Instant Referral Strategies

Introduction

# Congratulations!!

Welcome to Instant Referrals, your do-it-yourself guide to generating referrals.

Once you’ve been through this guide, you’ll know precisely what it takes to stimulate loads of referrals. More importantly, you’ll have a selection of strategies to get you started.

This is the next step in your marketing success story. From this point on, you won’t have to stab in the dark - you’ll have clear direction. You’ll start to get one extra customer for every one you already have..

# I personally guarantee it.

How To Use This Guide

After reading the introduction and background, jump straight in and start going through **‘The 4 Steps To Getting More Referrals’..**

Each step covers an important aspect of referral strategies - these are things that you must give careful consideration to ... before deciding how to go about getting more referrals.

You might be surprised how much this exercise reveals about your business. It may get you thinking about important issues that have never crossed your mind. If some of this information is new to you, don’t be concerned - there’s never been a better time to start seeing some real results from your business.

Make sure you make notes in the spaces provided. When you come to write your first few strategies, you’ll need to refer back to these “scribblings”.

Later sections offer a more in-depth explanation of how to come up with good offers - you’ll even find some great examples to get you started.

You’ll then find examples of powerful referral strategies, some of which may directly apply to your business.

The last section brings it all together, with templates of successful referral strategies. That means you can combine your new knowledge into a format you can be confident will bring results.

You’ll find a computer disk with this package - it contains these templates in Microsoft Word format. Simply load up the disk and fill in the blanks. That’s how easy it is.

Now, it’s time to get started - your customers are just waiting to tell their friends to deal with you. You just need the right referral strategy ...

# Important: A Note About Testing & Measuring

The greatest business people and marketers are not necessarily the smartest or most innovative. Most simply understand the concept of testing and measuring.

When you are testing and measuring, there is no failure (except the failure to record your results and analyze them). Every step brings you one step closer to the right formula, and the right approach.

If you approach your marketing expecting everything to work first time, you’ll be bitter and twisted when you discover it doesn’t. You may give up before you should.

**Remember this:** marketing has certain rules, but it’s still largely trial and error. You give it your best guess, and then find out for sure.

It’s essential that you meticulously record every result. It’s extra work, but you’ll be glad when you have a marketing strategy that you know will produce results. That confidence only comes from testing and measuring.

The Nature Of Referral Strategies

# What is a Referral Strategy?

A referral strategy is a way of introducing new customers to your business, for a low acquisition cost. It’s a way of getting your existing customers to promote your business for you. A way of getting them to introduce their family, friends and colleagues to your product or service.

# What makes a successful referral strategy?

There are a number of elements which combined, go to making up a successful referral strategy. From finding the right type of customer, to the strategy that best suits your type of business. There are 2 things you need to understand above all else ...

**Service ...** Your service must be extraordinary. Having good or even great service just won’t do. If you want people to refer their friends then make sure your service is first rate.

**Your offer ...** If you don’t give people a good reason, a ‘***What’s in it for me?’***, your strategy will fail. Some of the strategies that you’ll discover in the next section will rely on your offer more heavily than others, but regardless of which one you choose always ask yourself - ***“Would I refer someone for that reason”.***

In the following pages you’ll learn how to put a referral strategy into place in your business. Which type suits which business, and the types of customers that you want to refer you, and those you’d rather didn’t.

The 5 Steps to creating a

Killer Referral Strategy

# Why (Use a Referral Strategy)?

Before deciding on the type of referral strategy *(there are a number to choose from)*, you need to work out whether this is the right overall strategy for you.

Obviously, you have a suspicion that it is *(or you wouldn’t have invested in this package)*, but you need to compare its potential returns against other available ways to market yourself. While a referral strategy has a low hard dollar cost, some can be quite time consuming.

A referral strategy is ideal when you have a higher priced product or service. While almost any type of business can benefit from having a referral strategy *(or a number of them for that matter)*, it doesn’t suit some businesses as well.

For example, a referral strategy is probably inappropriate for a fast food outlet - the average fast food outlet has too many customers at any one time, to go through a script to gain more names for their database. Having said that though, a strategy where your customers could take a card, or flyer and pass it on to their friends, could work quite well. You could also have an offer for groups of 4 or more.

Of course, a referral strategy is an ideal backup for your existing marketing. If you’ve invested money to get a new client to come in, why not get them to bring their friends. It can of course work well as a stand-alone strategy.

# Who (Are Your Target Market)?

Before you even embark on a referral strategy you need to decide the type of customers you want to do business with. The last thing you want is to get referrals that don’t turn into business, that is, referrals that only buy from you once and never do business with you again or even worse, referrals that create more headaches than they do sales, and never give you the business you’re after.

If you don’t set the rules, your new customers will set them for you. So you must decide who your ideal customer is. Some customers are more trouble than they’re worth and will actually cost you money. The 80:20 rule, sometimes called the Pareto Principle, states that 20 % of your business comes from 80% of your customers. The other side of this is that 80% of your headaches will generally come from 20% of your customers.

So, before you try to go and get more new customers, decide on the type of people you want as new customers. You also need to grade your existing customers in one of 4 categories ... either A, B, C or D. An example of an A grade customer would be someone who pays their bills on time, are pleasant to deal with, are happy to pay your marked prices, send their friends to you, and spend a reasonable amount with you each year.

Don’t put up with customers who won’t pay their bills, don’t treat you well and constantly hassle you on price. These customers will generally refer similar types of people, and that’s the last thing you want to happen. To get rid of your D grade customers, *(those you don’t want to do business with)*, simply send them a letter that asks them to deal with someone else. You can’t afford to deal with them any more.

Your C’s will meet just 1 or 2 or your criteria and need to be sent a fairly strong letter that informs them of the new rules of doing business with you. Some will come on board with the new rules; others will want to go somewhere else. Either way, now you’ve moved all of your ‘C’ and ‘D’ customers out...

