

SPECIAL REPORT

*Guaranteed*  
**PROFIT BOOSTERS**



*Three Powerful Strategies Every Entrepreneur and Small-Business Owner Must Know to Substantially **BOOST** Their Bottom Line*



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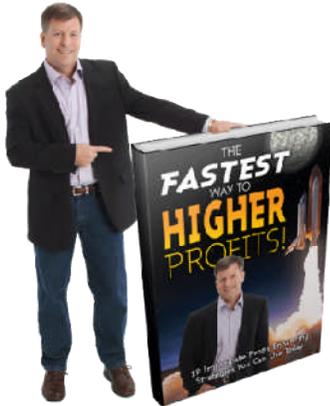
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# Guaranteed Profit Boosters!



## Three Powerful Strategies Every Entrepreneur and Small-Business Owner Must Know to Substantially Add to Their Bottom Line

### **PROFIT BOOSTING STRATEGY #1:**

#### **Raise Your Prices and Charge What You're Worth!**

This profit-boosting strategy is the first for one very important reason: It works incredibly well and is perhaps the easiest to implement.

Frankly, the most difficult part of this strategy is having the guts to do it! This strategy involves changing your mind-set, and I find that can often be more difficult than getting someone to implement a new marketing strategy.

To illustrate this strategy, let me share an experience I had recently. One Saturday per month, I work with a group of men from my church repairing homes for low-income families in Chester County, Pennsylvania. The organization is called Good Works, and I also serve on their board of directors ([www.GoodWorksInc.com](http://www.GoodWorksInc.com)).

On this particular Saturday, I drove to the project home, feeling particularly good. I'd had a great week in my business, and my newest book, *Stick Like Glue—How to Create an Everlasting Bond with Your Customers So They Spend More, Stay Longer, and Refer More!*, was selling very well. I hummed along, riding high. When I arrived at the project home, I was tasked to build a deck off the back of the house. Luckily, I was partnered with Tom, a professional contractor. As we prepared to begin work on the steps, Tom started doing air math (the same way a lot of us play air guitar).

Tom rattled off a series of calculations that I couldn't even understand, much less compute, in midair without a calculator. Fractions, degrees, measurements. He did it all without flinching.

“You got that, Jim? Sound good?” Admittedly, I had no clue what Tom was asking me to do. In an instant, I went from riding high, feeling good about myself and my accomplishments that week, to now feeling kind of dumb, not equipped to do what was needed. I had no idea how to cut the wood at the precise angles Tom wanted, or do any of the stuff we needed to do.

I had the utmost respect for Tom. He possessed a skill and talent for building stuff that I did not. He had extensive expertise and ran a successful business because of it. In the past, I might have mentally flinched at the price contractors quoted. Now I realized that whatever price Tom charges his customers, he’s worth it.

At some point in his career, Tom had the guts to raise his prices and charge what he was worth. That enabled him to make his business successful, his employees successful, and enabled him to improve the quality of homes for a lot of folks.

A few weeks after that, I needed to have a tree removed from my yard to make way for a new patio we were putting in. Cutting down a tree might not take the same skill level as building a deck, but it does take some know-how and the right equipment to do it safely and easily. Even if I’d had the right knowledge and equipment, it was not a chore I wanted to tackle, so I called a professional tree service. They quoted the price, and I didn’t flinch. I knew that what they quoted me was worth it to me, so I would not have to do it myself and risk damaging my house. Besides, I could make far better use of my time. They, too, were worth their price.

### **Price Elasticity**

By textbook definition, price elasticity of demand shows how a change in price affects the demand of a good or service. You would expect that there would be greater demand when the price is lowered and reduced demand when the price is raised.

However, the price elasticity that I want to discuss with you is how to actually get higher profits for what you know how to do—your special skill or talent—and also how to make it so price is not the primary reason your customers choose to do business with you.

Price elasticity gives you the opportunity to raise your prices, often much higher than you even thought possible, *if* you first place the correct value on your skill or program, *and* also market it correctly. Price elasticity is one of the primary areas I focus on with many coaching clients.

