

# 21 Ways to Build a Referral Based Business

## **21 Key Concepts:**

1. You need to decide who your ideal customer is, and who you actually want to refer to your business?
2. Time to go through your current customer list and your ideal customer criteria...
3. Work out how much each and every one of your current customers has cost you to acquire...
4. Decide how much you are willing to invest to buy your new customers...
5. Be sure to keep in touch with your customers at least every 3 months
6. Teach your customers why it is good for them to give you referrals.
7. Give awesome service that created “delighted advocates” instead of satisfied customers....
8. Make sure you thank your customers and ask them to tell their friends about you...
9. Just be daring...ask people when they buy from you or even, the people who don't buy from you....
10. Let your customers know you will be asking for referrals later on....
11. Make giving you a few referrals a condition of people doing business with you

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12. Reward your customers with a special price if they give you a certain number of qualified referrals....
13. Offer your customers a gift, gift certificates, or even a free service for each referral...
14. Let your customers give their associates, family and friends a gift from you....
15. You can afford to give simple gifts both ways and possibly double the effectiveness of your strategy....
16. Send out a referral card with all your orders, or just drop one in each shopping bag.... Put a sign or sticker on all of your products... and make people an offer...
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18. Present a seminar or information night for your past customers and have them bring their friends
19. Encourage your past customers to buy gift vouchers to introduce their friends....
20. Introduce yourself to a whole new market, with a bring a friend sale...
21. Throw a party to celebrate your customer's purchase, and you invite their friends to come along....

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## **What are the steps to develop a referral system?**

Getting a referral is like getting a sale, only more is at stake. More than your reputation is at stake. Your referrer's reputation is also at stake. Make it personal and build trust. And remember a professional sales process takes 7 touches. Track your results. Test & Measure.

1. Make a target list of people to get referrals from.
2. Take him or her to lunch, or set an appointment at a time when he or she is not pressed by business demands, like first thing in the morning or the end of the day.
3. At lunch, or at the appointment, start with friendly warm conversation. Then make a "positioning statement" – tell him or her why you are there - and get permission to proceed. (This is an up-front close)
4. Define your ideal client's profile.
5. Brainstorm the benefits you can give to the person referred. Use testimonials and give out names.
6. Outline the process.....of how you want them to refer

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7. Don't assume you will get referrals at this first visit. But if you do, get permission to use their name and ask them how to proceed.
8. Mail a note or card thanking them for their time and include one "What's In It For Them" benefit.
9. Follow-up, follow-up, follow-up ... this is where the 7 touches come in ... stay in their minds. Send notes, letters or emails with "What's In It For Them" statements or your most recent client success story. Apply the "KISS" theory here: Keep It Short and Simple.
10. When you receive a referral, respond immediately and over-deliver. There are two reputations at stake. (Remember, the referral is only a prospect, start the 7 touch sales process again.)
11. Say "Thank You" in a big way. And, return the favor.