

The Secret to Getting High Quality Referrals

By: Joe Heller, High Performance Sales Coach

I teach a lot of different revenue generation strategies in my global travels, and I can tell you when done right referrals are the most powerful tool in the sales arsenal. My challenge to you is to wake-up and recognize that if you don't have a systematic referral program in place you are missing out on one of the simplest, lowest cost, ways to generate a massive in-flow of high quality customers for your business.

Why are Referrals so Powerful?

Referrals are the lifeblood of sales; they are more powerful than any advertisement you might run because referrals are founded in trust.

Referrals are powerful is because they create unequaled credibility from a trusted third party, a friend that's experienced the benefits of doing business with you. Referrals are even more powerful when they come from someone they know has successfully done business with you. Why? Because when a referral comes from someone they trust there is no higher way to position the benefits you bring than to help a friend.

You can believe what your friend says about the person being referred as opposed to hearing a "corporate commercial" from a salesperson whose sole purpose is to make money from you. Do you see the difference?

Referrals have an innate value as they are given freely as a reward for the high quality of service rendered. A referral is the most compelling sales advertisement on earth.

Best of all, because you served your customer with integrity you're able to get referrals for absolutely nothing.

Research shows the how valuable referrals are - Paul and Sarah Edwards, authors of "Getting Business to Come to You" suggest that up to 45% of most service businesses are chosen by customers based on the recommendations of others. A Dun and Bradstreet survey uncovered that referrals are one of the two most popular marketing methods for any business to make sales, the other one is advertising. However, referrals consistently out-pulled advertising as to the quality and value of a new customer relationship.

One important note to consider is that referrals increase the life-time value of your customer who has referred someone to you; the referrer becomes more loyal to you and your business because once they have endorsed you, psychologically they become more loyal to you and your business.

Many sales people and small business owners assume that referrals will happen by themselves if you give good service. This belief is false and has no grounding in reality. If you are not deliberate and proactive in developing referrals, the chances of you receiving as many referrals as you want are very unlikely.

Remember your best customers are ready and willing to give you referrals - You just need to show them how. Give them a blueprint on how they can help you.

Let me take a moment to discuss the difference between Word of Mouth Advertising and Referrals. Word of Mouth advertising happens casually when one of your customers or friends mentions you or your business in a conversation. It's not intentional or planned and is not something you can depend on to generate a predictable revenue stream.

A referral system is a systematic process that captures qualified prospects through your trusted relationships with clients, associates and friends.

A 'system' by its definition is a process that produces predictable, measurable results. A system like the ones I design can be controlled and ramped up to provide all the referrals you can handle very quickly. Every business benefits from word of mouth advertising... but don't mistake the random nature of word-of-mouth advertising with developing a systematic, predictable system for referral prospecting.

So what's the secret to getting all the referrals you can handle? My answer is simple, 'You just ask for them.' Logic dictates that you have to ask for a referral in order to get a referral but it's the fear of asking that impedes many of you from moving forward.

One reason for the fear is that you are unsure about the perception of value you consistently bring to your clients. There are a number of reasons for this, and too many to go into here. Just know that you must become comfortable with asking and overcome the battle you are having with fear because the person you're asking for the referral can sense the fear, and will be less likely to give you a referral when you are unsure yourself.

Here's The Good News - People Want to Give Your Referrals!

Shift your belief from one of receiving to one of giving. If you truly believe that it will be helping them when you ask them to give you a referral your fear will quickly fade. Most people want to give back to those who have helped them, and your customers are no different and want to give you referrals. It makes them feel good that they found someone they had a good experience with and human nature dictates that they will want to share you with their friends.

This positions the referrer as a hero when they give their friends the gift of great service from you, and the person who referred you will feel as though he was able to do his friends a great favor.

When you ask for a referral, after treating the person honorably, you are actually doing them a special favor by letting them refer you.

The Blueprint for How to Ask for a Referral

Has someone ever asked you for a referral? Did it go something like this: 'Hi Joe, do you know anyone who could benefit from my services?' Joe starts to ponder your question and eventually says, 'Well, not off the top of my head, but I'll keep thinking about it...'