However, we also need to consider the quality of the product or service (in Tom’s case, it’s his extraordinary skill) and the customer’s desire (in my case, I had zero desire to

remove the tree, risk damage to my home, or waste my time). These attributes largely negated the price I was quoted. If I need something built, I'm calling Tom, because I know my own limitations, and I've also seen his expertise in action, therefore I probably won't question his price. I know his quality of craftsmanship is high and that the job will be done right. To me, that's worth a great deal.

A week after the deck-building experience, I was on the phone with one of the entrepreneurs I coach. This particular businessperson does video marketing. He told me he was thinking of substantially raising his prices. With some encouragement from me, the next time he had the opportunity to quote a new prospect based on his higher pricing, he did. Guess what? The prospect didn't even flinch at the price estimate.

My client was surprised about that, but very pleased and, of course, sorry he did not take this action sooner. You see, while my client's skill and talent were somewhat second nature to him, his client had no clue how to market his business using video, and the expertise my client offered had enormous value.

### **Your Skill Isn't Typical**

I believe we're all blessed with God-given talents and skills. The most successful entrepreneurs are those fortunate enough to figure out how to use their talents and skills in their businesses, combined with a passion for serving others *and* the knowledge of what their abilities are worth.

I believe many people's profit problem is two-fold. It often starts at the beginning when entrepreneurs are cash-starved and offer their products and services for lower prices than they should. Next, even if they raise their prices over time, the next problem happens when these entrepreneurs work within their areas of expertise for so long that their talents and skills become commonplace . . . to them.

Think about the first time you learned to drive a car. For me, I learned on a stick shift, and boy, did it seem complicated! I had to try to balance applying the right amount of gas while letting out the clutch, and of course, there was a lot of bucking and jerking. Plus, I had to keep my eyes on the road and monitor the rearview mirrors, operate the turn signals, turn the wheel, and concentrate really hard. Today, it's second nature because I've been doing it for so long. I can jump in the car and drive, carrying out these multiple duties without even thinking about them.

Have you had a similar experience? Has your level of expertise become second nature? Does what you do in your business now seem ordinary, and even commonplace? If it has, I'm willing to bet that you are simply not charging enough for your service and the

value you provide. In fact, when you've been doing what you do for so long, that thought process becomes a hazard. Your brain thinks, "How hard could it be for me to do this? I've done it so often, it's easy." And that thinking leads you to devalue your real worth and fail to charge appropriately for it.

I'm going to say something to you now that should change your whole perspective about pricing: You are not your average customer! I learned that from marketing guru Dan Kennedy. What it means is that your customers don't know what you know.

In Tom's case, he could build a deck in a day, but if he only sets his pricing for eight hours of work, he's not going to grow his business and be profitable. Instead, he sets his price based on the total value of the finished product *and* the perceived value the new deck has to his customers. Even if some of his prospects have the skill needed to build a deck, they might not have the time or interest in doing so, as was my case with the tree. If the tree service based the price only on the time it would actually take, they'd be missing revenue, and more importantly, profits.

You must evaluate the product or service you provide as an end result benefit and what pain it cures, or what joy it brings to your customer, and then set your pricing based on that.

For me, I have a lot of experience and expertise in marketing and client retention, and I offer that as value to my clients and newsletter customers. Let me give you an example.

Take mailing lists. Getting the right mailing list can make or break your marketing efforts, and yet a lot of business owners struggle with it or don't have the first clue how to go about acquiring the right list. It's easy for me. I've done it for a long time, and I know all the ins and outs and can procure the right list quickly. However, my knowledge and skill to get a quality, targeted list bring real value to the table, so I don't set my pricing for that service on simply the time it takes me. Instead, I set the price based on the intrinsic value and end result that the list will bring to my customer. See how that works?

When I coach entrepreneurs, I may only spend thirty to sixty minutes talking with them, but if I set my pricing simply based on an hour of my time, I'm shortchanging myself and my business. The amount of marketing and business-building experience I've gained over thirty years has real value . . . much higher than simply an hourly rate.

You see, it's all about the total value that you provide to your customers and clients. Your knowledge and expertise are worth something beyond the amount of time it takes

you to complete a task. If you find yourself struggling with prices and worrying that you are charging too much, get over it. You are not your customer. Provide incredible value and charge what you want to charge. Charge what you're worth.

