



ALEXANDER ASSOCIATES

Make Your Business Explode with Referrals

Who are the very best new customers you get? Who is most likely to buy from you and continue being a good customer in the future? Isn't it a prospective customer who was referred to you by another customer who is an advocate for your business?

Referrals are the best prospective customers because they have already developed some trust for you and your company. Their defenses are down, and their minds and hearts are open. These are the ideal conditions for doing business.

The most expensive customers to get are those in the "cold market," through advertising or other promotional activities. Yet that's where most of the marketing effort for companies seems to go. You can market much more effectively by devoting more of your organization's time and resources to developing referrals.

You can encourage your customers to give you more referrals.

1. You must deserve referrals. You have to deliver the products and awesome service that people can't help talking about.

2. You must ask for referrals. At the end of every sales interview, whether you make a sale or not, you must ask for referrals. When you make a sale, you have only completed one-half of your mission. The other half is to get referrals. Don't leave the job half done. To encourage the customer to make referrals, help him isolate people in his or her mind: Is there a business associate, like him or her, who you can talk to? A customer? A supplier? Is there a golf buddy? Listen for names that come up during your conversation.

Script a brief profile or description of what you are looking for in a prospective customer. Trigger the customer's mental search with the question, "Who do you know who... (give profile)? If he or she was here, right now, you wouldn't hesitate to introduce us, would you? That's all I'm asking you to do."

If the customer hesitates to give a name, say... "That's all right, Mr. Wright. I think I understand how you feel. Give me the name of someone you know, under fifty, who is making money. I promise you I'll never mention your name." "Mr. Wright, my name is John Smith. I'm in the life insurance business. A mutual friend gave me your name with the understanding that I wouldn't mention his name. He told me that you have been very successful, and that you would be a good man for me to talk to. Could you spare five minutes now, or would you rather I stop by some other time?"



The prospective customers never asked who made the referral, and some of these people were John's best leads.

Part of our introductory procedure for new clients is to review a list of "Our Commitments To Each Other." The final client commitment is: "You will consider referring to us at least two other business persons whom you believe would benefit from an association from us." The expectation of providing referrals is planted at the beginning of our relationship.

3. Show appreciation. This is the real key to continuing receiving leads from a customer and cultivating him or her as a center of influence. Thank the customer for making the referral. Write a thank-you note. Call the customer with a report of the results of your interview. Make a big, appreciative fuss about the wonderful thing your customer has done. Give thank-you gifts in appreciation: send flowers, take him or her out to dinner, or give tickets to a show or athletic event.

What is appropriate considering the lifetime value of a customer for your business? Many people build their businesses with customer appreciation events. For example, marketing guru Dan Kennedy knows a chiropractor who has a monthly patient appreciation luncheon where he gives jeweled appreciation pins to patients who made referrals that month. There are different "levels" indicated by different jewels. Shades of Amway and Mary Kay! Patients are invited to bring family members to the luncheon to see them receive their award, which is given with an appreciative hug by the chiropractor. Photographs of the luncheons are posted in the reception room.

Important Questions:

- If this were your chiropractor, would you want to make a referral?
- How can you use this extremely powerful idea to build your business?
- If you use salespeople in your business, do you train them in how to get referrals from customers?
- Do you maintain a file of all customers who buy your products for follow up promotions encouraging referrals?
- We can work with you to help build strong referrals for your business.