



Your Guide to Creating Great Guarantees

Revised July 2015 by Bridget Marsh

In this guide you will find the following:

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- Why you should have a guarantee
- Six reasons why business owners don't use a guarantee
- Nine types of guarantees
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- How to figure out what to guarantee
- Guarantee components
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- How to enhance your guarantee
- When you should *not* offer a guarantee
- Final word and personal offer from me

INTRODUCTION

When a qualified prospect is considering purchasing your products or services and they have *not* been referred by someone that they trust and that they have no past relationship with you – a guarantee is often the one thing that can help them make their decision.

Because they are qualified we know that there is a good fit, they have a need for your product/service, that they can afford it and that they are ready to buy. Also, we know that they believe your product/service appears to provide the best solution.

At this point in the buying process the most common barrier that makes it difficult for such a prospect to purchase is uncertainty. Will your product/service actually solve their problem? Will they be disappointed or delighted?

Authentic marketing removes all of a qualified prospect's barriers to purchasing to the point where a the person finds him/herself thinking "I have no reason *not* to purchase". Offering a guarantee is one the most effective methods for replacing the barrier of uncertainty with peace of mind, if not certainty itself.





The purpose of this guide is to make it easy for you to create an aligned guarantee that in turn makes it easier for your ideal customer to buy from you.

8 WAYS A GUARANTEE HELPS CREATE AND MARKET AN AUTHENTIC BUSINESS?

1. A guarantee causes you to pause and really think about what you are saying in your marketing. Is it 100% true, can you back it up with tests, results, and 3rd party endorsements? If these were challenged do you have the data to support your claims? All very valuable questions to be asking.
2. A guarantee works as a catalytic mechanism and gives you and your team a goal for value delivery and focuses them on satisfying or exceeding client expectations. For me this is probably the most beneficial aspect of having a guarantee.
3. Many business owners don't offer a guarantee and having one is therefore a superb way to differentiate yourself from your competitors.
4. Because you are prepared to stand behind your product/service, there is a high probability that your ideal prospect will perceive that what you are offering is of a better quality.
5. That certainty also changes how a prospect feels.
6. A guarantee has a way of painting a picture - cutting through a lot of marketing clutter.
7. A claim will also encourage you to re-examine your product or service delivery systems and to improve them.
8. This all adds up to the main reason for offering a guarantee: You will offer a superior product or service and more people will buy more from you more often.





WHY BUSINESS OWNERS DON'T USE A GUARANTEE

1. **Not understanding** the power of a guarantee, in particular the way a guarantee works as a catalyst for ensuring your product or service is the best it can be.
2. **Not knowing what to guarantee.**
3. Not **making the time** to put one in place.
4. **A lack of confidence** in their product/service's ability to deliver on the promise
5. A **fear** that clients will rip them off. This is understandable but is not borne out in reality. My estimate of less than two percent claim rates has been verified by other marketers whose opinion I respect.
6. The thought that **"I can't control what the client does** with my product or service".

This is a common one but if you have concerns then simply make the guarantee conditional on the client using your product or service as recommended. Then trust and remember the reason you are putting a guarantee in place is to help you improve your product or service. For example, if you guarantee that your clients health will improve ensure that your guarantee is conditional on the client putting in place all the steps you suggest. Also ensure that you have a feedback mechanism that makes it possible for you to monitor client's successes and know what is working and what needs improving to create more consistent results.

9 TYPES OF GUARANTEES

1. **Performance.** Otherwise known as a "hard" guarantee. Without question, the strongest guarantee will be that of promising that your product/service will deliver the desired tangible results. This type of guarantee can be further strengthened by making it unconditional and offering to refund 100% of the purchase price (see below). An accountant can guarantee to produce a set of accounts within 48 hours and a Telco could guarantee to install a new phone line within 72 hours. A tax consultant can guarantee to save you more in taxes than the fee they take to prepare a return.
2. **Satisfaction.** Also known as a "soft" guarantee. This is what you can offer if it's not practical to offer a Performance guarantee.





For example, if I am taking on a new client I offer a 30 days unconditional happiness guarantee. You can read it on my website .