It's like the story of the furnace needing repair. The homeowner calls the repairman because there's no heat in the house. The repairman shows up and turns one screw, then hands the homeowner a bill for \$200. "What? \$200 for two minutes of work?" complains the homeowner. So the repairman adjusts the invoice: "Turning one screw: \$1.00; knowing which screw to turn and providing you with a warm home: \$199.00."

Your knowledge and your skills have real value. Whatever it is you do, do it well, and provide incredible service. Then be certain you are charging what you're worth. Your expertise and skill are not as commonplace as you may think, especially if you market them correctly.

### **How Much Is Too Much?**

So, how do you know what you're worth? It's pretty simple—you should be getting some complaints that your prices are too high! That's right. If you aren't getting a few complaints, you probably aren't charging enough. You should be hearing some really serious pushback from your prospects when you quote a price or offer a proposal to them. And I don't mean a complaint here and there. I believe you should be getting pricing resistance from about 20 to 30 percent of your prospects.

If you're winning every job without so much as a question about your pricing, I guarantee it's too low. You are not charging what you're worth. If you don't occasionally lose a client because your prices are too high, they're probably not high enough.

What would you prefer? Doing business with ten people at \$100 per job or doing one hundred jobs for \$10 each? The revenue is the same in the end, but you're working far harder in the second equation, and I guarantee you're nowhere near as profitable with that equation either. Obviously, you want to work with fewer people who are willing to pay more.

So, what about that pushback on pricing? There are two choices. First you can simply ignore it. When you understand your value, don't undersell yourself. Figure out what you're worth and price your estimates accordingly. If there's resistance about the price, you can counter that by focusing on the value and benefit you're bringing to the table. If the prospect still refuses, I suggest you walk away. Do you really want to establish a relationship with a customer who's going to argue about your value for everything you do? Some customers are simply not worth it.

On the other hand, if a prospect counters with a lower offer, you may want to consider what you can eliminate, or perhaps reshape your offering to meet the price they'd like, but there must be a concession on the part of the prospect.

For example, if I countered the tree-removal guy with a lower offer, he could have accepted it with the caveat that he'd get to it when he could rather than according to my time frame. He could have also countered with the option not to remove the tree. That would force me to decide which was more valuable to me—price, the value of my time, or the turnaround time.

### **Raising Your Prices**

Several years ago, after much haranguing from the other entrepreneurs in my mastermind group, I raised my prices for No Hassle Newsletters, my flagship newsletter-marketing system. In fact, based on their feedback, I didn't just raise prices, I doubled them. That's right, doubled my prices, and my business is still growing. Sure, I got some resistance, but it did not stagnate my business. Instead, it substantially boosted my bottom line. Since my business is still growing, that's an indicator that my prices might still be too low.

"But, Jim, what about those customers who opt to walk away rather than pay the higher price?" I've said it before, but I'll say it again: Let 'em walk. If you have a great skill and offer incredible service, you are going to discover that your customers will recognize that and will pay you what you're worth.

I've heard story after story about customers who walked away from some businesses because their pricing had gotten too high . . . only to return because they couldn't find the same value elsewhere. Remember, the sweetness of low price is forgotten quickly in the face of bad quality or a negative experience. In the end, you really do get what you pay for.

So here's the bottom line on this most important profit-boosting strategy: The key to substantially boosting your profits is to always provide incredible value and world-class customer service, and then charge what your products or services are worth to your customers and clients, and grow your business and your bank account.

### **Profit-Boosting Strategy Action Steps:**

- You have a particular skill or God-given talent. When you're passionate about that and build your business on it, be certain to charge what you're worth.

- Price elasticity is the fluctuation in demand that may occur when prices are raised or lowered; however, skill and service can quickly negate it. When your skill and service are worth it, you won't lose business by raising your prices.
- Don't take your skills for granted. They may seem commonplace to you because you've been doing it for so long. View the value of what you offer from your customers' perspectives.
- If you aren't getting complaints about your pricing, you're probably not charging enough. You should get price resistance from about 20 to 30 percent of your prospects.
- If customers walk away when you raise your prices, it may be in your best interest to let them go. Offer great services, but charge what you're worth.