Your next step is to train your ‘B’ grade customers how to be in the ‘A’ grade with a simple letter. Every client is now aware of the type of customers you want to deal with ...The most important message you need to get through as you send out these letters is that you’re doing it to be able to provide the best service possible for your target market.

# What (are you offering)

You need to teach your customers why it’s good for them to give referrals. People will generally only do something for you if you give them a reason to. Your customers want to know why they should do things for you, they want to know how they’ll be affected when they take action and most of all, what will they get in return ...

When you’re being pro-active about getting referrals you need to take all this into account, even if all they get in return is the knowledge that they’ve helped a friend find what they need...

You’ll have to educate them about how referring people to you can, and will help them. We’ll get into the rewards you can give later but for now, just tell them the simple logic I’ve used so many times for success before.

Your customers will benefit in several ways by referring people to you. Let me list them for you ...

1. By referring you new clients they’re helping you save marketing dollars and that allows you to pass on greater savings to them, greater rewards, or better service ...
2. They’re making sure you have a strong and healthy business, so you’re around in the future when they might need you again ...
3. They’re helping you work with only the best level of clients so you can always come up with new ways of serving them better ... and so on.

Every time you educate one customer about referring new people to you, you’ve got an advocate for life ... with one condition. That you always give them the level of service you’ve promised, it doesn’t have to be 5 star, just what you’ve promised.

Another quick tip about educating people how to refer, be sure to let them know that you’re after quality people, just like them. You’ll give them a compliment and set a standard for who they refer to you.

# How (Are You Going To Encourage Referrals)?

Once you know who you want to deal with, and what you’re prepared to offer to get them in the door, the next step is working out your strategy.

Referral strategies can be the trickiest of them all - you are asking people to risk something that is dearly important to them ... the respect of their friends.

That may sound a little over the top, but consider this example - let’s say you convince a friend to buy a car that turns out to be a dud. How is that friend going to feel about you? Or what if your friends’ appearance was completely destroyed by a hairdresser you recommended.

The negative effects can vary in intensity, but there is always a risk. If you tell someone to do something and it turns into a nightmare, you can expect some of the fallout.

Of course, the reverse is true. If you introduce a friend to a business that solves a problem for them, or gives them exactly the service they’ve been looking for, it can reflect on you very positively.

People tend to highly value what other people think of them. That means, they won’t refer someone to you unless they’re sure they won’t be embarrassed, or be blamed for anything going wrong.

**The upshot of this:** if your service or products aren’t up to scratch, you can forget about referrals. Get that part right, and you’ll get more referrals than ever.

Once you feel comfortable that people are happy with your service and products, you can start work on some specific referral-generating strategies.

The following is a list of different strategies you can use to get more referrals. You’ll find examples of many of these in Section 4, and templates in Section 5. Make a mark next to any you feel would suit your business.

And remember, there’s no reason you have to choose just one - why not do 3 or 4? Your customers may think it’s a little strange, but they’re unlikely to mind (especially if you have awesome service).

Importantly, you must test and measure - don’t be afraid to kill something that isn’t working. Have another look through the list and try something else. Keep doing this until you find the strategy that works best for your business.

# Now, onto that list ...

**Call and ask to mail your customers’ friends a special offer ...** this is a strategy that usually produces results, especially for businesses where purchases are few and far between.

First, write your past customers a letter, which says something along the lines of ‘Hi there, just wanted to let you know about a special offer we’re making right now. Obviously, you won’t be that interested - you just bought a couple of months ago. But what about your friends? I’d like to mail your 2 closest buddies $50 to spend with us. I’ll give you a call in the next few days to get their details’ etc.

Three days later, you phone and say ‘Hi, just following up on that letter we sent you last week. Do you remember receiving it? Did you understand it? Who was the first person that came to mind when you read it? And what’s their address?’ and so on.

Next, you write the friend a letter. A great headline is something like *‘Here’s why George Matthews suggested I write and tell you about our winter special’.* Of course, you just substitute the name of the referee and the title of the special *(introductory, spring madness, summer, New Year etc)*.

You’ll find the person will DEFINITELY read every word. More than that, they’ll immediately call their friend. The friend will then sell your business for you - *‘yeah, they’re really good to deal with - and that’s a great special ... that’s cheaper than I got mine for’.*

Next, you call the referred friend and book them in for an appointment time to see your showroom or quote - whichever is applicable.

**Use a** **‘Referral Price’** - this is a brilliant way to stimulate immediate referrals with every sale.

At the point when the person is about to pay for your product or service, ask them this question ‘Thanks for choosing us [name], and by the way, would you like the referral or non-referral price?’.

Naturally, the buyer will ask you something like *‘what’s the difference?’*.

To answer, use a standard script such as this ... *‘Well [name], we’re aware that a lot of our business comes from people telling other people. For that reason, we reward those who recommend that their friends deal with us. If you know 2 people who might be interested in buying a [product], and you give us their contact details, we give you the referral price - that’s about 10% less’.*

People will usually jump at the chance, unless they don’t know anyone. And the referrals will generally be good ones. Only D class clients will attempt to give you suspect leads. The majority of people will give it some real thought, and may even call their friends to put in a good word.

The referral price idea works best when it is applied as standard practice and used without fear. If people sense that you are uncomfortable with the idea, they will be too. If, however, you make it obvious that this is the way you do business, they’ll go with the flow and give you the names.

Do regular mail-outs offering an incentive ... a simple idea which can be effective, if done correctly.

Here’s what you do ...

