



**Guarantees
for
Business
Success**

ADI MasterClass – Using Guarantees

Making it easier for prospective customers to buy from YOU...

Because many instructors enter the driver training business from employed positions where they have never had to actively sell products or services they know very little, or even nothing at all, about sales and marketing.

Becoming self-employed or generating business on a franchise can be a baptism of fire for some and the failure rate amongst new businesses is high. When starting out in a small driving school enterprise you not only have to be good at your job, you have to be the bookkeeper, car cleaner, advertising manager, salesperson and customer care representative – and you can't sack yourself if things go wrong!

The problem is not confined to new businesses - there are also long standing instructors who never had to actively sell themselves; these instructors never learned sales and marketing skills because they didn't need to. In the 'good times' being a half decent instructor would virtually guarantee that there was a steady flow of business - but not any more...

Over the last couple of years we have seen an ever increasing proliferation of crazy pricing strategies from instructors who are desperate to get business because they do not have the skills to sell themselves in any other way.

Ultimately price slashing is a flawed strategy.

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- It's unsustainable as a business model based on the average operating costs of a sole trading ADI
- It devalues your service
- It lowers your profitability
- It leads to even longer hours and less time with your loved ones

Price cuts and low price offers can be a good short term promotion – these methods can also be a viable method for large schools where the ADI takes the hit, not the school; this enables schools to deliver pupils to their instructors. But many instructors tell stories of people taking the special offer lessons and then disappearing. You can't afford this if you are running a one-car business because you don't have the benefit of volume on operating costs.

But if you can't compete on price – how do you compete?

The answer to this question is simply that you make your business stand out in the crowd, make it special, make sure you are unique in your area and that everybody knows about you.

Our experience is that it takes around four hours every week to sustain a 'marketing machine' for an instructor who is pricing between 10% and 20% above local competition. This is why the SmartDriving will soon be introducing a trusted new solution to get massive marketing exposure without the steep and expensive learning curve of becoming a marketing expert and without the time taken every week to 'keep the ball rolling'.

But there are a few 'basic essentials' that you can easily implement into your sales and marketing – including guarantees....

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Guarantees for customer confidence

There are many ways to attract new business without slashing your prices – one way is gaining the confidence of potential customers by offering guarantees.

One of the reasons why people don't buy products and services at certain times or from specific suppliers is that they are taking a risk when they part with their money...

It doesn't matter how good the product or service is – *making a decision to buy is emotional, not logical.*

If people *feel* that there is a risk of making the wrong choice, of losing money, of not getting what they pay for, of no comeback if things don't work out, they won't buy. Note that they might not always be able to articulate their reasons for not buying in words – the final decision is rooted in feelings.

Guarantees make buying less of a risk for a potential customer.

By offering guarantees you remove some of the barriers that can get in the way of a sale. And when you work in a business where others are not offering guarantees you will immediately stand out from the crowd.

Despite the potential benefits, some retailers and service providers – especially small one-person operations like driving schools are afraid to offer guarantees because they think that it might cost them money – but as you will find as you read this information, you are probably already offering strong guarantees but not taking advantage of the fact in your marketing!

A 'guarantee list' is one way to give yourself a USP (Unique Selling Point) – 'No other local school guarantees more!' This is highly important in the modern market place – when everyone is seen to be offering a similar service, and doing a good job, you need to stand out from the crowd, especially if you want to earn an above average lesson rate.

Remember that you might already be giving an above average service – but that is not worth anything if you don't find a way to tell people about it.

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What are the risks when offering guarantees?

To a degree, this depends on what you are guaranteeing. In a recent series of The Apprentice, Lord Alan Sugar said:

“All the packaging and marketing in the world is a waste of time if the product is rubbish.”

In driving school terms this means that no matter how many customers you attract, your business will not be sustainable in the long term if the service level is poor.

If your service is poor some guarantees can be a big risk. *But if you are conscientious and do a good job, guarantees carry little or no risk.*

Research has shown that at most only one or two percent of customers ever take suppliers up on guarantees – this makes the worst case scenario about eight in a 30 year career for the average driving instructor!

Think about these questions...

- How many customers have you lost because they have been unhappy with your service?
- How many have complained?

My guess is that if you are a conscientious instructor doing a good job your answer will be “None” or at least “very few.”

And if your customers are satisfied now your guarantee will simply draw attention to the great service that you are giving.

The main marketing tool for any small business is the service that it offers – I repeat this message in almost everything I write about marketing, however, you can amplify the power of your good service by highlighting it with guarantees.

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What guarantees can you offer?

The stronger the guarantee the more impact it will have... Examples:

- Guaranteed Money back for any lesson where you feel the instructor has not delivered to our usual high standard.
- Guaranteed Double Your Money Back for any lesson where you feel the instructor has not delivered to our usual high standard.
- Guaranteed no charge for your lesson if we arrive late without prior warning
- Guaranteed Pass within 50 hours or get Free Lessons until you get your full licence!
- Lesson price guarantee – ‘I promise that despite rising costs, your lesson price will not increase’

Your guarantees can be for anything you feel confident about.