That way, I remove the need for that person to trust me. This is especially important in any form of business advice simply because so many good prospects have been burned in the past from marketers who over promised and under delivered.

3. Risk Reversal. This technique is very effective at removing uncertainty from the mind of the buyer because it transfers the risk of financial loss to the seller. You can allow a trial period before the 1st payment is due.

4. Unconditional. Variations include “no strings attached”, “no questions asked”, “zero weasel” and “no tears”. Essentially what is on offer for the buyer is “you decide and we promise not to interrogate you if you claim”. Naturally this is a far more powerful guarantee than its conditional counterpart.

5. Conditional. There are times when stating a condition (e.g. as the return of goods together with a completed form demonstrating correct usage), is a prudent strategy. For example, when marketing a product/service into a new country or market place where you are uncertain about cultural ethical variations.

6. Product replacement. This is fine if it's in place of a repair for a brand the client likes and trusts. For example if you buy a chainsaw and it breaks down almost immediately or has poor cutting power you're unlikely to want it replaced with another identical and equally poor quality chainsaw. If a client has experienced dissatisfaction with a product then they mostly will have negative association with the brand and won't be enthusiastic about getting another product from the same people. I'd recommend that you promote money back guarantee if at all feasible.

7. Money Back. Variations include refund of labour costs but not parts, and a return of money. As noted above, this is a much more powerful guarantee than product replacement. However you can present the two alongside each other and give clients the choice of replacement or money back. Note also that the Risk Reversal guarantee is even more powerful than a money back guarantee because no money leaves the bank account of the client until they are satisfied. Granted, Risk Reversal is not always possible and Money Back is still very powerful.





8. Multiple Point Guarantee. For example a self-storage facility offers a “7+1’ guarantee which includes guarantees for dryness, rodent-free, mould-free etc. it’s a very powerful concept when addressing multiple points of concern.

9. Combination. For example: an Unconditional Money Back Performance Guarantee (powerful!) or a Product Replacement Satisfaction Guarantee. Etc.

GREAT GUARANTEE EXAMPLES

Here are some of the classic guarantees:



Domino's Pizzas: *Delivered hot in 30 minutes or you don't pay.* This was later changed to a \$3 price reduction, allegedly because Domino's thought that people would feel too guilty when receiving a free pizza.

Parktown Autos: *Return the car within 3 months or 5,000 kms of ownership to receive a full refund of the original purchase price by way of a trade in on another vehicle of equal or higher price.*

Creating What Matters:
30 days unconditional happiness or your money back!



My guarantee -
30 days
unconditional
happiness or
your money back.



Icebreaker.com LIFETIME SOCK GUARANTEE

At Icebreaker we take pride in the quality of our socks and guarantee 100% satisfaction with your purchase. If for any reason you are not completely satisfied with your socks we will provide you with a new pair or a refund. Please visit your original location of purchase to receive your replacement or refund (proof of purchase is required for refunds).

Norsewear Our Guarantee to you

All Norsewear products are made to our high manufacturing standards and we pride ourselves on complete customer satisfaction.

If, on the very rare occasion, one of our products fails to meet your expectations please let us know on (06) 3740 898 or sales@kiwisockcompany.co.nz so that we can put it right.

HOW TO FIGURE OUT WHAT TO GUARANTEE

A meaningful guarantee has to really repay a customer for the trouble your product or service caused.

Guarantees are more powerful when they target specific fears and desires and there are a number of sources that will help you figure out what those motivators are including:

Knowing exactly what problem your offer solves. This might sound too simple to even be considered. But your ideal customer or client has a problem that you can help with - that's why they are searching for you. If you know you can solve their problem and you are confident of your success rate - that is the most powerful guarantee and why wouldn't you use it?

Knowing what the ideal end result your prospect wants. The end result is often slightly different from the immediate problem a customer has. Does your solution make achieving that ideal end result possible? Can you guarantee that or guarantee an aspect of it? If you know the words your ideal customer would use to describe this end result, these are the words to use if you are able to do so with integrity.