Mail out to your customers, starting the letter or e-mail something like this ‘Hi there. Just wanted to write and say thanks - thanks for choosing [business name].’ After the preamble, get to the point - *‘we’re aware that many of our customers come from referrals, that is, happy customers recommending that their friends visit us’.*

Then ask for the referral directly ... *‘If you know anyone who’s currently in the market, I ask that you give them one of the referral cards I’ve included. Thanks [name], and I look forward to seeing you again soon’.*

In your PS, offer a sweetener ... *‘By the way, if one of your friends brings their card in and buys any time in the next 21 days, I’ll mail you a small gift - a voucher for a FREE massage’*. If the incentive is exciting, you’ll find that referrals will flow in.

Best of all, it’s generally very easy to get the incentive for free. In the example above, it would be simple to call the local masseur, and ask for a couple of hundred free vouchers. Any switched-on masseur would understand the lifetime value of a new client.

To make the strategy more effective again, it’s a good idea to follow up the letters with a phone call. Use questions such as *‘Who was the first person you thought of handing a card to?’.*

**Give top service ...** If you treat your customers well, they’ll refer their friends in massive quantities - that much is clear.

But what about really going the extra mile - doing things that your customers would never expect?

Here’s a couple of examples ...

A sandwich bar that painted caricatures of their regular customers and hung them on the wall. The best part was, the customer had no idea until the picture was actually complete. You can imagine how that got them talking.

A photocopier salesman who mailed a free gift to his past customers every month. First was a massage, next a haircut, then a dinner for 2. He did this every month for 12 months. Needless to say, his number of referrals went up dramatically.

A car salesman who mailed one card every month to every person who’d ever bought from him - birthday, Christmas, Easter, Valentines and so on.

These are just 3 examples of **‘awesome’** service - extra special touches that really get customers talking to their friends. You can just imagine someone over dinner saying *‘... and this sandwich bar I always go to, they drew a picture of me and put it on the wall - and the food’s really good too!!’.*

What can you do to really excite your customers?

**Hold a *‘bring a friend’* closed door sale ...** closed door sales always work well. The promise of great bargains, combined with the feeling of being special, is particularly enticing.

But what about spicing up the idea with this strategy?

Make the price of entry a friend. That’s right - if people want to get in, they have to bring one person that has never bought from your business before. And that applies to **EVERY** person who comes along.

Naturally, you have to make the sale exciting - offer some great limited deals and exclusive viewings of the latest product. Drinks, nibbles and entertainment will help make it more attractive again. And if you want to really get people in, offer an expensive give-away ... a TV, holiday or house-full of carpet.

Of course, make sure you get the name, address and phone number of every *‘friend’* who comes along. Mail to them shortly after, offering them an introductory special.

**Ask the question ...** ever heard the saying *‘who dares wins’*? In business it’s exactly the same.

There’s no reason why you can’t ask your customers for referrals any time. You don’t need a strategy or letter - just call them and say ‘I was just wondering whether you know anyone in the market for [product] right now - we’re running a special promotion and I thought I’d give your friends the chance to take it up first’.

Of course, you could do the same thing with people who drop into your store, or who have just bought.

Here’s one of the more interesting applications of the idea ... ask people who go through the sales process yet don’t buy. That is, those who think about buying from you, but eventually say no.

**Here’s an example -** Mary is thinking about buying a patio deck, so she calls Jim’s Home Improvements. After a quote and much discussion, she works out she can’t afford it. Jim, following up the quote he sent out, asks the question *‘What did you decide’*. Mary says *‘Jim, the patio looks lovely, but I just can’t afford it now.’*

She feels guilt at this point and is eager to make it up to Jim in some way. Jim knows this, so he quickly adds *‘that’s a shame Mary - I think the design we’ve come up with is really attractive, and would look great in your back yard.’* Mary agrees. Then Jim says *‘that’s OK Mary - how many people do you know who are also thinking about building a patio now?’.*

Mary might say *‘one or two’*, which leads perfectly into Jim’s question ‘*who was the first person that came to mind? And what’s their phone number?’.*

**Mail out VIP cards to your customers, and include a couple of extras ...** VIP loyalty cards are brilliant for 2 reasons. First, they give your customers good reason to buy from you more often.

Second, they **‘tie them up’** - in other words, protect them from being stolen by competitors. Every time the customer considers **‘straying’**, they have to ask themselves *‘why go to them when I get all this great stuff from my regular guys?’.*

The great stuff has to be great. Just offering a 10% discount is a bit weak, unless the product is super-expensive. Try every 6th purchase free, or free gift each time you buy.

To introduce the card to your customers, write them a letter that explains the benefits of being a VIP card member, and why they’ve been chosen *(something like ‘I’ve only mailed this card to my top customers’ usually works wonders).*

To get referrals, add a PS that says *‘You’ll notice I’ve included a couple of extra VIP cards. Please give it some thought and hand these to 2 people you believe would appreciate them.’*

**Encourage your current customers to buy gift certificates ...** this is a brilliant way to make more sales AND get referrals.

Here’s the great application of this idea ...

Write a letter or e-mail to your customers and offer them a special deal - if they buy a gift certificate in the next 21 days, you’ll add 20% value on top ... FREE!!! For example, if they buy a gift certificate for $100, you’ll write it out to the value of $120.

The only condition is that the recipient must be someone new to the store, and their name and address must be on the gift voucher. Of course, you get to keep the details on file as well.

**Hold a party to celebrate your customer buying from you - and invite their friends ...** probably the best *(and most fun)* referral strategy there is. It works brilliantly with new homes, or home improvement products *(pools, carpet etc).*

Here’s how it works ...

After the customer buys, write them a letter that says *‘Thanks for buying from us - and we hope you’re delighted with every aspect of your new [x]. To celebrate, we’d like to throw you a party ... and cover the costs!! I’ll call you tomorrow and get the names of people you’d like to invite, and a date & time that works best’.*

You call, get the names and addresses, then mail invitations. Of course, in the process you’re gathering details of possible referrals.