## **PROFIT BOOSTING STRATEGY #2: Reverse the Risk and Explode Your Profits**

This profit-boosting strategy is one of my favorites because it is so darn easy to implement, and it works like crazy!

I have a question for you. Why don't more of your customers or prospects buy from you? If your answer is "because of price," you're probably wrong. I coach a lot of entrepreneurs and small-business owners, and when our discussion turns to reasons for not buying, invariably the excuse is price. "My customers don't say yes more often because of price."

In reality, customers don't say yes more often because of skepticism, or lack of trust or perceived value. It's what Zig Ziglar emphasizes as one of the five obstacles to a sale: no trust. Lack of trust is probably the biggest obstacle between your company and a sale. It's rarely price. The reason more of your customers or prospects don't buy from you is that you haven't done enough to build your customers' trust in your products or services.



*Jim with Zig Ziglar*

### **Why the 30- or 60- or 90-Day Warranty Is Not Enough!**

You've heard of Murphy's Law: Anything that can go wrong will go wrong, usually at the worst possible moment. Well, there's another variation of that, and it goes like this: The product will cease working exactly one day after the warranty expires. Enough of us have had that exact experience that it lends credence to the veracity of the law. We all take those 30- or 60- or 90-day warranties with a grain of salt. It makes us skeptical consumers.

Your customers are no different. They're wondering, "What if it doesn't work? What happens when it fails? What if I don't get the result I was expecting?" They may be on the fence about buying from you. You've done a lot to move them to consider buying from you, but they're thinking, "Yeah, I kind of like it. It sounds like it will solve my problem. I think the price is fair, but what if . . . ?"

Get rid of the "what if," and you can close the deal. It's easy to do. Easy? Yup. All you have to do is reverse the risk. Risk reversal means that you, the business owner, assume all the risks associated with purchasing the product (or service), so it's going to work to your customers' satisfaction. If they're on the decision fence and have nothing to lose, they're going to buy.

Let's be clear—square one is that you must offer a high-quality product or service. That's a given. It's a no-brainer. Some of my coaching clients assure me that they do (and I believe them), and then they go on to tell me about their 30- or 60- or 90-day guarantee. That sort of offer simply makes people skeptical because we've all been burned by that warranty version of Murphy's Law. What happens after 30 days? What happens after 60 or 90 days? When prospects wonder about that, they're going to be hesitant to buy. You haven't gotten them over the trust hurdle.

### **The L.L.Bean Approach**

*"Our products are guaranteed to give 100% satisfaction in every way. Return anything purchased from us at any time if it proves otherwise. We do not want you to have anything from L.L.Bean that is not completely satisfactory."* As the story goes, a woman returned a pair of boots after fifteen years because the sole had worn out. She thought they should have lasted longer. They were replaced, no questions asked. That's a rock-solid, stand-behind-your-product guarantee.

A super-strong guarantee shows that you are supremely confident in your belief that your products and services do what you say they are going to do. It should be paramount in whatever you sell in the first place. So if that's true, and if you are supremely confident, then give an ironclad guarantee. You have nothing to lose, and everything to gain—sales and higher profits. Your ironclad guarantee is just what your prospects need to increase their trust and lose their fear of risk. When they have nothing to fear and nothing to lose, they have no reason *not* to buy.

Your super-strong guarantee needs a few things to really make it work. First, it has to have a specific name, and when possible, the name of your guarantee should be associated with the benefit of your product and the degree to which you back it up. Second, it needs a specific logo. A lot of entrepreneurs use a seal in conjunction with

their guarantees, and that image resonates with customers. It's like the Good Housekeeping "Seal of Approval." That seal, and the guarantee behind it, have been around for more than one hundred years. The Good Housekeeping Research Institute tests products and only offers the seal on those that pass its strict standards. It's an ironclad, rock-solid guarantee. Consumers know they can rely on the product if it has the seal. They can *trust* it.

### Sample Guarantees

I have four examples of guarantees I've seen that I know work, and work incredibly well. In every case, the entrepreneur is assuming all of the risk, and in every case, they're closing sales and exploding their profits.



