



37 Encouraging referrals and recommendations

What is a referral?

A referral is when one of your satisfied customers who trusts and values what you do, actively refers your service to other potential customers. Having referred you they will give you the potential customer's contact details to follow up. You are in control of the follow up.

What is a recommendation?

A recommendation is when one of your satisfied customers simply gives your name to one of their contacts endorsing your service. This contact will call you themselves if and when they need your service. The new potential contact is in control of the follow up.

Why are they important?

They are important because there really is no better way to get new business easily than through a referral or strong recommendation from someone who is already sold on your product or services. If you are active in encouraging referrals and recommendations you could build your business very inexpensively. People love to refer and recommend someone they have received a good service from. You will find that business that comes from a referral or recommendation is a virtual guarantee. The more trust the potential prospect has in the person that refers or recommends, the more likely they are to buy from you, bypassing any initial concerns or scepticism. This will make it much easier and quicker for you to build business.

Your challenge

Many people don't like to ask for referrals or recommendations although welcome them with open arms when they get them. Many do not have an active procedure for encouraging referrals and recommendations. Your challenge will be to develop a system for encouraging referrals that you feel comfortable using and that motivates your satisfied customers to help you. You will need to remember that when you have performed and delivered a high standard that delights your customer, most will be more than happy to refer you. This is especially true as most people like helping other people. It is up to you to make it as easy as possible for them to do that.

What gives referrals and recommendations the best chance of leading to business?

Of course there will be a type of referral or recommended business that is ideal for you and there will be some that do not fit with the type of customer you are looking for. When encouraging referrals you will need to be clear about the type of problems you can solve and the type of potential customers that you are looking for. This will enable your referrers to recognise someone who would benefit from the service you offer.

How to ask for referrals

The key to getting more referrals is to have a strategy for it and plan ahead of time. If you choose to ask someone at the end of their contract with you to make sure they send people your way they will almost undoubtedly say yes. But will anything happen as a result? ... unlikely. Or if they do, the person they mention you to may still not call because they don't know you and it still feels risky.

There are ways of encouraging referrals and recommendations that ensure that you get the best chance of making personal contact with the referred potential client and that your happy customers do actually take action in generating some for you.

Timing is key when you ask

When you ask for a referral it is usually best when you are discussing the successful results of your work and your client is at their most enthusiastic about you and what you can do. At this stage you might say 'Who else do you know who would benefit from a service like this?' You then take details of this person there and then.

Plan ahead what you are going to say

You could also try, 'I am really glad that you are happy with the work that we have done for you. Much of our business comes from referrals or recommendations. Do you know of any business associates who are looking for the same kind of results we were able to accomplish for you?'

Be clear about what you are looking for

It is much easier for your clients to think about someone when you are very clear about the kind of person, organisation or problem you are able to help with. ‘The kinds of people that I am able to help are small business owners who want to make their marketing work. They may be start-ups or existing businesses which need to create a new or fresh identity in the marketplace.’

Tell customers how to refer people to you

You need to stay in control here and not just hand over the reins to your prospective referred customer. If you say, ‘If you know someone just get them to call me,’ this will just leave it up to chance that they will. Instead you could say, ‘If you know someone, give me a call first and we can discuss the best way to approach them’. This puts you back in control of the opportunity.

Direct them to your website

If you have a good way of capturing the attention of new prospects and an incentive for getting their details, then asking your referrers to direct prospects to your website is a good idea. People are more likely to check out a website before they call you and if yours is good then it will create a positive first impression.

Reward your customers for their referrals

If you get a good piece of business from a customer referral you could send them a thank you note and a gift in the post. The chances of that person doing it again for you because they feel appreciated are much higher.

You could also consider referral incentives to encourage customers to give you referrals. This may be a discount voucher for future work with you or other incentives that they would value highly.

How to use this information

Try it out and see what works for you. Measure the return you get. Make sure you always thank people for any referrals you get and reciprocate if you can.

***Think referral and get FREE marketing
from your satisfied customers***