Nine No-Fail Ways to Boost Referrals for Your Business

Why referrals should be the foundation for all your selling efforts –
especially in our challenging economy.
By Maribeth Kuzmeski

No doubt about it, we’re all navigating some hard economic times. And companies everywhere are in a quandary. Think about this: increasing your client base is more important than ever. But you just don’t have the budget to spend a lot of money on growing your business. You’re too busy trying to stay afloat! The inexpensive and very effective solution is to look in your own back yard. That's right. Referrals from clients and even prospects are the best leads you can ever hope to receive.

If you provide valuable, worthwhile products and services to your clients, they will want to share you with others. It's just human nature! But sometimes they need a little nudge. So whatever your business is, you should have a system in place for promoting this positive “word of mouth.”

In times of economic challenge, you can be doubly sure that cold-calling is not your best option. You need to use all the leverage at your disposal to make this critical task easier and more cost-effective—and a good referral system is worth its weight in gold.

While most of us inherently understand the benefits of having our clients refer their friends, family and colleagues; we simply fail to make it a priority. Perhaps we feel that asking is unprofessional. Or we’re afraid of the possible rejection. Or, most likely of all, we’ve just never figured out a way to build referral requests into our everyday operations.

In my book, Red Zone Marketing: A Playbook For Winning All The Business You Want (Facts on Demand Press, 2002, ISBN 1-889150-34-7, $17.95), I explore the various ways companies can use the power of referrals to dramatically increase their business. Below are the Nine Extraordinary Referral-Boosting Strategies listed in the book that I suggest these companies implement:

1. Seek out a systems-based approach.
Too many companies view referrals as something extra, a “doggie bone” a client tosses them every once in a while. This mindset needs to change. Everything you do should be geared to asking for and following up on referrals. If you have a system in place for pursuing referrals, you and your staff will use it. You won’t have to think, “Now what can I send this referral?” or “How can I thank this client for giving me this referral?” You’ll have a package on hand to instantly drop in the mail. It will be as automatic as brushing your teeth.

2. Give clients more than service, give them an experience!
In order to get referrals, you must become a memorable, noteworthy, one-of-a-kind business. Your clients must want to refer their friends and associates to you! Do whatever it takes. Develop a memory hook or tagline that cleverly conveys who you are. But that’s just the beginning. In an experience economy, you must give your clients an experience! That, maybe even more than your stellar service, is what sells them.

I have a financial services client that says it helps its clients “get to the top of the mountain.” From the mountain top you can see the world—so this company has turned each office and conference room into a different “country.” One room has a huge mural of Athens on the wall. Another one represents Paris, and so on. The company reports that people bring their friends by to see the office, even without an appointment. Can you imagine a better way to attract new business?

3. Find your “natural niche” . . . and never let it go.
Remember, you can’t be all things to all people and shouldn’t try to. Taking into account your expertise, areas of interest and the niche areas you are already working in, figure out what kind of “specialist” you want to be. It should feel natural, as if your company was born to play this role. Then, cultivate that niche!
Initiate contact with your clients on a regular basis. Don’t wait for them to call you! In fact, I suggest creating a monthly KIT (Keeping In Touch) Program for communicating with your best clients. In February, for example, you might send Valentine’s Cards; in June, send some helpful travel tips; in November, share your favorite holiday recipes—and ask for theirs. Furthermore, you should contact these special clients one to three times a year just to make sure they are happy with your service! Keeping in touch is more than a bunch of mailings. It’s a way of keeping clients “in the loop.” It will also keep you in their loop. You want to constantly be there to help your clients solve problems before they become problem, and to encourage them to tell you if they’re not satisfied with something. You don’t just forge a strong relationship with your clients; you actually become part of their life.

5. Become a “list lord.”
An association list, industry list, department list or club list can open the door to referrals. Let’s say you’re sitting across the table from someone who’s a member of, for instance, the Watertown Country Club. Just pull out your list and say, “I was wondering if you know anyone in this club who may be interested in the services I offer?” You will be surprised at the response you get.

The list method works because people want to show that they have influence in the groups they belong to. Once you have referrals, you can call these people up and say “Hello, I got your name from Bill Smith, who is a member of the Watertown Country Club that you’re a member of, and he said that you may be interested in the services that I offer.” It’s a great way of getting more referrals without being demanding.

6. Make your office an “RR crossing.”
No, I’m not suggesting that you move your office to a railroad track! I am simply suggesting a way to help yourself, your coworkers and your clients create a referral mindset. Put a big sign in your office that says “RR.” You will know that it means “remember referrals.” It may also inspire clients (or even prospects!) to ask the meaning, which creates the perfect opening for you to explain that referrals are the heart of your business and you would appreciate their help. Other things you can do include bringing an agenda to each client/prospect meeting and asking a colleague or staff person to help you establish this new habit.

7. Persuade your clients with a club.
It’s not as violent as it sounds! A referral club creates a sense of belonging and encourages members to provide, you guessed it, referrals. You could have a referral appreciation dinner that’s exclusively open to club members and their referrals. Or you could partner with a local business, say, Sally’s Floral Shop. When the referral rewards club card is taken to Sally’s, she will give the shopper ten percent off any flowers purchased there. Or perhaps you could send club members a special mailing or newsletter. Whatever type of club you decide on, just be sure it enhances your company’s image and promotes ongoing dialogue with your client. It has to be a two-way street.

8. Say it with flowers . . . or more creative rewards.
Saying thank you to clients who give you referrals encourages more referrals. So reward these valuable clients with a thoughtful letter or note from you. But in addition, give them something nice. Flowers and gift baskets are time-tested winners. But you can also be a bit more innovative. For instance:

Alternately, you could sit down with a client for an hour or so to help her grow her business. Or you could donate to her favorite charity. Or you could offer to sponsor his child’s Little League team. Be creative—just be sure you go above and beyond the call of duty to say “thank you” for providing such a valuable and generous service.
9. Just do it—and do it every day.
The best way to get comfortable with asking for referrals is to make it part of your everyday business dialogue. Ask your clients, "What have you liked about the work we’ve done together?" Or tell them what you’ve done for them and then say, "Wouldn’t you agree?" When they give you a positive response, it’s a good time to interject, "If there is anyone else who may need these services, please send them my way."

If you simply can’t bring yourself to say these words, there is another way. A referral request package can be a powerful marketing tool. Send it to all your clients! This mailing should include a nice cover letter and form on which they can list friends and business associates who might be interested in your services. Many people find that asking for referrals in writing is much more psychologically comfortable than asking in person.

To realize how critical I perceive referrals to be, one must understand Red Zone Marketing™, the philosophy around which my company is built and for which it is named. Red Zone Marketing (the book) outlines my system, which compares the most critical and magnified area on the football field, the Red Zone (the final 20 yards before the goal line) to the most critical and magnified area in business (the unmarked territory where you either lose or win a prospective client).

"Referral responsibility" is the “R” in SCORE—my acronym for the five marketing principles successful individuals use to “score” in the Red Zone. The R-word is interwoven throughout, and inseparable from, the powerful marketing programs I help my clients develop—programs that have been proven to generate extraordinary growth and significant financial gain.

I cannot overstate the importance of asking for referrals. These leads are easy to close and cost-efficient and they usually turn out to be loyal customers. And guess what? Most of your competitors are not asking their clients for referrals! 90 percent of the business owners that I talk to across the country say they ask for referrals only occasionally. Why not be the 10 percent who does? It will make all the difference in your business.