This is how 97% of all referral questions are asked and in reality fail. You might as well not have ever asked the question.

Rarely, if ever will you get a positive response. Why? Because you didn't ask the right question in the right way. The phrase 'know anyone who...' is too broad for people to think about and isolate a good referral for you.

People need a specific frame of reference to help them narrow down the playing field of potential referral candidates. Imagine that you are talking to one of your customers who's pleased the service you are delivering.

You ask them, 'You're a member of the Association for Corporate Growth in Dallas right? They respond, 'Yes, I am.' You ask, 'Do you go to their meetings on a regular basis?' 'Yes, most of the time.' they reply. 'Is there anyone in your ACG Chapter that you believe could benefit from my _____ (fill in the blank) services? Maybe one or two people you've known in the group who are Vice Presidents of _____ (fill in the blank)?'

Did you see the difference? You gave a narrow frame of reference from which to draw from. It allowed the person you're asking to SEE the potential referral candidate in their mind. This may limit the number of potential people that they might know, but it is far more effective than opening up the ocean of people that they can never identify for you without a reference point.

By being specific with your request, it will also stay in their mind long after you've asked it because they visualized your services with much greater intensity. This will 'lock-in' you in the top-of-mind with the individual.

I know one very successful insurance sales person who loves to hunt and knows all the top hunting lodges in America. All of his referral questions are centered on Hunting Lodges because he knows that anyone who can afford to be a member of certain lodges needs his Estate Planning services.

Referrals come from two primary sources - your current customers (people who have done business with you) and non-customers (prominent people) within your target customer group. You should have an active referral system to secure business from both types of people.

Your customers could be the most enthusiastic about giving you referrals because they have experienced you, your product and your service. But, when done right you can get more referrals from non-customers than existing customers who have never used your service.

Start developing a system today for obtaining referrals first from your customers and second from non-customers who are Centers of Influence in your market.

In order to quickly ramp-up a Customer Referral Program, recognize that receiving referrals from customers starts giving the kind of great service that creates loyal customers for life.

Perhaps the simplest way to harvest referrals from your customers is to send them a simple well-written letter asking them for their help. I have an example of this type of letter as a resource in my High Performance Selling System.

Your best referrers are your customers. These are the people who have had a positive experience with you and can vouch first hand for your service and products. However, there are many other people and organizations that you must include in your referral prospecting system --

The second set of people are individuals who know and network with many other important and influential people. These people are often known as, 'Centers of Influence.' Centers of Influence can multiply your marketing efforts ten-fold if you approach and position your request properly. They can easily turn your marketing efforts from one-to-one to one-to-many. Centers of Influence are the heavy hitters that can have a profound multiplying effect on your business.

A person savvy in generating new business will spend the majority of his referral prospecting time with the 20% within their Centers of Influence that produce 80% of their results.

Centers of Influence should be ranked by their ability to help you. Your Top Tier Centers of Influence are people that are directly related in some way to decision makers within your industry or profession. Top Tier Centers of Influence have a connection to your industry because they are aligned with others you wish to reach either in business or socially. Referrals coming from your Top Tier Centers of Influence can be very powerful to your business in many ways.

Your goal with Top Tier referral givers is to be the first person "Top of Mind" when someone asks them about purchasing a _____ (fill in the blank). With this in mind, you should sit down with the people inside of your company and come up with ideas about how to be the first person that a Top Tier referrer thinks about. Next, develop a list of who those Top Tier Centers of Influence are.

You could consider sponsoring networking events or social gatherings for your Centers of Influence. [Note: Do not allow your competitors to attend.] Have a good cross section of attendees. You might hold several of these events / parties throughout the year so that you can invite several different potential referrers from the same industry.

Add each Top Tier referrer to your newsletter list so you can continue to "touch" them and maintain your Top of Mind Advantage. Be sure to give them helpful information that they can use to make their _____ (fill in the blank) go up or _____ (fill in the blank) costs go down. Give them _____ (fill in the blank) advice and information on new developments in your industry in which they should be aware.

Invite them to an all-expense paid _____ (fill in the blank) association luncheon that has a great speaker. Rent a limo to pick them up, serve them wine or fine drinks, and treat them like stars.

