How Good Is Your Guarantee — And How Well Do You Back It Up?

by BILL BROOKS

Let me ask you a very touchy question. At what point in time do you ever hedge on the real spirit and intent of your product or service guarantee? I'll bet your immediate reaction to that tough question is "I meet every word, intention and customer's understanding of our guarantee."

But let's wait a minute. I can think of lots of cases where I (the customer) understood what I thought the seller's guarantee meant when the product was sold to me — only to have a totally different experience when the product or service I purchased in good faith went sour.

This happened to me just last year with a placement agency. A good friend of mine experienced it recently with a more tangible product, a heating and air conditioning unit.

First, it was tough for her to even convince the installer/supplier that there was anything wrong with the unit. Once that was accomplished, with great time and effort, my friend then had to meet with the manufacturers' representative and make the case to him that the unit was defective. Then it was necessary to convince him it was a mechanical problem that should be covered by the guarantee. The issue is still up in the air — after the customer spent \$4,000 for the unit and had to endure numerous stressful meetings with a series of people trying to convince them that should be was simply not happy with the unit.

Serving the Customer

The answer is simple. Replace the unit! No questions asked, no more discussion. My friend has been doing business with the contractor for more than 20 years. Come on, what is your customer worth to you, Mr. Heating and Air Conditioning? You can't be that shortsighted. Or are you? Is a 20-year customer that untrustworthy? If they are, you should have stopped doing business with them years ago!

Apparently, there are lots of businesspeople who are just that lacking in vision. Remember the placement agency I alluded to earlier? I know that I have managed to give my side of the story to at least a dozen business owners who were interested in their service in the last year. You guessed it — there are 12 customers I can guarantee they have lost. If I am successful, there will be 12 more this year. If I can only relate my story to more people, I know I can sway lots of others.

How about my friend? She has told me that she is ready to:

• stop doing business with the installer,

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• have the unit taken out and displayed in her front yard with a lemon sign on it,

• tell everyone she knows about the lousy treatment she got and

• demand her money back.

Wouldn't it make a lot more sense for them to make their customer happy — perhaps even delighted? But wonders never cease, and good common sense seems to be an ever-elusive commodity for far too many businesses.

In spite of untold books, articles, theories, speakers, research and anecdotal stories about the importance of exceeding customers' expectations, it just doesn't seem to end. The horror stories continue year after year. Is business so good that customers can continue to be alienated to the point that they just leave?

Let's take a look — one more time — at several ideas that can help to prevent these things from happening over and over again:

• Realize that customers really are your most valuable asset. It costs a lot to get them — so keep them.

• Understand that your reputation is the most important marketing strategy you have. Be known for honesty, exceeding expectations and satisfying customers.

• Take a look at the black and white terms of any guarantee you have in writing and consciously work to exceed them. Make a conscious effort to go far beyond whatever a reasonable understanding of what the terms might be, even if it costs you money.

• Don't make your customers work to prove their point to you. You provide a service (far beyond any product you sell). That service includes making their life easier — not harder!

Taking the Long-Term View

Here's the bottom line. Are you in business for the short-term, immediate, transactional activity of today? Or are you in business for the long haul? Are you concerned about gaining and keeping customers? Earning positive referrals? Word-of-mouth support? My hope is that you prefer the latter options, but the choice is yours. It is also your customer's choice. I have made my choice when it comes to the local placement agency and what I tell business after business as it relates to my experience. The jury is still out with my friend as it relates to the heating and air conditioning contractor and his supplier. However, according to her, they're running out of time — fast. \Box

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