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# 12 Powerful Referral Strategies

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## Introduction

It's common knowledge one of the most powerful yet simplest ways to get business is personal referral from a satisfied customer or client (I actually know some business owners who simply won't do business with anyone who comes to them *except* by personal recommendation)

And we all get that thrill when a referral comes to us... so why do we just wait around until they "happen".

It's true. That's just what we do. We love referrals, we know just how valuable and *easy* they are to convert to sales... yet we don't actually do anything to ensure we get as many of them as we possibly can.

Insane, yes?

Well, that all changes now.

Because in this Special Report I share with you 12 of the most powerful and potent referral strategies I know — every single one of them tested in the real world by business owners just like you.

And some of them you could have working for you by the end of today - they really are that simple.

## 1. Ask

The easiest and quickest way to get a customer or client to refer someone to you is... simply ask.

Contrary to popular belief people are only too happy to refer their friends, family and colleagues to you, assuming you've done a good job.

Why?

Well, there are three reasons.

**First**, it's a natural human tendency to be helpful. That's why saying "no" can be so very hard.

**Secondly**, there's an element of reciprocity in here. Yes, you've been *paid* for your service, but there's still that feeling in the back of the mind that your customer owes you something more than just money, especially if you've done a great job or even dug them out of a hole (say, a plumber who's come out at the weekend to fix a burst pipe).

And **thirdly**, if you've done a great job for them and they've had a great experience... why *wouldn't* they want to "share the love" and make sure the people they care about are taken care of and have the same great experience, too?

The words you use are important, too.

Rather than ask *closed* questions like, "*if you know anyone...*" ask instead, "*whom do you know who...?*".

The first can be glibly answered, "*No, I don't*"; but the second requires more thought and the

answer is partially assumed in the question. It's not asking so much if there's anyone you know as it is saying you know someone... now tell me who it is.

## 2. Expect

This is similar to the first strategy except for the fact you're going not only going to *expect* a referral, almost as a condition of your doing business with them, but you're also going to set the scene even before you've signed and sealed the contract.

It can feel uncomfortable at first, but it works incredibly well, and if you stick to a form of words like the one below, it feels unthreatening to both of you.

At some point in your presentation you'd say:

*"I grow my business by personal recommendation from happy clients who can't wait to tell their friends and family what a good job I've done for them. So, if I do a great job for you, keep all my promises and exceed all your expectations, I hope and expect you'll help me in return by telling your friends and family about me so they can enjoy the same kind of experience. That's fair, isn't it?"*

The last four words are very important: *"That's fair, isn't it?"*. They form what's sometimes called a "tag question" and it's one that's very hard for them to say "no" to.

And once they've agreed, the *Law of Commitment and Consistency* is going to make it very hard for them to renege on their promise.

Once you've finished the job and they're happy you can re-visit this promise by giving them some cards with your details on as well as theirs to give to their friends.

On the card you can offer an incentive for the referred client to take action and not just sit on it until they forget about you.

## 3. Reward

Another way to stimulate referrals is to reward people for sending you business.

Just offering money can seem a little mercenary and may even be illegal in some industries, or at least contrary to the codes of conduct of their statutory regulatory bodies, so do be careful.

But that doesn't stop you from using your imagination and rewarding customers and clients for referrals in other ways.

For examples, you can then give the referee a nice surprise in the form of a small gift (flowers for the ladies, perhaps; and maybe wine for the men), or even just a note or call of thanks.

This in turn will encourage them to refer even more.

## 4. Recognition

Another kind of reward is *recognition*.

Money, surprisingly, is less of a motivator than the emotional buzz we get from being recognised. That's why a simple "thank you" is so powerful and effective.

Now, you can make this even more powerful by *publicly* recognising people – say by a "referral board" in your business premises. It's basically a leader board with simple entries that say things like *"Fred Jones referred John Jameson and Sally Smith this week"*.

It sounds cheesy, but people love it – and they will start to work hard to get to and stay at the top of that board.

Note: make sure you have people's permission before you post their names on the board! Just ask – they'll almost always say yes.

## 5. Buy Leads

If you're in a situation where it really is impossible, illegal, unethical or even just undesirable to reward your customers and clients for referring business to you, it may be possible for you to buy leads from them for a fixed price.

For example a painter and decorator would probably do very well from buying leads from removals companies and estate agents, who have lists of the people who have moved in to the area in the recent past.

If you've moved any distance before yourself, you'll know how difficult it can be finding dentists, plumbers, electricians, hairdressers, chiropractors, physiotherapists, gyms, fitness clubs, nurseries, child-care, mechanics, carpet and furniture retailers, builders, plasterers, interior designers painters and decorators... and reliable tradesmen and -women of any kind.

A smart entrepreneur who reaches out to these new movers with a strong message offering help phrased like this,

*"I understand from Movers Ltd. you've just moved in to the area. I know how hard it can be finding all the services you need, so that's why I said I'd call you and take care of this for you. Because you were referred to me by Fred at Movers and we have a good relationship with them, you qualify for a free oil change and valet if you drop in before the end of the month".*

It's not exactly a referral but it's very, very close. Be sure the person selling you the list *knows* you're going to mention their name – you don't want them getting any nasty surprises!