*Jim with Suzanne Evans*

The first one is from my friend, super marketer Suzanne Evans (<http://suzanneevans.org>). It's one she uses for her Be the Change Event, an annual coaching and business-boosting workshop. Here's her guarantee: "My Be the Change Guarantee. Attend the first full day and be COMPLETELY satisfied or get your money back PLUS up to \$500 in documented travel expenses!

"Take in every moment. Take notes. Network like crazy. And if by the END of the first day of the BE THE CHANGE event, you feel it isn't delivering on what I promised, you can turn in your materials, exit the event,

and I will refund your entire registration fee plus up to \$500 in documented travel expenses within 30 days. So you risk nothing—not one single penny."

Wow. No risk . . . not one penny. Suzanne is supremely confident, and that shows in her guarantee.

Another great example comes from my good friend, James Malinchak ([www.BigMoneySpeaker.com](http://www.BigMoneySpeaker.com)), a very smart marketer with a huge heart to boot. He's a motivational speaker and was also featured on ABC's hit TV show, "Secret Millionaire." Like Suzanne, he uses a certificate with his guarantee, and he calls it the "**More** Than Your Money Back Guarantee." For attendees at his events, James completely removes the risk with his offer: "If at the end of the first day, you feel that I'm not delivering on what's promised, you can choose to turn in



*Jim with James Malinchak*

your materials, skip the rest of the boot camp, get a hundred percent refund, plus you can keep the thousands of dollars in free bonuses.”

Now why wouldn't I want to go to one of his events? If it turns out it's not good, I get my money back *and* I get to keep the bonuses. It's a very smart approach.

Another good friend of mine, Adam Urbanski, the Millionaire Marketing Mentor®, also has an ironclad guarantee for his live events, and it starts with the sort of name that's very specific and speaks to the real benefits: “You will be blown away by everything you learn or I will give you your money back 100%.” Like the others, he includes an emblem as the logo along with this great guarantee name. His guarantee? He'll triple the guarantee. If you don't find there's enough value in his live event at the end of the first day, he's going to refund tuition plus \$500 of his own money to cover documented travel expenses. That's awesome. But he's not done! Next, if you're not ecstatic at the end of all four days, just return your materials and he'll refund 100% of your tuition. No

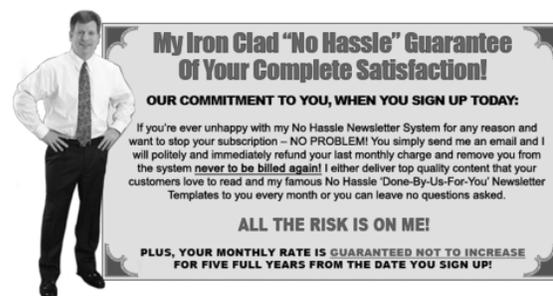


Jim with Adam Urbanski

questions asked. Finally, he's so confident that what he teaches produces results that if you don't make at least ten times your tuition fee in the subsequent twelve months, he'll give you a full refund. Again, there's no risk.

Finally, there's my own guarantee. Of course, I call it my Iron Clad No Hassle Guarantee, and, I use it with my No Hassle Newsletters ([www.NoHassleNewsletters.com](http://www.NoHassleNewsletters.com)) and also with my No Hassle Social Media ([www.NoHassleSocialMedia.com](http://www.NoHassleSocialMedia.com)) programs. If you're ever unhappy with my No Hassle Social Media or No

Hassle Newsletter for any reason and you want to stop the service, no problem. Simply send me an e-mail, and I will politely and immediately refund your last monthly charge and remove you from the system, never to be billed again. No questions asked. I deliver top-quality content that your customers will love to read and will add tremendous value, or you can leave. Once again, there is no risk. The risk has been reversed.



## Don't Worry About Being Taken

When you remove the risk, if you have prospects on the fence about a buying decision, your guarantee is going to sway them toward the sale. Make it rock solid and ironclad. Now, some business owners are leery of this strategy, and worry about customers like

the woman who returned the boots to L.L.Bean after fifteen years. They're afraid that customers are going to take advantage of them and their guarantee. Well, guess what? Occasionally, that's probably going to happen. However, it's pretty rare.