You pay for drinks and nibbles, and organize the party. This, in itself, will create great feelings and generate referrals. To take the idea to the next level, show up half way through with some extra drinks. While you’re there, introduce yourself and network.

You’ll be amazed by the results, and the number of people who say ‘*oh, you’re the [x] seller - I’ve been thinking about buying an [x] for years’.*

**Let your customers know in advance you’ll be asking for referrals ...** Before you’ve sold anything, you can let your customers know that you’ll be expecting referrals.

*“ Well NAME ... before we get into what it is you need I’d just like to let you know how we work with our customers ... Would that be OK ... ?”* Then follow it up with ...

*“We get about 80% of our business from referrals and I like to work with people like yourself. So, what I’d like to ask is that if you believe you get value from working with me you’ll refer at least 2 people to me just like yourself ... I’m not asking you for them now, but at some stage I’ll ask you for them ... Would that be OK ... ?”*

You may even find that by giving it to them and then taking it away they may want to give you some referrals up front ...

Another simple tool to use here is to leave a form with your new customers on which they can fill out their referrals. Then you tell them that you’ll be back to pick up their referrals in a couple of weeks ...

**Make giving referrals a condition of doing business with you ...** If you really want to have a business that runs on just referrals then make it a rule.

You can introduce your **‘referral rule’** using a set of Commitment Statements. These set out what you’ll do for your customers and then ask them to make certain commitments to you in return. One could be *‘you agree to give us 3 referrals every year’.*

You could even put an audio tape together that outlines how you work with your new clients, or you only accept clients who are referred to you by your current customers. They should already know the rules of doing business with you.

If you’re going to do this, you need to make sure your business is genuinely giving **AWESOME** service from the moment a client contacts you. It’s also important that your customers aren’t in competition with each other.

**Putting on a seminar for your past clients and asking them to invite their friends...** The secret here is to either bring in an expert your customers will know and respect or, pick a topic that they’ve been trying to find information about.

Be sure to invite at least 5 or 10 times the number of people you want to attend, and book a room that looks full with the number of prospects you expect to get.

Go for quality at the seminar, a good location, a good speaker and nice refreshments. Give people a chance to ask questions at the event, and make sure they have the option of buying. And absolutely make sure you get everyone’s name and details.

When you do the speaking yourself, get either a local newspaper to cover the event, your industry magazine, or take photo’s for your own customer newsletter ...

Structure the seminar so that it’s about 80 or 90% information and about 10 or 20% selling. The idea is to position yourself as the expert, not the best sales people. People love to buy from experts as the trust level is much higher.

# What else (do you need to think about)?

Use this section as a final checklist - once you’re happy with the referral system you’ve chosen, run through and make sure you’re ready to get started. Here are a few things you may not have thought of ...

**Staff Training:** Do your staff fully understand the strategy you’ve implemented? It’s important that they understand the vital role they are to play in this strategy. If your newly referred customers come in and find anything less than the level of service you’ve promised your strategy will fail.

**Gifts:** Have you organized any gifts or vouchers that you’ve offered as incentives for people who refer their friends? You must insure that your existing customers receive the product you promised. Insure that you have an ample supply of printed vouchers or gifts in stock, and that they’re sent on time.

**Check Stock and Staff Levels:** It’s unlikely your strategy will bring in hundreds of people all at once (very few actually do), but you need to be prepared for a sizeable response. There would be nothing worse than having a rush of referred customers come in only to find you have no stock or are too busy to serve them. Plan for your strategy by making sure you cater for any increased demand.

Creating Powerful Offers

So you’ve decided on the type of customer you want to do business with, and the strategy you’re going to use. But what are you going to offer to get people to refer their friends? If your offer is not strong enough, your strategy won’t get the results you desire.

# So what is a great offer?

When thinking of what to offer your customers ask yourself - *‘If I was asked to refer my friends, would the offer be good enough to make me take action?’* If the answer is no, then go back to the drawing board. Without a great offer, you cannot achieve great results.

Another thing to consider when coming up with your offer, is the lifetime value of the people who respond. Taking a smaller profit in the short term will generally work out better in the long run.

**Here’s some examples of powerful offers ...**

* $50 checks for you and 2 friends
* 20% off if you give me the name of 2 friends
* Free haircut or massage if your friends bring in the cards I’ve given you.

All of these offers are worthwhile and sure to get a great response. Weak offers will cause your strategy to fail. Understand that your offer is the part of strategy that gets your customers to refer their friends.

**Here’s some examples of weak offers ...**

* 10% Off - This is not a big enough discount to generate interest.
* $100 gift vouchers for $95 - This would not motivate even the most tight fisted customer.
* A free anything that’s not perceived as being valuable to your customer.

Because your existing customers bring you extra business you don’t need to advertise. Keep this in mind when you come up with your offer. The amount of money you’re saving in advertising should offset the expense of giving something away.

# Types of offers ...

Here are some possible offers that would be worth considering ...

**The Added Value with Soft Dollar Cost ...**

Soft Dollar Cost refers to products, services or added extras that you can combine with your standard product to make it more attractive and increase its perceived value, but don’t add much if anything to your costs.

For this strategy to be effective the added extra must have a high perceived value, in other words your customers must see the added benefit as being great value.

The Package Offer ...

By packaging products and services together you create a more marketable combination. There is a higher perceived value when products or services are packaged, your customers will want to buy more, simply because of the extra products they get when buying a product they already want.

One of the best examples of a great package is computer equipment. Buy the hardware and receive the software for free. This style of offer is very attractive to potential customers.

Discounts vs. Bonus Offers ...

More often than not discounting will cost you profits. A far better way of clearing stock and generating extra trade is to have a 2 for the price of 1 sale. Or, try a buy one of these and get one of these FREE. The other way of putting this offer is every 10th purchase free, or when you spend $100, we’ll give you $20 off your next purchase.

