

“Do you stand behind what you do?”

Of course you do. Therefore...

As long as you provide a good product or service to your customers (it doesn't have to be great), then risk reversal will draw prospects to you like a magnet – and be a massive help for you when converting enquiries into sales.

“What do you currently do if you let one of the customers down in any way?”

We’re sure you’ll do everything you can to put it right. So...

Your risk reversal states what you’ll do right up-front if something like this occurs. So you might as well use risk reversal to your advantage, rather than keeping it quiet!

One question YOU may be asking yourself is this: “Won’t people try to abuse what I am offering?” “Won’t I lose a lot of money with this?”

The key, of course, to successful risk reversal is this – if you offer a good product or service, then you have nothing to worry about.

However, we cannot say no that one will ask for a refund or for their money back (or whatever your risk reversal states). What we can say, though, is that for every one of these, you will attract many more prospects and customers by simply offering a risk reversal in the first place.

Don’t worry about this. Your risk reversal is usually the one thing that tips the scales in your favour. Because you offer risk reversal your prospect thinks and assumes the following things about you...

1. “If you’re offering this risk reversal, you must be very good at what you do.”
2. “You would be ‘stupid’ to offer such a guarantee if you were poor at delivering your promises.”
3. In the prospect’s mind the risk reversal has ‘proven’ to him or her that you can give them exactly what they need.
4. More importantly, when most people choose to buy a product or service, they choose it for perfectly **good reasons** and intentions. And they spend time making their decision. They wouldn’t choose you in the first place if they wanted to capitalise on the risk reversal.

HOW RISK REVERSAL WORKS

Here's a simple example of how risk reversal works:

A man wants to buy a puppy for his daughter. He responds to two ads in the local newsagent's window. He examines the first puppy and it seems ideal in temperament and looks. The owner says to the man, "If the dog isn't right for your daughter, bring it back in one week and I'll give you your money back."

Clearly he appreciated the value of risk reversal but he didn't fully understand it!

The man then goes to look at the second puppy...

Again it seems ideal in temperament and looks. Only this time the owner says, "Your daughter is obviously looking forward to her new puppy and it's important that she's totally happy with it. Please take the puppy, let your daughter play with it, look after it, and get to know it. If after three weeks the puppy is not right for her, bring the puppy back, and I'll refund your money in full and give you £25 for your time, effort and trouble."

Now, this man really understands risk reversal. First he extended the 'trial' period. He knows that his puppy is a good dog. He also knows after three weeks the puppy and girl will be inseparable. He totally reverses the risk.

You also need to understand this...

The company that reverses the risk, automatically gains competitive advantage and wins more business – in fact, much more! This competitive advantage is very significant when attracting new clients or customers to the business.

Here's a very powerful guarantee. It's from a pest control company called BBBK. Their guarantee is aimed at hotels and restaurants:

"You don't owe one penny until all the pests on your premises have been eradicated... if you are ever dissatisfied with BBBK's services, you will receive a refund for up to 12 months of the company's services... plus fees for another exterminator of your choice for the next year.

“If a guest spots a pest on your premises, BBBK will pay for the guest’s meal or room, send a letter of apology, and pay for a future meal or stay... and if your facility is closed down due to the presence of roaches or rodents, BBBK will pay any fines, as well as all lost profits, plus \$5,000.”

Although we don’t know for certain, it’s easy to **assume** several things about BBBK from this guarantee...

- They are very good at pest control
- They understand the concerns of their customers with regard to hygiene
- They are very successful at attracting new customers!
- They are probably providing very similar services to their competitors. However, they understand risk reversal. Their **profits**, I’m sure, will reflect this!

EXAMPLES OF RISK REVERSAL STRATEGIES

Property Management:

Try us FREE for six months (180 days). During this time we'll carry out all the property management tasks necessary for the smooth running of your property portfolio. If after this time you don't think we're managing your properties better than anyone before and we don't meet your high expectations, then you can simply stop the arrangement at absolutely no charge to you or your company.

Management Consultant

Our Guarantee to You

1. The work we do in the first month will show you our skills. If at the end of this first month you do not think that we will achieve the objectives set, we will not invoice you for the work and we'll walk away – no quibble!