I truly believe that 98 percent of your customers are honest. You want to appeal to and run your business based on those 98 percent. You will never be able to overcome the fact that 2 percent of your customers may be dishonest and may try to take advantage of you. But you definitely want to be appealing to the 98 percent who are not going to try to rip you off. The vast majority of folks who are sitting on the fence can be swayed by your guarantee. In the end, you will sell so much more, and your profits will accelerate beyond belief!

As for the 2 percent who demand the refund. Give it, and give it politely. End of story. That amount will be insignificant compared to the increased revenues you'll gain from your killer guarantee strategy.

Remove all the risk from your customers and put it where it belongs—on your shoulders. Offer quality and back it up. Leave no doubt about that in your customers' minds by describing all the ways you are going to take care of them. That's what reversing the risk and exploding your profits is all about.

#### **Profit-Boosting Strategy Action Steps:**

- Customers don't hesitate to buy because of price; they hesitate to buy because of worry. They worry about all the "what-ifs."
- Offer a rock-solid guarantee. Putting 30- or 60- or 90-day limits on your guarantee is going to leave your customers wondering what happens after that. Remember the L.L.Bean approach.
- Give your guarantee a name that clearly explains the benefit and the degree to which you're going to back it up. Create a specific graphic for your guarantee as well. A seal or stamp of approval works very well.
- Make certain that your guarantee removes all risk from your customer and puts it where it belongs—on you. Offer and deliver quality, and you'll have nothing to lose.
- You want to market to the 98 percent of folks who are honest. Don't worry about the 2 percent who will try to take advantage of you. The revenues and profits you generate with a great guarantee will far outweigh the few refunds you might have to offer.

### **PROFIT BOOSTING STRATEGY #3:**

#### **Increase Your Profits by Being a Big, Juicy Orange**

In a world filled with apples, if you want to boost your profits and grow your business, you need to be a big, juicy orange.

In simplest terms, here's the strategy: **Set yourself apart.**

No matter what business you're in, the last thing you want to be is perceived as a commodity. Why? Because people buy commodities based on price alone, and that is the least profitable, most unrewarding arena to play in.

When you're a commodity, the only way to get clients to buy from you is to offer the lowest price, and that does two really negative things. First, obviously, it cuts into your profit margin. Every time you lower your price, you lose valuable margin. But what's even worse is the second negative—the customers you gain by winning on price have no loyalty. As soon as they find what you offer for a lower price, they're outta there.

The name of the game to boost your profits and really grow your business is customer retention, and you'll never score customer retention when you're a commodity . . . when you're like all the other apples. Your repeat customers are your most profitable ones, and I've preached a lot about the importance of getting your customers to stick with you. (For the full story, check out my book *Stick Like Glue—How to Create an Everlasting Bond with Your Customers So They Spend More, Stay Longer, and Refer More!*) Your repeat customers spend more with you, and you spend less on them. It's a win-win scenario for you, and one you should strive to achieve. You're not going to do that by battling the pricing war of commodity, so set yourself apart. Figure out how you can eliminate the apples-to-apples comparison by being a big, juicy orange instead.

#### **Eliminate Price Comparisons**

So how do you become a big, juicy orange? Simple. Figure out how you can add value to your service or product. What do you offer (or what can you offer) that your competitors do not? Zero in on that, and make it the focus of your message.

Every successful entrepreneur and business has a USP or unique selling proposition. (For more information about USP, see my book *The Fastest Way to Higher Profits'* "Profit Accelerator #4: Earn Higher Profits by Being a Person of Influence" for more on USPs.) When you offer more value, you can increase your prices and elevate yourself above the price wars.

I want to share a story with you about something that I did way back in my days as manager of a bike shop. We sold a lot of bikes. Actually, we became one of the largest bike shops in the country. At the time, some of the hot brands were Trek and Specialized. Of course, there was also Schwinn and Raleigh. However, we carried none of these most-asked-for brands. The brands of bikes that I sold were Fuji and Saint Tropez and a couple of other no-name brands at the time.

So how did I become one of the largest bike shops in the country? I'm going to tell you. And what I did is what you need to do: Put your thinking cap on and ask yourself, "How can I do something similar in my business to increase *value* to my customers?"