Valued at Offer ...

If you are including a free item in your ad, make sure you value them. For example - CALL now for your FREE consultation, normally valued at $75. This positions your time, product, or service as much more than a simple free give-away that people won’t value or appreciate.

Time Limited Offers ...

Place a time limit on your offer, it will dramatically increase the response rate because it gives people a reason to respond right now. Place urgency in your offer ... For a short time only ... Call before such and such ... Only while stocks last. These will all create a sense of urgency in your consumers’ mind.

Guarantee Offers ...

Using a guarantee offer is a great way to boost the response to your ad. People will be far more willing to part with their money if you take the risk out of the buying decision. The better the guarantee you make the higher your response will be.

FREE Offers ...

Giving away something absolutely free *(no catches whatsoever )* is often a brilliant way to build a loyal customer base. Offer a “bribe” to get them in the door initially, then great service and products to encourage them to come back. This type of offer can reduce your **“cost per lead”** dramatically.

5 Killer examples of

Referral Strategies

Example 1

# Referral Price

This is a script used once a customer has agreed to buy from you. The strategy works by offering a referral price, which is significantly less than the regular price, in return for the names of other people who may also be interested in the product.

# Script for XYZ Mortgage Brokers / Company

[Client has just agreed to use XYZ Mortgage]

That’s great John, oh, and by the way, would you like the referral or non-referral price ...

*[“What’s the difference?” they ask]*

If you know 3 or more people who could also benefit from using XYZ Mortgage, you qualify for the referral price - that’s 10%, or about $250 less ... John, how many people do you know who would like to reduce their mortgage?

*[number]*

Great John, what is the name of the first person you have in mind?

*[Name]*

And their phone number is ...

*[Number]*

And their address is ...

*[Address]*

Repeat the process with as many friends as they want to give you (a minimum of 3). Keep bringing it back with the line ‘Thanks for that. What’s the name of the next person you have in mind?’

OR if they say ...

*[I don’t know their number etc]*

That’s ok, how about I give you the referral price now ... and we can organize a time to give you a call back and get those details - I’m available {time 1} and {time 2} ... which one suits you best?

*[Time]*

# Plan B

That’s fine John, how about I give you the referral price now and then call you in about five days - that’ll give you time to think of a couple of people between now and then. I’ll call you back {time 1} or {time 2} ... which one suits you best?

*[Time]*

Great, when I call you back, if you haven’t found anyone, we’ll just return the price to the non-referral.

Referral Letter Example

# Here’s why Paul Smith recommended I write and tell you about XYZ Mortgage Providers ...

Good morning Harry ...

I was speaking to Paul the other day and **your name came up**.

He and I were talking about a new way that you can practically cut your mortgage in half. From what Paul was saying, it’d be perfect for your situation.

**I don’t think Paul would mind if I revealed that we cut his mortgage by 12 years and around $37,000.**

We simply take a small percentage of the savings.

As for how it’s done, you’ll find most of it explained in the booklet I’ve included with this letter. **The rest I’ll make clear when I call you personally on Thursday**.

Look forward to speaking with you then ...

John Smith

XYZ Mortgage Providers

PS If you’re excited by the possibility of massively cutting your mortgage, I recommend you do 2 things. First, call Paul at XXX XXXX and ask him why he decided to go with the idea. Second, **call me and book an appointment to analyze your numbers** and determine how much we can save you.

Example 2

# Christmas/Easter Cards

In this strategy you give your customers 10 specially produced cards each. These are cards they mail to their friends. The cards contain a gift voucher that the friends can spend with you.

# A Christmas / Easter gift for you...

Dear John,

I wanted to send you a letter just to say thank you ... and to offer you a token of my appreciation.

Christmas is just around the corner and you probably have a lot of friends that you would like to send a gift. So I have arranged something that you can give them, that will only cost you the price of a postage stamp.

I have printed a number of Christmas cards for our clients to send out to their like minded friends. **To those people you care for that share a similar passion to ours ... A passion for fine art.**

These cards feature reproductions of some of our most beautiful pieces. To collect your free set of 5 cards simply call out within the next 14 days. These cards would normally sell for $5.95 each, **that’s $29.75 worth of value that we would like to give you ... just to say thanks.**

I look forward to catching up with you in the next 2 weeks ...

John Smith

XYZ Gallery

PS **Each card will include a $30.00** gift voucher for you to give to your friends. They can use this ‘cheque’ towards the purchase of any painting. As a valued customer we would like to extend this offer to you.

Example 3

# Gift Vouchers For Friends

This referral strategy works well with one-time products or long term purchases. Send a letter that says “We’re having a special – obviously you won’t be interested, but your friends may be.” Follow up, get names of potential prospects from your existing customers and mail vouchers to them.

# An important message for all past

# customers of XYZ Window Tinting ...

Hi there John ...

Hope your tinting is still looking as good as the day we applied it - as you already know, it’s 100% guaranteed to NEVER bubble, turn purple or crack.

But here’s the real reason I’m writing to you ...

We’re currently running a **winter special**. Obviously, that doesn’t mean a thing to you - you’ve already had your car windows tinted.

But it may mean something to a few of your friends.

See, our business drops off in Winter - people aren’t hot, so they don’t worry about tinting. As a result, we offer something special to new customers - a **$50.00 gift voucher**, which can be used towards any full car tint.

**I’d like to mail vouchers to 3 of your friends**. Of course, there’s no obligation for them to actually do anything with the vouchers - but there’s every reason why they should.

At $50.00 off, this is the best deal on tinting they’re likely to see this year, and you can help them claim it.