2. After the first month you can terminate our arrangement at any time if you are unhappy with the work we do. You just pay us for the work we've done.
3. If after the first 12 months following the completion of an assignment, you haven't had a return of at least 150% on your investment, we'll return all the fees you've paid.

Network Organisation

Guaranteed 500% return on your investment within the first 12 months or we'll:

1. Refund your whole membership fees

AND...

2. Allow you to keep the first year Go M.A.D. videos worth £885.00, and the 12 months of audio tapes worth £130.00

AND...

3. We'll give you the fourth Go M.A.D. video worth £295.00 just for your trouble

Computer Software Training

Train with us for two hours. If you don't think the training is of great benefit to you, then you can say so and walk away. We'll refund your money immediately – no questions asked.

Message Taking Service

Try our telephone answering service FREE for 30 days without any cost or obligation. If after 30 days you're not totally satisfied, we'll cancel the service and you'll owe us nothing!

Telemarketing / Lead Generation

Generating You Sales Leads For Just £65 Each

You only pay for the sales leads we generate. You don't pay us a single penny for unsuccessful calls. If we generate 10 quality sales leads for you, all you pay us is £650. If it took us 100 or 1000 calls to generate these leads for you, it doesn't matter – you still pay us just £650 – interested?

Accountancy Firm

FREE Three-Month Trial – No-Risk Guarantee

- For the first three months, all Partner time will be absolutely FREE of charge. You don't pay us a single penny!
- You also have access to our FREE telephone support helpline.
- If you're not happy after three months with the additional services we provide, such as payroll, bookkeeping, and tax returns, we will refund to you all the fees you've paid.

Carpet Cleaning

If after cleaning your carpet you don't think it's the cleanest your carpet has looked since new, we'll clean it again. If you're still not satisfied, we'll refund your money in full!

Estate Agent

We promise to sell your house within 12 weeks. If we don't fulfil our promise we'll give you £500. Yes, give YOU £500.

Restaurant

Your meal is on us if for whatever reason you are less than delighted with our service and quality of food.

Retail – Women's Fashion Boutique

Your purchase is fully protected by our quality guarantee: First, if for any reason at all you want to return the garment within the first 21 days, we'll give you a cash refund. Second, if within the first 9 months (not including normal wear and tear) any fault occurs with the garment, bring it back and we'll replace it or give you a full and courteous refund.

Printing Device Products

Here's my way of standing behind the Tri-Creaser 100%. The Tri-Creaser comes with this unique guarantee...

Unique Five-Tiered Risk-Free Guarantee

Guarantee 1: If your Tri-Creaser isn't as easy to use as we say it is – even the first time you use it – and doesn't save you hours of time, send it back for a full and courteous refund.

Guarantee 2: If your Tri-Creaser doesn't eliminate fibre cracking on materials ranging from 150-350 gsm – send it back for a full and courteous refund.

Guarantee 3: If after three whole months you are not satisfied with your Tri-Creaser for any reason, or no reason at all, send it back to us for a full and courteous refund.

Guarantee 4: If after 12 months your Tri-Creaser hasn't saved you more than five times the cost you paid, return it to us for a full and courteous refund. Just take a photo of the Tri-Creaser on your folding machine before you send it back to demonstrate you at least tried it out.

Guarantee 5: The Tri-Creaser comes with a full three-year workmanship guarantee. If for any reason the Tri-Creaser malfunctions in any way in the first three years, we'll replace it immediately – at no cost to you!

Hopefully these examples will have stirred up your thought processes.

Notice how comforting they are. If you were buying any of these products or services, how would you feel about these companies? Would you be inclined to use their products or services?

That's the power of risk reversal. It makes the buying decision very easy for the customers.

Remember, anything is possible. Your customers will appreciate you on a much higher level and you'll attract many more of them as a result!

Now let's look at how to construct a powerful risk reversal...

CREATING A POWERFUL RISK REVERSAL

Putting in place a risk reversal is quite simple. Here's what you need to do...

STEP 1: ANSWER THESE QUESTIONS

First, you need to ask yourself the following questions and write the answers down...