Yourself: If you're well experienced then simply go and "sit in your common sense corner" and make a list of what you know prospects are concerned about. Ask yourself, relative to your product/service, what you think they hate doing and what they hate happening. The resulting list could easily form the basis of a guarantee.

Clients: Look for recurring client complaints of the same nature. Ask new clients what they liked and disliked about previous suppliers. If you have you created your service or product to ensure these complaints never apply, then guarantee that.

Others: Look for FAQs (Frequently Asked Questions) and FEFs (Frequently Expressed Frustrations in forums and message boards as well as in the "letters to the editor" section of the magazines and newspapers purchased by people in your target market. Then once you are sure your offer does not include any of the frustrations you might consider guaranteeing that.

GUARANTEE COMPONENTS

The Risk to the seller sometimes called the Pay-Back: A simple statement of what you promise is not enough. You need to include the risk to you if your client claims the guarantee. For example, money back.

But don't overdo this! You need to keep the Pay-Back believable. I read about one book that guaranteed to make people rich to the tune of ten million dollars or more and promised a five star luxury ship cruise for anyone who failed to make the money.

A guarantee without a stated risk to the supplier is not particularly powerful.

Unlike the Pay-Back, the following are not always applicable or essential but, rather, helpful when it's possible to use them:

The promise of specific results: see "Performance Guarantees" above.

Time-frame for the specific results to be experienced: Naturally, within the bounds of believability, the shorter the time-frame the better. For example, losing four kilos in four weeks is ambitious but also believable whereas seven kilos in seven days is not.





MISTAKES TO AVOID

- Making the contact point for redeeming a guarantee hard to find.
- Making it difficult to claim the guarantee e.g. long forms to fill out or returning large bulky products by post.
- Including too many conditions. A guarantee with seven long clauses in small print is probably not very powerful and that company would be better off having no guarantee.
- Underwhelming the client with a guarantee of something that is unimpressive. e.g. “We guarantee delivery of your new mobile phone within 14 days”.
- Failing to include a risk (refer to “Pay-Back” above) for the seller if the guarantee is claimed.
- Not advertising a guarantee. Also known as “The Invisible Guarantee”. For example, if a client complains and you offer to fix the problem for no charge then you have a guarantee but you’re not making it visible.
- Promising what you have not yet proven that you can deliver. For example, one international fast food outlet trialled a “60 second order fulfilment” guarantee in New Zealand but quickly abandoned it after loads of hungry students descended on their outlets empowered with every trick in the book to delay their order!
- A claim time frame that is too short. If you give a client only seven or even thirty days to claim a guarantee then you’ll have a lot more claims than if you offer a 365 day guarantee. That’s a proven fact.





HOW TO ENHANCE YOUR GUARANTEE

Include a testimonial from someone who has claimed your guarantee and who was delighted at how easy it was to claim and how fast they received their money back.

Give it a name. Here are some ideas:

- Take-It-To-The-Bank Guarantee
- Risk-Free Guarantee
- Your Money Back, No Questions Asked Guarantee
- No-Questions, No-Quibbles, Money-Back Guarantee
- Iron-Clad Money-Back Guarantee
- 100% On-The-Spot Full Refund Guarantee
- My 200% "Call me Crazy" Guarantee!
- 100%, Weasel-Free Refund Guarantee

WHEN YOU SHOULD NOT OFFER A GUARANTEE

When you don't think that your product/service will deliver on the promise, for example the 60 second fast food guarantee mentioned above.

When you are entering a new and unknown region. Because of different cultural attitudes to economic transactions, there are some market places in the world where I would be reluctant to offer anything other than a conditional guarantee that was dependent on some form of evidence from the claimer of the guarantee.

When it's illegal e.g. in many regions it's against the law for investment companies or financial planner to use the word "guarantee". Instead you might try a "Customer Service Charter".





creating **what** matters

A FINAL NOTE

I hope that you'll use this guide as a resource to create your own guarantee that will act as a catalyst for improving your offer and service. If you are considering using a business coach, you are welcome to request a 30-minute exploratory call with me, during which time I will also be happy to help you craft your guarantee.

If this is you please email me bridget@creatingwhatmatters.co.nz

As always

To your success in life and in business

Bridget