**I’ll give you a call in the next few days** and get their details - just think of the 3 friends or relatives most likely to appreciate this special offer, and I’ll get the vouchers mailed right out to them.

Look forward to speaking with you soon,

John Smith

XYZ Tinting

PS If just one of your friends decides to take up our offer, I’ll send you a special gift - **a voucher for a dinner for two** (value $39).

# Here’s why Paul Gerry suggested I write and

# tell you about our Winter Special ...

Hi there Matthew ...

I was talking to Paul and your name came up.

He said that you might be interested in hearing about XYZ Window Tinting’s Winter special - **$100.00 off the normal price**.

As you probably know, Paul had his car tinted by XYZ Tinting some time ago. He was happy with the results - and he told me his car feels much cooler in summer.

He recommended I send you $100.00 towards having your entire car tinted with the new **Quantum Leap tint**.

This is the **lowest price we’ve ever offered** on this type of auto tinting - and it’s only being offered to friends of past XYZ Tinting customers.

And in case Paul hasn’t mentioned it, XYZ Tinting do things a little differently to other window tinters - we offer a level of service uncommon in an industry dominated by ‘quick-buck’ fly-by-nighters.

For a start, we guarantee you a **perfect job** - that means **no bubbling, cracking or purple tinges**. And your tint is guaranteed to look great for the lifetime of the car.

**I’ll give you a call** in the next few days and get your thoughts - this offer lasts until July 5, so it might pay to book your car in when I call.

Look forward to speaking with you soon,

John Smith

XYZ Tinting

PS If you call me before I call you, you’ll also qualify for **an extra special bonus** - but I’ll keep that a surprise (a few clues - it’s small, just under $20, related to your car and universally loved).

**Example 4**

# Gift For Referrals

In this case, you write customers a letter that explains that you are building the business and would like to deal with more customers “like them.” Mention that you will be calling and asking for names. If they refer, they receive something special – a very attractive gift.

DATE

NAME

ADDRESS

ADDRESS

Seattle, 10:35am

# Here’s why I want to pay for you to Vacation on Romantic Vancouver Island, British Columbia…

Hi NAME,

Ok, I know - that headline sounds a bit outrageous ...but I assure you, it’s true ...

I am genuinely offering to fly you to Vancouver Island - I just want you to help me solve one small problem ...

It costs me about **fifteen hundred dollars** to attract a new customer - see, I have to advertise about three times (at five hundred dollars each) to make **one** sale ...

But I’ve come up with this **brilliant idea** ...

**I want to give you that money** - I’m tired of paying the rip-off merchant newspapers for the privilege of being on their pages - I’d rather do something for my customers ...

So here’s what I’ve come up with ... If you send me one of your friends or family, or anyone you know who’s thinking of building right now, **I’m going to fly you to Vancouver Island and back** ... and not only that, I’m going to pay for you to stay in a beachfront highrise hotel for five nights ... and not only that, I’m going to pay for your meals ... and not only that, I’m going to give you $100.00 to spend on souvenirs (buy one for me) ...

That’s right - I’m sick of paying newpapers ... I want to start treating my valued customers instead - if one of your friends or family invests in a XYZ home, **I’m going to pay for YOU to have the holiday, I bet you’re yearning for** ...

And you already know the three reasons why XYZ is the best choice ...

1. We go through the most extensive and **thorough design process** in the business, paying for a professional architect to turn your friend’s ideas into a plan, then the best builders in the city to turn that plan into the home they’ve always wanted ...
2. We offer **lifetime assurance** - should there ever be a problem with the home, we come out and help you in any way we can ...
3. We **finish on time** or we pay double your rent for every day the project runs overtime ... on top of that, the price we give you to begin with is the price you’ll ultimately pay .

So here’s what I propose ...**I’ll give you a call** in a couple of days, just to see what you think of this idea - I’d understand if you were a little suspicious (my wife thought it was positively mad) ... but I assure you NAME, this is a genuine offer that will help you AND me ... I get great customers (people like yourself) without spending thousands on advertising and you get a relaxing holiday on the beach ...

Until we speak, all the best ...

John Smith

XYZ Homes

PS Remember ... XYZ can build homes in Canada and the Pacific Northwest...

PPS I’m not asking you to do the “hard sell” for me - just mention XYZ to your friend or relative and **suggest that they give us a call** ... and by the way, make sure they mention that you recommended them ...

Example 5

# Extra Loyalty Cards (REF6)

In this strategy, you mail out 2 loyalty cards to your customers. Preferably, these customers will already have the loyalty card themselves. Suggest that you’ve enjoyed having them as a customer so much, you’d like to see more of their friends. Of course, there’s an incentive for them to pass these cards on…..

# Announcing … a new VIP club for photographers …

* 10% credit dollars on every purchase …
* ***Gifts, newsletters & bonuses …***
* Priority service …

Dear [name],

First, allow me to say thank you.

I’ve enjoyed processing your work, and it’s been a pleasure to have you as a customer.

In appreciation of that, I’ve included a small gift – a **XYZ VIP card**. I’m only mailing these to customers who I’d like to do more regular business with, and that means those who are professional, loyal and prompt with payment.

You meet the criteria. Here’s what this card entitles you to …

**10% Credit Dollars On Every Purchase** … that means every time you spend, you get something back. For example, if your job comes to $100, we give you ten credit dollars to spend with XYZ . You can spend them the very next time you come in, or save them up for as long as you like.

**Gifts, Newsletters & Bonuses** … I’m always coming into contact with businesses looking for new customers to introduce themselves to – masseurs, hairdressers, restaurants and more. I find they’re almost always ready to offer their services free to my valued clients. Added to that, you’ll also receive our monthly newsletter – The XYZ Leader, plus free samples of new films from Kodak.

**Priority Service** … that means we treat you as important – you will be placed ahead of our sporadic clients. I’ve always believed that you should help your ‘A’ class customers first, and the others second.