## 6. Assume

Extending the concept above, you can be a little more forceful in your approach and write what's called an "Assumptive Letter".

In this letter you'll write something like this:

*"My name is Mr Brick. Our mutual friend Mrs Scissors the hairdresser mentioned to me you're considering having an extension built on your property. She suggested I write to you... You can see from the testimonials in the enclosed Free Report 'How To Choose A Local Builder Without Being Ripped Off' we've been serving the people of Wessex for 30 years and have*

*an exemplary reputation. Since you were referred to us by Mrs Scissors, a good friend of mine, you qualify for a free site visit where I can plan your entire extension without charge or obligation using our revolutionary 3D design software. If you don't like the sound of what we do, you can simply take the plan to Mr Slate down the road with my compliments."*

Note you can do this whether it's a genuine referral or just a lead you've bought... but in either case you want to make sure the person you're writing to actually *is* looking for someone to do the work you can do for them.

## 7. Endorsed Mailing

Building yet further on the previous two strategies, we get to something called the *endorsed mailing*.

It's best explained by way of an example, say with a mechanic and a plumber.

It works like this:

The *mechanic* puts together a mailing piece, along good *direct response* lines making a specific offer with perhaps something special added because the plumber is such a good fellow.

The *plumber* then sends this letter, along with a letter of his own, to his own list of customers. The *plumber's* letter says something to the effect of:

*"Dear Fred, This is Mr Pipe, your plumber. And you're probably wondering why your plumber is writing to you about a mechanic. Well, as you can imagine if my van isn't running... then nor is my business. So let me just tell you something about Mr Spanner..."*

And then it goes on to tell a (true) story about how Mr Spanner the mechanic helps keep Mr Pipe's plumbing business running (remember, too, they can do this the other way round, too, with the mechanic recommending the plumber).

## 8. Non Competitive Businesses

If being proactive to the point of writing to prospects isn't to your liking, or you want to do something as quickly and cheaply as possible, then simply "cross-pollinating" with local non-competing businesses is a good way to get a small but steady flow of new business.

All you need are some simple flyers and a plastic holder (pennies apiece off Ebay) and then go around the local shops asking if you can just put one of them on display on the counter. If they ask you to reciprocate then you obviously can, but most simply won't even ask.

Pick businesses which are synergistic with your own and not *just* non competitive: for instance, if you are, say, a personal trainer, then good places to choose would be sports shops, bodybuilding supplies shops and perhaps even health-food shops.

Finally, as with all good direct response marketing your flyers should have a bold headline, an offer and a reason for them to respond to it.

A purely "informational" flyer won't work. It's just "stuff" they won't read but will throw away...

## 9. Bring a Friend

Holding events and special evenings is a great way to drum up business for any business owner – one example is the clothing stores that open up late at night by invitation-only and for just the privileged members (the membership “club” itself is a money-maker, because people love to feel they “belong” to an exclusive, privileged group of some kind).

A twist on the open evening for referrals is to add one small condition – they have to bring a friend.

And if you use your imagination, you’ll soon be able to come up with some ideas for gift certificates that will reward *both* of them if the friend buys anything when they come along.

## 10. Become “Resident Counsel”

Involve yourself with bigger local businesses and offer to talk to their staff or act as a consultant for free in your business area. Gyms in particular have done very well with this in the past few years.

The idea is you create a free offer of which the employees of the business can avail themselves – say a free session in the gym, a free haircut or whatever.

In return the business itself agrees to promote your business to its employees. There’s no reason for them not to, since it’s not costing them anything but it is making them look good to the staff.

## 11. Speak to Groups

No matter where you live, there are dozens of groups, clubs and organisations who will gladly have you along to present your business – and so long as you are not tedious and dull, they’ll have you back time and time again.

Typical venues are garden centres (which have their own gardening clubs), church parishes, the WI, the British Legion, and many many more.

The idea is you attend the event, give a short, informative and compelling presentation to the group and then make an irresistible offer at the end. Some venues, like parishes in particular, respond well to an offer of a percentage of any sales you make.

But even this isn’t always necessary – many groups make *their* money from the membership and the sales they make to members, and one way to increase retention is to keep them interested. Free speakers who entertain the members are a boon to them.

Think you have nothing to say, or your business is “different”?

This is highly unlikely.

For example, any of the basic trades, such as electricians, builders, plumbers, and painters and decorators could easily wow an audience with a 30 minute presentation titled:

*“How To Avoid Cowboy Workmen Ripping You Off”*

And putting the presentation together is easy: just make a list of the top ten things the bad guys in your industry do, tell them how to avoid being caught, and then tell them these are all things you

*never* do (or your money back!).

Works every time.

## 12. Formal Referral Organisations

And finally, let's not forget the formal business referral clubs and organisations like BNI and the Chambers of Commerce networking events.

These are often worth joining for many businesses. However treat it like any other marketing exercise and *test*. If it's not working, stop doing it. This sounds obvious but it's amazing how many people feel tied and beholden to these organisations once they're involved – they're then marketing themselves for emotional reasons, not logical once.

The thing to bear in mind about these groups and clubs is you're involving yourself to grow your business and *not* have a "jolly".



