

As Instruction Market Evolves, Do Money Back Guarantees Have a Place?

Whatever you're selling, there's value in giving potential new customers a no-risk means of sampling your product. The trick is to do it in a viable, dignified way.

By David Gould, Staff Editor

Marketing has its complexities but it's mostly driven by two goals—"getting trial" and building loyalty. One follows the other. You can't make a customer a regular if you don't recruit them in the first place.

As golf instruction evolves and develops, there's a push to get many more people to try the product. Filling up lesson books has always been important, but what's happening these days has more of a grow-the-pie drumbeat to it. Traditionally, eight out of 10 golfers don't give instruction a chance. A slim minority seems inclined toward it, so teaching professionals end up jostling for that fraction of the golfer population. Things would bump along in this manner indefinitely if new energy and ideas weren't given a try.

Which is why, in this newsletter, we've written about Brown Golf Management and its free-lessons-for-members business model. Likewise with the effort by some Proponent Group members to create a "No Member Left Un-Coached" scenario at clubs. Colorado-based Ed Oldham, among others, is working to get every golfer in his facility involved at some level with formal instruction and goal-driven skill development.

Golfers could stand to be educated about the game-improvement value proposition. They don't realize how much better equipped the modern academy is, and how greatly they could benefit by becoming a client. In that context, it makes sense that the subject of cash-back guarantees is getting attention. This article and Lorin Anderson's column on page 12 are a two-pronged approach to the tricky topic. This spring, on Proponent Group's Facebook forum, the question of money-back guarantees was knocked around. In that forum string and in other conversations, members have hit on a series of valid and interesting points:

- Full satisfaction or your money back, as a marketing tool,



is much harder to apply to a service or product that requires the consumer to work hard at skill-acquisition. It's not like rubbing auto wax on a fender or chopping vegetables with your new knife.

- Advertising a money-back guarantee is tough to do without sounding like a 2 a.m. TV commercial. The tactic has been used by so many hucksters that a legitimate business feels undignified deploying it.
- "Full satisfaction" is an elusive concept. Perhaps golfers and their teachers need a detailed set of metrics to define it?

Glen Coombe, a Proponent Group member from Ocala, Fla., is one teaching pro who has built his practice around the money-back guarantee. But take note—Coombe makes a living teaching putting. It's true that his program and product (literally "The Money-Back Guarantee Putting Experience") requires practice, but not long hours of it. And you can accomplish this practice indoors on a carpet. That's a far cry from the ball-banging that a student must do in order to make a swing change, regardless who their coach is.

Coombe first offered his Money-Back Guarantee Putting Experience some 25 years ago. "The premise was that focused practice can and will make the difference," he explains. "This was of course long before we knew the benefits of blocked and random practice." As Coombe points out, the "lesson plan" that came with his booklet "was in fact a practice routine." In order to get the student to engage in the program, Coombe believed, a hook was necessary. "That hook was the money-back guarantee," he says.

Think about it: The point of the money-back tool was to make the customer take ownership of the program. Why? Because if they ever went to demand a refund, they would first have to check with their conscience and confirm that they had held up their end of the bargain. A sense of fairness and responsibility would be triggered, and that's a powerful force.

BUSINESS PRACTICES

Coombe designed a report card of sorts and placed it in the back of his booklet. Golfers would use it to log their practice dates and times, and confirm which exercises they had done. Three exercises, twice a week for four weeks—that's the level of effort he found to be effective. "I've only had two of what I'll call suspicious requests for money back in 20 plus years of selling this lesson plan," he reports. "Few people will actually ask for money back in any situation," he believes.

Expanding on what his experience has taught him, Coombe identifies a link between some type of guarantee for the golfer about lesson fees paid and some type of guarantee for the instructor about player commitment. "I think for many this opens the door to supervised practice," he says, adding that "many of our members are taking on a new coaching mentality and business model" that enforces the practice discipline and calls for some type of reassurance on the part of the pro. "If you can build a program around practice—as well as sound teaching and coaching—then you should be able to stand behind the product with a guarantee," Glen surmises.

At the 2013 Proponent Group Summit, a California-based member, Will Robins, gave an in-depth presentation of his signature program, which guarantees 10 strokes of improvement over the player's baseline average. "We guarantee we will get them to their goal or we will teach them for free," explained Robins. "Dramatic improvement and lasting change comes when a player fully understands and accepts the concept he is learning," added Robins. "It becomes an internal experience. It is self-learning." Again, the guarantee to the student—either cash refunds or free instruction as a make-good— dovetails with a guarantee to the coach, that the golfer will practice.

In the Robins approach, all first lessons are playing lessons, involving a "stroke harvest" analysis. The student is shown the shortest route from his score of, say, 96, down to 86. "You are teaching them how to be coached toward a result," he says. "You are charging them for results, not for your time. They have lots of repeated contact with you and you'll find that they want

to play well for their coach."

The mechanics and the arithmetic go like this: Golfers form into "teams" (they provide important support to each other) of six, participating in 10 sessions over 12 weeks. Five of those sessions take place on-course, five happen on the short-game practice area or the driving range. The cost is \$695 per person, broken into \$470 for the "tuition" (at \$23.50 per hour) plus \$145 in green fees and \$80 in range ball value. The sales deck Robins uses for his presentations is loaded with dollar figures and percentages showing small to medium-sized bursts of revenue throughout the golf facility's income statement, all from the group coaching and guaranteed-results marketing premise.

Proponent member Scott Hogan gave feedback in the forum about his own approach to the guarantee of satisfaction. Hogan, who teaches at Deer Path Golf Course outside Chicago, makes a deal with the new student that if they don't drop a certain number of strokes from their average score in a preset time, he will coach them for no-charge. "It's up to me to be able to show people what they can realistically do," Hogan says, "but also they get practice cards and homework and need to be bringing me back the cards filled out with their homework. If we are getting close to the end of the time and it's not close, we are on the course for the remaining time." So far he has not conducted any free coaching sessions, not even with the gentleman "who didn't get his goal but he liked the value of what he got," according to Scott.

Paul Ramee, director of golf at the Bulls Bridge Golf Club in rural Connecticut, says he and his assistants recently kicked around the idea of a money-back guarantee.

"We ended up deciding against it," says Ramee. "We felt like

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The Tricky Psychology of Customer Satisfaction

We as consumers make a lot of skeptical comments about whether products are worth the price and whether they will live up to advertising claims. We're nobody's fool and we know quality when we see it, is what that chatter means to say. But we're actually saying it about products and services in general.

The things we ourselves plunk down money for end up in their own special category. "Post-decision product evaluation" is the scientific phrase for this syndrome.

"After we buy something that's not right, we convince ourselves it is right," explains psychologist Jeremy Dean. "Marketers know this, so they use things like money-back guarantees" as a foot-in-the-door technique. "Once you've made a decision," says Dr. Dean, "you convince yourself it

was the right one and start to value [the item] more because you own it."

When a cash-back guarantee works, it's almost always about getting trial. If you patronize a dry cleaner or an upscale restaurant over many years, you're way past the trial stage. That vendor has earned your trust and put you at ease. Therefore when a good silk tie gets wrecked or your dinner takes an hour to get to the table, you will likely get a cash rebate or establishment credit to offset your dissatisfaction. But even when that happens, you probably won't equate it with the unknown marketer who "guarantees 100 percent satisfaction or your money back!" Instead you'll tell a friend that XYZ establishment didn't want to lose a good customer, so they took care of you. – D.G.