You can attach terms and conditions to your guarantee – for example, all of my own driving lessons used to carry a *full money back guarantee*.

In order to claim my money back lesson guarantee pupils had to ask for it during the lesson; in over 10 years only one person asked – and then changed her mind, but despite her change of mind I honoured her request by adding 15 minutes to each of her next four lessons.

My practical and classroom training programmes and SmartDriving Membership still carry a money back guarantee.

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What guarantees are you already giving?

The response I normally get when I ask this is instructors this question is 'None' – but all that this tells me is that they have not questioned their own mental process with regard to their business.

When I ask a few coaching questions about their business they start to realise that they already offer guarantees in their heads – but they don't tell anyone!

A secret guarantee does not attract business! You need to share your confidence with your customers.

Question:

If someone called to complain about your lessons what would you do?

My guess is that you wouldn't tell them to 'Get lost!'

You would more than likely do whatever was necessary to fix the problem and often a bit more besides. So you already have a customer care guarantee – you are just keeping it a secret!

Do you turn up for lessons on time 99% of the time? If so that's another guarantee you can give!

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Starting Point

A good starting point for guarantees is to monitor what you already do well. What is excellent about the service that you currently offer?

For example, if the vast majority of your customers pass first or second time you could word a guarantee around:

"We want you to pass first time – but in the unlikely event that you fail twice we pay for your tests until you pass with our test pass Guarantee."

This would be a very low risk guarantee – but would demonstrate to potential customers that you have confidence in your ability to deliver.

Come up with a list of guarantees and test them individually when talking to people on the phone. Do some market research by asking your pupils what guarantees would attract them to a driving school.

It's often said that you can't have too much of a good thing – but I'm not sure about that. A few really strong sounding guarantees are more powerful than a list of weak ones.

Read on to learn about 'hard' and soft guarantees to help you determine what you can guarantee as part of your marketing mix.

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Soft guarantees or hard guarantees?

A hard guarantee is one that promises a specific result of some kind, for example:

- Pass within 40 hours or we Guarantee that you will get all subsequent lessons for £xx per hour.
- Punctuality Guarantee – there will be no lesson charge if we are 5 minutes or more late without giving you 30 minutes warning.
- Pass Guarantee – pass first time or we guarantee to pay for future tests.

Hard guarantees promise to deliver in the event of specific things happening or failing to happen. Note that hard guarantees need to be genuine, but that at the same time you have to protect yourself with reasonable terms and conditions. For example, a 'pass guarantee' might be subject to only taking a test when the instructor agrees that the candidate is ready.

Soft guarantees demonstrate a commitment to your customers without having a specific result. They are general in nature.

We guarantee that your instructor will give you his full attention during lessons.

- We guarantee that no one ever smokes in our cars.
- We guarantee prompt door to door service.
- We guarantee that you will always get the full lesson time that you pay for.

Note that your guarantees might also 'throw doubt' on other schools in the mind of the customer. For example if we take that last guarantee above, "We guarantee that you will always get the full lesson time that you pay for" you are almost sending a subliminal message that some schools might not give the full time paid for – a good reason to choose you.

Ultimately the purpose of a guarantee in marketing is to make the phone ring. When the phone rings you can use specific guarantees to tap in to your customer's needs. For example if someone tells you they want to switch instructors because their current instructor is always late, a 'punctuality guarantee' could clinch the sale.

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Multiple guarantees

By simply considering what you are already doing you could build a list of powerful guarantees for your web site, advertisements or other information channel.

Example of a guarantee list containing both soft and hard guarantees:

- **Guaranteed Punctuality:** In our busy world we recognise that your time is important. That's why we guarantee to start and finish all of your lessons on time. If we are ever more than two minutes late without prior notice, we won't charge you for your lesson. (hard guarantee)
- **Guaranteed calm and patient approach:** For some people the thought of learning to drive might be a little stressful – this is why we guarantee that your instructor will remain calm and patient at all times making your learning experience enjoyable and stress free. (soft guarantee)
- **Guaranteed safety:** We are passionate about improving road safety and as part of that we guarantee to provide a safe learning environment in our fully insured dual-controlled cars. (soft guarantee)
- **Guaranteed support:** Whichever level of service you choose from us you will get our guaranteed support to help you to learn safely and pass the test. (soft guarantee)
- **Guaranteed confidentiality:** We recognise that your learning is private and personal to you. We guarantee never to discuss your progress with anyone else – nor will we ever share your personal details with any other company for business purposes without your full permission. (soft guarantee)
- **Test guarantee:** We guarantee that a car will be available for your driving test (soft guarantee)
- **Guaranteed offers and discounts:** We guarantee to make sure that any offers and discounts are available to all of our valued customers. (soft guarantee)
- When a group of guarantees are put together they become far more powerful. I wrote the example above quickly - if I intended to use it in a driving school I would want to spend an hour or two editing it and reducing the word count – but I think it demonstrates the principle.

I guarantee that if you follow some of these basic principles you will improve your marketing and sales.