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GROWTH Strategies

Advisory Minute

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Using Risk Reversal to BOOST Lead Generation!

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- Put Your Sales in Forward Drive Using Reverse Risk



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Put Your Sales in Forward Drive Using Reverse Risk



Reversing risk by offering a prospect your guarantee of anything they buy from you is a wonderful way to overcome "buyer hesitation." And, yet, an incredible number of small business owners and professional people are unwilling to assume full – *and sometimes even partial* – transactional risk.

That's shortsighted. It's also terribly unfair to customers. Look at it this way: **If a business owner doesn't think enough of the products or services he sells to stand behind them, why should customers buy from him or her?**

Why should they have to extend themselves and assume all the risk that the transaction involves?

By lifting risk from the buyer's shoulders and carrying it yourself, **your sales proposition will be so much more powerful, appealing and embraceable that many more customers will break out of their shells and take advantage of your offer!**

Especially if you offer services! Take a good hard look at what you offer your customers. Think from their point of view, and ask yourself, "What could potentially cause them to hesitate, or to not try me?"

What could you offer that would put the risk onto your shoulders? Could you:

- offer a free thorough diagnostic of their situation?
- stipulate in your contract that they are free to "opt out" within the first 15 days?
- do an analysis up front for no charge?
- only pay you once the job is done?

When companies use "risk reversal," it's not a rare thing for them to **double** and even **triple** their sales. A few customers will take negative advantage of your guarantee, to be sure, but so many more will buy that it will make refunds just a minor headache. And, even if you do get refund requests, it's not difficult to turn those complaints and requests into PROFITS!

Consider this:

A client of mine, who does pool cleaning and maintenance, tied a skyrocket to his growth by using risk reversal. He talked a pool installation company into letting him test an offer of free pool cleanings with each sale of their residential and commercial pools.

The effects were immediate and dramatic! Sales of pools increased, and my friend got all kinds of referral business and back-end sales in the process. He hadn't spent a dime of his own money on advertising (the pool installation people worked the cleaning offer into their own ads.)

My friend told me that the fallout from that strategy – one combining risk reversal, joint venturing, and (for him) the use of no-cost outside marketing – gave him more business in just one year than he had done in all of the preceding 3 years!

The standard guarantee is to offer customers their money back if they return the product within 30 days. **A stronger guarantee is to let them try your product free of charge, billing them only after 30 days have expired. Stronger still is the "pay only if it validates" guarantee: The customer pays only if your product or service delivers them a value that is, say, five times the product price.**

But if you still feel uneasy about offering customers a guarantee, ask yourself this question:

"How many of my customers (clients or patients) openly express dissatisfaction with my product (or service) over a week's time? A month's time? A year's time?"

If your product or service is of good quality, the figures should be low, even negligible. **So, if your customers are generally satisfied, you have nothing to worry about!** Offer a risk-free guarantee. One that is very clear as to what it means. For example: "If you encounter a problem with one of our machines, we will have a repairman at your house within 24 hours."

Include the strongest pledge you can live up to, *and stress it in your advertising.*

Stephen Jones operates **Growth Strategies** and provides marketing strategies and a marketing structure for small business owners.

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