1. Do I get many customer complaints about our product or service?

Please Note:

This question is asked in the Health Check Diagnostic.

If you don't get many complaints about your product or service, then risk reversal will definitely help you quickly grow the business.

If in the unlikely event you do get lots of complaints, you need to start putting things right (using Moments Of Truth – see Customer Maximisation Vault). If this is the case, you can't use risk reversal until you reduce your complaints (this will only take a few short weeks to achieve).

2. What is the end result my customers are getting from receiving my product or service?

Ask yourself how you can guarantee customers will receive this result?

Please Note:

Don't forget your risk reversal should be completely focused on your chosen target market(s)!

3. Do my competitors offer any guarantees? If they do, what are they?

Very few people have grasped the concept of risk reversal. But it is still worth finding out if any of your competitors offer guarantees or a risk reversal.

You'll know the answer to this, having conducted your competitor research!

If they do – don't worry. Just work out how you can better it – and it's easy. For example, if they offer a one-year money-back guarantee, you offer a three-year money-back guarantee with a penalty, etc.!

4. What are the three main things that can prevent my customers from buying from us?

This really looks at the three main objections the customers may have before buying. In many cases, the three main objections when people are buying products or services are: cost, doubts about expertise and concern that you won't deliver the number-one result they are seeking.

If you can guarantee all these objections in some way – you're onto a real winner.

5. What are the main three irritations/frustrations customers have about your industry in general? How can I overcome these?

Most industries have common irritations that people dislike. Solicitors, for example, have a perceived poor reputation for charging clients for every single minute of their time – whether or not it's productive time.

Think about what irritates the customers and see if you can overcome these irritations. Delivering a risk reversal that ensures people's worries or irritations will not occur, is a very powerful approach.

6. What is the pain or fear the customers have?

Your product or service gives the customers a result. But what 'pain' could they have if the product or service wasn't available, or the product or service didn't fulfil its desired result?

Go where the pain is and construct your risk reversal around it.

STEP 2: ADD SOME KIND OF PENALTY FOR NON-DELIVERY

What ‘pain’ or ‘loss’ can you inflict on your business if you don’t follow through with your promises?

This is a very important element of your risk reversal. Remember the simple ‘formula’ we showed you earlier...

Perfect Guarantee	=	Guarantee the result or benefit of product/service	+	Penalise the business if result not achieved
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What you want to do is penalise the business (in the guarantee) for not fulfilling the promises set. This could be a monetary penalty, a service-oriented penalty (carry out service again at no cost), a product replacement penalty, or anything you can think of!

STEP 3: REFINE

You should now have an excellent picture of what you can and can’t include in the risk reversal. Now you just need to put it together (using the equation above) and refine it until you have something that makes people sit up and think – wow, I can’t refuse this!

STEP 4: REFRAIN FROM USING CONDITIONS

When you put together your risk reversal, try and eliminate any conditions. The more conditions you have – the less attractive and powerful your risk reversal will be.

For example, if we take the Estate Agent example...

‘We promise to sell your house within 12 weeks. If we don’t fulfil our promise we’ll give you £500. Yes, give YOU £500.’

It would be very easy to put conditions to this risk reversal such as...

- As long as you accept any offer within 15% of the asking price
- As long as you keep the house clean and presentable
- As long as you make the changes we've suggested
- The list could be endless!

When you add conditions it renders the risk reversal useless. Conditions show you're scared. They show you don't really value your product or service. You end up risking nothing, which means your guarantee or risk reversal is redundant!

However, obvious conditions and ones that genuinely protect you and your business are important. For example, the boutique risk reversal above states 'except normal wear and tear'. This protects your business and doesn't have any impact on the strength of the guarantee because it's a fair and reasonable condition.

That's why we've spent time to educate you on the real benefits of using risk reversal as an important business-building principle and Marketing Asset. Understanding HOW risk reversal works will hopefully have allayed any of your fears!

Start working on your risk reversal – now! All it costs you is time. The effort you put in will be rewarded significantly. WE guarantee you'll start attracting more and more customers to your business, as soon as you implement a powerful risk reversal.