Purchase a book on _____ (fill in the blank) about their business and give it to them as a free gift. They will thank you for your interest in wanting to help them grow their business.

If they are a potentially a big referrer, you should send them a ear round gift that they will receive every month from Harry and David (www.HarryandDavid.com). This will keep you in their minds all year long.

Place them on an automated schedule to send a birthday card to them, their wife and their kids, send them an anniversary card, and cards for the holidays. I use "www.RevenueWarriorCards.com" to help me stay in touch with my Centers of Influence.

Arm your Top Tier Centers of Influence with the _____ tools (fill in the blank) to help them to help their customers (and your prospects). You may consider giving your Top Tier Centers of Influence a supply of Special Reports that you have developed that are specifically designed to help them with the challenges they are facing.

Another idea is to purchase a best-selling book-on-tape that you think they might be interested in and give it to them as a gift to let them know you were thinking about them. Information products about that teach your Center of Influence how to grow their business are always welcome and will let them know that you are interested in helping them grow their business.

Tier 2 Centers of Influence are people whom you come in contact with on a regular basis in your personal life but aren't connected to your industry. These are trusted influential people who come in contact with a large number of other people and could easily act as a business conduit for you.

They too can multiply your marketing efforts - Your Tier 2 Centers of Influence include but are not limited to the following: Neighbors, Friends, Clergy, Business owners, Corporate business executives, Accountants, Financial planners, Lawyers, Etc.

Your Tier 2 Centers of Influence are people that may have no idea what it is that you do. So you need to take the time to clearly explain to them not only what it is you do but the importance of referrals for your business.

Go one step farther by inviting them to after-hours socials. Tell them stories about some results that your customer's have experienced as a result of your product or service. Get them excited about what you do. Get to know what they do by asking them questions. Now each of you can get excited when you give valuable referrals, which in turn will be transferred to the new prospect.

The Power of Cross-Promotions is perhaps the single most powerful referral program. Let me explain. A cross-promotion uses endorsements from other well-respected people. It's a simple idea where an associate sends an endorsement letter about you and your product or service to their customer list and you, in turn, do the same to your customer list. It's a win-win.

The reason endorsement letters are so powerful is because people will buy from people they know and respect. How many times have you asked a personal friend, 'Do you know a good place to buy _____?' Or 'Do you a good _____ that I can go to see about getting _____?'

It is important to understand that we listen to people we trust, that's the power of referrals. People in authority positions can easily use their influence to help you win business just by recommending you within their inner circle.

In closing I'd like to remind you of something Zig Ziglar, the famous sales trainer once said, 'You can get everything in life you want if you just help enough other people get what they want.' This is so true! Thanks Zig.

Establishing a referral program with your customers and other influential people is absolutely critical. Start today, and don't make the mistake so many sales and business people make by not having a systematic program in place to capture referrals. They confuse word of mouth advertising with a referral system and, and tragically lose millions of dollars each year by overlooking the single most effective marketing available for a sales people and business.

Don't make the same mistake! Create a Referral System for your Top Tier and Tier 2 Centers of Influence. Take the time necessary to develop your networking skills and hone your referral program today and start receiving an endless stream of high quality customers to your business. It's money in the bank!

To learn more about how to create your own successful Referral-based marketing system; you're invited to visit <http://www.joeheller.com> and learn more about "High Performance Sales Coaching".

One final note; in order to become a successful in selling you must become an avid student of what works in selling. I developed the Revenue Warrior Selling System (TM) to give you a competitive advantage and succeed against your most challenging competition. You can find the Revenue Warrior Selling System (TM) on my site <http://www.JoeHeller.com>. Go there right now and click on the Revenue Warrior Selling System (TM) to learn more. It's a great resource from my personal library for yours.

Joe Heller, Sales Coach is available for - Individual Coaching, Team Coaching and Group Coaching in the United States and Worldwide.

Dedicated To Multiplying Your Sales;

Joe Heller, Sales Coach
High Performance Sales Coaching
713.927.4494 :: 1.888.543.5537
joe [at] joeheller.com :: www.joeheller.com

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