Here's what I did. I looked for ways in which I could increase the value of the bikes that I was selling, so my customers would overlook the fact that they weren't the well-known name brands that were getting a lot of recognition and generating the most sales. So I created our own company lifetime-value guarantee. It went like this. "Every single bike we sell, no matter what the manufacturer's warranty is, we are going to cover it with our own lifetime guarantee against any kind of defects whatsoever, materials, workmanship, parts, and labor. We will cover it for life." It was that simple. If something went wrong, we'd cover it . . . for the life of the bike. No questions asked.

None of my competitors was offering that sort of guarantee. In fact, I was driving them crazy. One of my competitors, who owned a large chain of stores (and for whom I eventually went to work), called me and said, "Jim, what are you doing? How can you do that?" I said, "It's just something that we're doing. That's our edge." His reply? "You're crazy." I said, "Well, then call me crazy."

Here was my rationale for the lifetime warranty: I knew that if there was a defect in the bike, if there was something that was going to go wrong with it, it was going to happen in the first 30 days or even within the first year. The manufacturer was already giving a 10- to 25-year guarantee on the frame and a one-year warranty on parts. If there was a defect and the customer rode with any regularity, it was going to reveal itself within the time frame of the manufacturer's warranty. To offer a lifetime guarantee was a no-brainer. I was not going to be on the hook since, 99 percent of the time, it would be covered by the manufacturer anyway. By setting myself apart with this guarantee, I was no longer just another apple. I was a big, juicy orange. (See? That's another benefit to providing a guarantee.)

Plus, I knew the importance of customer retention. Even if someone came back five or ten years later with a problem that was no longer covered by the manufacturer's warranty, I was still going to fix the bike. I took care of it because I knew I would be

creating a customer *for life*. And I also knew that they would probably buy something else at that time or even upgrade the bike! None of my competitors could touch that offer. I set myself apart and got out of the commodity game. If I offered the same bikes, I knew I would be competing on price. Remember, customers who buy on price are not loyal customers. Set yourself apart.

We sold a ton of bikes because of this warranty. New customers walked into the store and said, “Hey, I don’t know what I want, but John said this is the only place to buy a bike.” Why do you think that was? Because we took care of our customers with world-class service and we backed it up with something no other shop was willing to do, an absolute, ironclad lifetime guarantee. How much did that guarantee cost me? Nothing. But it made me look like a big, juicy orange in the middle of a lot of apples, and it eliminated the need for price comparisons.

### **Spotlight the Benefit**

Sometimes, the benefit and value of your product or service might seem apparent . . . to you. In the early days of advertising, when an advertising executive toured a brewery, he was impressed by the way the bottles were steam-cleaned. (Of course, this was back in the days of returnable bottles!) When he spoke with the company owner about that, the owner told him that all brewers did that. Everybody steam-cleaned their bottles.

The key was that the information about the bottle-cleaning process was not common knowledge to the public. The result? A very successful advertising campaign that promoted “steam-cleaned bottles.” While his competitors knew that they also steam-cleaned their bottles, the public did not, and if any of his competitors were now to include that bit of information, they’d be seen as “me too” sorts, copying what the public saw as a USP and extra value.

Look at your business. Is there something about your product that has value that’s apparent to you, but that your customers don’t know about? Is there a way you can leverage it like the “steam-cleaned bottle” example? It’s not your customers’ jobs to know about the value you offer. It’s your job to tell them.

Keep in mind that however you set yourself apart, you *must* offer first-class, unbeatable service and/or a quality product. The advertising campaign touting “steam-cleaned bottles” would not have been so successful if the beer was tasteless.

If you offer a service, what else can you add to set yourself apart and charge a higher price? As I said, your customers will be willing to pay more for greater value. Spotlight the benefits. The more you can offer to your customers, the less likely they will have to

look elsewhere for additional services. That's exactly how I evolved No Hassle Newsletters ([www.NoHassleNewsletters.com](http://www.NoHassleNewsletters.com)). I kept adding services and additional products, so my customers didn't have to look elsewhere for content, design, or printing and mailing. When I saw that social media was creating marketing challenges for my current customers, I decided that I should add that too ([www.NoHassleSocialMedia.com](http://www.NoHassleSocialMedia.com)), and I spotlighted the benefits.