To validate your card (you should find it with this letter), you simply need to **make a purchase with XYZ within the next 28 days**.

I look forward to seeing you soon,

John Smith

XYZ

PS As an extra bonus, I’ve organized something special for you. Make your purchase, collect your card then call 1-800 XXX XXXX. This is the number for George’s Flowers. Say ‘XYZ sent me’ and **they’ll automatically send a small bouquet of flowers to your sweetheart.**

PPS You’ll also find an extra card with this letter – this is for one of your friends. Please give careful consideration to who you offer this to … I only want new customers of your caliber.

5 Killer Templates of

Referral Strategies

Template 1

# Referral Price

This is a script used once a customer has agreed to buy from you. You need to train your sales team in the use of this script, and then ensure that they are using it with **EVERY** customer. If the script is not bringing the desired results, you’ll need to make some changes. Remember that your sales people must use this all the time. If they only use it occasionally there is no way to tell whether or not the script is working.

# Referral Script for [Your Company Name]

[Client has just agreed to purchase from you]

That’s great [Name], oh, and by the way, would you like the referral or non-referral price ...

*[“What’s the difference?” they ask]*

If you know 3 or more people who could also benefit from [purchasing your product/service], you qualify for the referral price - that’s [you need to give a percentage or dollar saving], or about [if you’re giving a percentage, explain roughly what that comes to in dollar savings] less ... [Name], how many people do you know who would benefit from [your product/service]?

*[Client will then give you a number]*

Great [Name], what is the name of the first person you have in mind?

*[Name]*

And their phone number is ...

*[Number]*

And their address is ...

*[Address]*

Repeat the process with as many friends as they want to give you (a minimum of 3). Keep bringing it back with the line ‘Thanks for that. What’s the name of the next person you have in mind?’

OR if they say ...

*[I don’t know their number etc]*

That’s OK, how about I give you the referral price now ... and we can organize a time to give you a call back and get those details - I’m available {time 1} and {time 2} ... which one suits you best?

*[Time]*

# If for some reason they can’t think of any names on the spot, use the strategy below …

That’s fine [Name], how about I give you the referral price now and then call you in about five days - that’ll leave you time to think of a couple of people between now and then. I’ll call you back {time 1} or {time 2} ... which one suits you best?

*[Time]*

Great, when I call you back, if you haven’t found anyone, we’ll just return the price to the non-referral.

# Here’s why [Clients Name] recommended I write and tell you about [company name or product/service] ... {Letter Format}

Good morning [Name] ...

I was speaking to [Name] the other day and **your name came up**.

[He/she] and I were talking about how you could benefit from our [mention your product or service]. From what [Name] was saying, it’d be perfect for your situation.

**I don’t think [Name] would mind if I revealed [explain the benefit your existing client has received].**

I’ve set aside some time this week to talk to you about it. I have an hour put aside on [day] at [time], or [day] at [time]. **I’ll call you in a few days time to work out which of these times would suit you best**.

Look forward to speaking with you then ...

[Your name]

[Your Company Name]

PS [Put an exciting offer in your PS. Alternately you could mention a benefit that hasn’t already been mentioned to the prospect].

Template 2

# Christmas/Easter Cards

In this strategy you give your customers 10 specially produced cards each for them to mail to their friends. You’ll need to have these cards produced by your printer. These cards can have photographs of your business, product or service, or they can just be general photographs.

You need to include a response device with each card. This could simply be a small flyer with a special offer on it. You do however, need to have some type of special offer included to get people coming through your doors.

# A Christmas gift for you...

Dear [Name],

I wanted to send you a letter just to say thank you ... and to offer you a token of my appreciation.

Christmas is just around the corner and you probably have a lot of friends that you would like to send a gift. So I have arranged something that you can give them, that will only cost you the price of a postage stamp.

I have printed a number of Christmas cards for our clients to send out to their like minded friends. **To those people you care for that share a similar passion to ours ... A passion for [your product/service].**

These cards are sure to be a big hit with your family and friends. To collect your free set of 5 cards simply come and see us within the next 14 days. These cards would normally sell for $[X] each, **that’s $[X] worth of value that we would like to give you ... just to say thanks.**

I look forward to catching up with you in the next 2 weeks ...

[Your name]

[Your Company Name]

PS **Each card will include a [gift voucher, cheque or special offer]** for you to give to your friends. They can use this [gift voucher, cheque or special offer] towards the purchase of [product/service]. As a valued customer we would like to extend this offer to you.

Template 3

# Gift Vouchers For Friends

This referral strategy works well with one time sell products or long term purchases. Send a letter that says “We’re having a special – obviously you won’t be interested, but your friends may be.” Remember that you must follow up and get the names of potential prospects. Once you have these names and addresses, you need to mail the vouchers to them and then follow them up.

# An important message for all past customers of [Your Company Name] ...

Hi there [Name] ...

Hope your [whatever product they purchased] is still suiting your needs, and working well. Remember we offer [mention any warranty or guarantees here], so if you do have any problems, give us a call.

But here’s the real reason I’m writing to you ...

We’re currently running a **[seasonal, or birthday] special**. Obviously, that doesn’t mean a thing to you - you’ve already purchased [product].

But it may mean something to a few of your friends.

See, we believe that our best source of business comes from the referrals of satisfied customers. Because we’re having a [seasonal or birthday etc] special, we thought you might know some people who would also benefit from a [product]. As part of this special we’re offering [product] for only $[X]. That’s a saving of $[Y]!!!!

**I’d like to mail vouchers to 3 of your friends**. Of course, there’s no obligation for them to actually do anything with the vouchers - but there’s every reason why they should.

At $[Y] off, this is the best deal on [product] they’re likely to see this year, and you can help them claim it.

