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The Power of Giving and Receiving Referrals.

Referrals are a powerful tool for any company. Reaching new clients is an essential part of running a successful business, and if you want to leverage the power of referrals, you must take action.

Many of those running their own businesses do not bother with referrals. Perhaps they find asking for referrals uncomfortable, or maybe they assume that their clients will naturally be inclined to refer them by word of mouth. Assuming that referrals will come flowing in as a result of good customer service and a great product alone is shortsighted, and the problem with not proactively asking for referrals is that you're missing out on one of the most effective ways to gain more business.

If you are new to networking, it can be a bit overwhelming to think about referrals. While not a guaranteed path to success, referrals can help in many circumstances, particularly at the beginning of the relationship with a new client.

Giving a referral is usually very easy, but getting a quality referral, often takes a little more work. When looking to generate more referrals, here are some ideas to remember:

Do a great job.

Give them something good to talk about. It goes without saying, but you need to over-deliver your products and sell your services to your clients. By creating a remarkable experience, they will remember you, and hopefully refer you to other people!

Be generous/ Create a paid referral program.

Being generous is one of the most underrated things you can do in your business. For example, offering incentives for your client and their referral can be an excellent motivator. Likewise, the rewards associated with expanding your network is typically well worth the cost of discounting services for a repeat client. Who wouldn't like making a couple of dollars off a simple recommendation? A strategic paid referral program can help any business get new customers, and at a relatively low price. It's a win-win situation, so make use of your current customers, and financially motivate them to help spread the word!

Referrals go both ways.

Referrals are memorable, and giving a referral is one of the best ways to get one in return. Proactively sending referrals or leaving detailed reviews for your clients can be motivation for them to return the favor. Importantly, giving quality referrals often supplies your prospects with a reason to contact you. If you don't have specific contacts for referrals, leaving a positive endorsement on social media sites such as LinkedIn can have a similar effect.

Keep it simple.

An effective way to receive an online referral, is to make sure what you are asking for is simple to understand and not demanding to complete. By sending a referral request with a quick and actionable way to respond - perhaps including a fillable form or a direct Google review link - will help keep the communication direct and easy.

Ask for a client testimonial.

Asking for referrals can be awkward, as there's a lot at stake when attaching your reputation to someone else's word. If asking for a referral doesn't sit right with you, request a testimonial instead. A short, written endorsement of your company and your work can be just as effective when posted on a website and in other marketing materials.

Show your appreciation.

If you receive an endorsement from a current or former client, be sure to express your appreciation by following up with a simple thank-you phone call or message. This will help to strengthen the relationship, and they will be more likely to recommend your services again in the future.



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