### **Value Means More Than Cost**

When you think in terms of how you can create more value, don't think of how much more it is going to cost you. Think of ways to make yourself different, to make it more difficult for your customers to focus on price alone. Think of ways to set yourself apart, so that your customers will come back over and over again.

If you're worried about the cost of adding value, I have two words: Don't be. I guarantee that what you spend on additional value will pay for itself on a continual basis. It's one of the best returns on investment you can get for your business. Why? Because you will go a long way to create customers *for life* when you add value. Customers for life refer more and spend more. Ultimately, there's more revenue for you, and more importantly, more profits!

My idea for the lifetime guarantee in the bike shop really didn't cost me anything, but when I look back and think about how much business it brought in, I would have done it even if there was a cost factor. The ROI was simply too great to ignore.

Find ways to create value in your business. You want to offer something very special, so that if your customers do shop around and ask your competitors, "Do you offer XYZ?" the answer will be "no." When they can't or don't offer what you do, your customers cannot compare and shop on price. You always want to set yourself apart, so that any comparisons are apples to oranges, never apples to apples.

Then make sure that you offer the biggest, fattest, juiciest orange ever, and your customers will have a very hard time looking elsewhere. You won't be a commodity, and you won't be battling the price war you can never win.

### **Profit-Boosting Strategy Action Steps:**

- Set yourself apart, so that you're never in an apples-to-apples comparison with your competitors. When the apples scenario happens, price usually becomes the deciding factor, and you'll never accelerate your profits when you compete on price.

- Add value to your product or service to eliminate the chance of being viewed as a commodity. When you offer more value, you can set yourself above the commodity price-war game.
- Understand that the value you offer will pay for itself over and over. Don't focus on the cost; focus on the return on invest you'll get from the added value.
- Don't presume that your customers know about the value you offer. You have to tell them. Look for things that you're already doing that provide value and talk about it. Make it part of your marketing messages. Spotlight it.
- When your customers can't compare you to your competitors, they're much more likely to stick with you, and repeat customers spend more, refer more, and boost your profitability.

To learn tons more about immediate ways to increase your profits, pick up my book *The Fastest Way to Higher Profits! 19 Immediate Profit-Enhancing Strategies You Can Use Today*.



## About Jim Palmer, The Newsletter Guru

Jim Palmer is a marketing and business-building expert and host of [Newsletter Guru TV](#) and [Stick Like Glue Radio](#). He is known internationally as The Newsletter Guru—the go-to resource for maximizing the profitability of customer relationships. He is the founder and president of Custom Newsletters, Inc., parent company of No Hassle Newsletters, No Hassle Social Media, Success Advantage Publishing, Concierge Print and Mail on Demand, Magnetic Attraction and

Retention Training Program (MARS), and Double My Retention. Learn more about these programs at [www.GetJimPalmer.com](http://www.GetJimPalmer.com).

Jim is the acclaimed author of:

- [\*The Magic of Newsletter Marketing – The Secret to More Profits and Customers for Life\*](#)
- [\*Stick Like Glue – How to Create an Everlasting Bond with Your Customers So They Spend More, Stay Longer, and Refer More\*](#)

- [\*The Fastest Way to Higher Profits – 19 Immediate Profit-Enhancing Strategies You Can Use Today\*](#)
- [\*It's Okay to Be Scared – But Never Give Up – A Book of Hope and Inspiration for Life and Business\*](#)

Jim was also privileged to be a featured expert in *The Ultimate Success Secret, Dream, Inc., ROI Marketing Secrets Revealed, The Barefoot Executive, and Boomers in Business.*

[Jim Palmer speaks](#) and gives interviews on such topics as newsletter marketing, client retention, how to build a profitable business, and how to achieve success.

Jim is a cancer survivor, has been married for thirty-two years, and has four grown children. He lives in Chester County, Pennsylvania with his wife, Stephanie, their cat, Linus, and Toby, the marketing dog. Jim and Stephanie love to kayak, travel, and spend time with their family.



Connect with Jim on [Facebook](#), [Twitter](#), [Google+](#), [LinkedIn®](#), and tune into his [Web TV show](#).