**I’ll give you a call in the next few days** and get their details - just think of the 3 friends or relatives most likely to appreciate this special offer, and I’ll get the vouchers mailed straight out to them.

Look forward to speaking with you soon,

[Your Name]

[Your Company Name]

PS If just one of your friends decides to take up our offer, I’ll send you a special gift - **a voucher for a dinner** for two (value $59).

# Here’s why [Client Name] suggested I write and tell you about our [Seasonal, birthday etc.] Special ...

Hi there [Name] ...

I was talking to [Name] and your name came up.

He/she said that you might be interested in hearing about [Your Company Name] Winter special - **$[Y] off the normal price of [product]**.

As you probably know, [Clients Name] purchased a [product] some time ago. He/she is delighted with the results and told me he/she [mention a benefit of using your product that the client mentioned. For example they now don’t suffer from back pain etc].

He/she recommended I send you $[Y] towards the purchase of [product].

This is the **lowest price we’ve ever offered** on this type of [product] - and it’s only being offered to friends of past [Your Company Name] customers.

And in case [Name] hasn’t mentioned it, [mention a few of the main benefits of your product here].

**[Mention your number one main benefit in this section].**

**I’ll give you a call** in the next few days and get your thoughts - this offer lasts until [Date], so it might pay to arrange a time for you to come and inspect our range of [products] when I call.

Look forward to speaking with you soon,

[Your Name]

[Your Company Name]

PS If you call me before I call you, you’ll also qualify for **an extra special bonus** - but I’ll keep that a surprise (a few clues – give a hint at what the bonus is).

**Template 4**

# Gift For Referrals

Write your customers a letter that explains that you are building the business and would like to deal with more customers “like them.” You need to mention that you will be calling and asking for names.

Explain that if they refer a number of people to you, they’ll receive some sort of worthwhile gift or bonus.

DATE

NAME

ADDRESS

ADDRESS

[Seattle 10:32am]

# Here’s why I to offer you [mention special gift or bonus] ...

Hi [NAME],

Ok, I know - that headline sounds a bit outrageous ... but I assure you, it’s true ...

I am genuinely offering to [mention special gift/bonus again] - I just want you to help me solve one small problem ...

It costs me about **[X] dollars** to attract a new customer - see, I have to advertise about three times (at [Y] dollars a go) to make **one** sale ...

But I’ve come up with this **brilliant idea** ...

**I want to give you that money** - I’m tired of paying the rip-off merchant newspapers for the privilege of being on their pages - I’d rather do something for my customers ...

So here’s what I’ve come up with ...

If you send me one of your friends or family, or anyone you know who would benefit from our [product/service] right now, **I’m going to [mention offer/bonus here]** ... and not only that, I’m going to [mention extra bonus offer here] ...

That’s right - I’m sick of paying newpapers ... I want to start treating my valued customers instead - if one of your friends or family invests in a [product/service], **I’m going to [tell them what you’re giving them]** ...

And you already know the [X-number] reasons why [Your Company Name] is the best choice …

1. [Number one benefit here]...
2. [Number 2 benefit here] ...
3. [Number 3 benefit here etc etc. You need to give them these benefits so they can mention these to the people they refer] ...

So here’s what I propose ...

**I’ll give you a call** in a couple of days, just to see what you think of this idea - I’d understand if you were a little suspicious (my husband/wife thought it was positively ridiculous) ... but I assure you [NAME], this is a genuine offer that will help you AND me ... I get great customers (people like yourself) without spending thousands on advertising and you get [special offer/bonus] …

Until we speak, all the best ...

[Your Name]

[Your Company Name]

**Template 5**

# Extra Loyalty Cards

In this strategy, you mail out 2 loyalty cards to your customers. Preferably, these customers will already have the loyalty card themselves. These cards need to be professionally designed and printed, as they are going to your top clients. You’ll find a layout for a standard VIP Card on the next page …Announcing … a new VIP club for customers of [Your Company Name]

* 10% credit dollars on every purchase …
* ***Gifts, newsletters & bonuses …***
* Priority service …

Dear [name],

First, allow me to say thank you.

I’ve enjoyed servicing your needs, and it’s been a pleasure to have you as a customer.

In appreciation of that, I’ve included a small gift – a **[Your Company Name] VIP card**. I’m only mailing these to customers who I’d like to do more regular business with, and that means those who are professional, loyal and prompt with payment.

You meet the criteria. Here’s what this card entitles you to …

**10% Credit Dollars On Every Purchase** … that means every time you spend, you get something back. For example, if you spend $100, we give you ten credit dollars to spend with [Company Name] . You can spend them the very next time you come in, or save them up for as long as you like. [Use this offer, or place another one here].

**Gifts, Newsletters & Bonuses** … I’m always coming into contact with businesses looking for new customers to introduce themselves to – masseurs, hairdressers, restaurants and more. I find they’re almost always ready to offer their services free to my valued clients. Added to that, you’ll also receive our monthly newsletter – [Name of Newsletter], plus free [product or additional service].

**Priority Service** … that means we treat you as very important – you will be placed ahead of our sporadic clients. I’ve always believed that you should help your ‘A’ class customers first, and the others second.

To pick up your card, simply present this letter next time you **make a purchase with [Company Name]**.

I look forward to seeing you soon,

[Your Name]

[Your Company Name]

PPS You’ll also find an extra card with this letter – this is for one of your friends. Please give careful consideration to who you offer this to … I only want new customers of your caliber.

Referral Card

This is a basic template of a referral card that you can give to your customers. It is advisable however, to have your cards professionally produced by a printer. You might like to use the templates below as an example for your printer to base his design on. You might also like to include your logo and a background color to make the card stand out.

# Your Company Name

# Referral Card

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone: B/H \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 A/H \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Referred By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Place your special offer and conditions here.