

The Referral Engine

50 Snack-sized referral ideas

Workshop

Real Life Referral Flood Success Stories by Category of Business

While I maintain most referral strategies can be applied in some fashion to almost any type of business, there are some that are more suitable to certain kinds of businesses. I have take the strategies and examples presented in Referral Flood and aligned them with Retail, Service or Professional Services categories.

Retail

Gift Store - Frequent Referral Club – Set up frequent referral club that rewarded customers for sending in referrals. Every time a customer made a purchase they were given a referral certificate good for $20 off a $100 purchase. When that certificate came back in the store the referral customer also earned points toward free items.

Computer Store – Had an associate write some simple, but useful, software programs. The store then gave them away freely and asked customers and users to do the same. Each program required a simple registration to install and each time someone used the program they were greeted with information on store specials. The store received thousands of subscribers and impressions as users passed the software around.

Clothing Store – Partnered with surrounding, non-competing, stores to promote and refer each other. Each store created discount cards and displayed them in the store and inserted them shopping bags. The stores also shared mailing lists and held "secret" after-hours specials, just for customers who referred business.

Hair Salon – Routinely dropped of coded coupon and gift cards to area hotels. The staffs at hotels are constantly asked for advice on a nearby hair salons or other retail businesses. The hair salon even provided free services to hotel staff members that referred the most business.

Home Décor Store – This store compiled a list of the most popular items in the store and when a customer purchased this item they received a gift card to give to a friend for another popular item.

Optical Store -Offers new clients a 100% refund if they refer four new clients within one year. Obviously the math works out for them, but business skyrocketed when they made this offer. They give their customers referral cards and each time one of the cards comes back, they send a refund check to their customers. When customers reach four new referred clients they have received a 100% refund for their previous purchase. They find that their customers get pretty excited about the prospect of "winning the game" and are driven by this competition to refer new clients. Of course they have photos of the 100% Refund Club all over the office.

Independent Bookstore -Teamed up with neighborhood schools to start a reading program. Students were encouraged to read a certain number of books that they checked out at the library. Each time the book was read the student received a punch on a reading card. After they filled up their card they received a free book from the bookstore. This promotion got the bookstore tons of publicity and exposure from the library and the school. Being smart marketers, they also were able to acquire the books they gave away from the remainders section offered by publishers. Typically this partnership arrangement allowed the bookstore to get the give-away books, still high quality desirable books, for under $1.

Plumbing Supplies Store -Offered salespeople from plumbing and other construction related firms finder's fees for giving his sales person leads. A painting contractor would give him a heads-up when he was asked to bid a job and then the plumbing supply contractor could reach out and make a special offer to the homeowner or contractor. If the lead turned into a job, he would send a check to the salesperson

from the other company. Having all of these paid scouts out there really kept him in the know about who was doing what.

Shopping Center -Created a discount card that offered discount and special offers for every store in the mall and contacted area sports teams, church groups and schools and allowed them to give the cards away to members. When a member came to the mall and used the card the group received a certain percentage of the proceeds.

Golf Driving Range -When members sign-up for a 10-hour pack they get four "Free Range Time Coupons" to give out to others that they would like to bring to the club. They find that 35% of these free players return and pay.

Home Sales -Clients picked out a lot and the model of the home they were interested in building, but before they could write the check for the deposit, they had to provide five referrals. After they were sold, they literally wouldn't take their money unless they complied.

Service Businesses

Electrical Company -Each time a service technician makes a call they give the customer five $5 referral bucks certificates. The certificates have the customers name on them. Customers are encouraged to give them to friends, family and neighbors. Each time one of those $5 off coupons is used the customer who gave them away also gets a $5 off coupon sent to them to use on their next service.

Mortgage Company -Sets the table ahead of time by showing clients exactly how he is going to perform. He sets the cost savings, interest savings, and time frame for the transaction all ahead of time. Then he gets the client to agree to give him five referrals on the spot if he performs as promised. It becomes a

game and the clients always love it. Plus it pushes him to perform and emphasizes the value he provides.

Computer Consultant --He provided a service that was hard to explain and was best done in conjunction with a hardware upgrade. He joined an industry association. And marketed his service exclusively as an add-on to the hardware upgrades. He provides a very specialized service and many of the members in the organization are happy to refer him so they don't have to mess with the service. He spends all of his time marketing to this industry referral source and acting as an extension of their business rather than trying to find end users.

Massage Therapist -Every time a new client signs-up for their six-session package, they give the client three referral cards for a free massage. Clients give the cards away to friends and family. If one of those free massage cards then turns into a six-session buyer, the original client gets a free massage.

Computer Repair -This company simply asked for referrals every time they marketed or communicated with their clients in any manner. They created a big rubber stamp that said, “We crave referrals,” and stamped that sentiment on every piece of mail that left the place. Invoices, marketing pieces, newsletters, training manuals, work orders...you name it. By putting that message in front of their prospects constantly they began to receive referrals from many different places.

Heating and Air Conditioning Contractor -During the sales process they use testimonial letters from satisfied clients and then ask the clients if they would be willing to provide a similar letter if everything works out as promised. After all of the work is done and they agree on a price, they offer an additional $50 referral fee if the clients write a letter on the spot. It works every time.

Mortgage Company -This company acquired rosters from area private schools and then offered to provide his services for free

if the borrower would send a mailing to the entire school roster endorsing the company's services. The fee the company gave up was almost $1000, but in most cases the mortgage company immediately signed-up as many as 10 new clients and the owner became known as the "go to" person for these tight knit communities. This works well with church groups, associations and clubs as well.

Painting Contractor -USP was a great paint job takes more than luck - He worked very hard at generating referrals and when someone would send him one he sent a hand-written thank you note with a lottery ticket enclosed. He got a ton of mileage from the stunt and it helped reinforce his core message.

Software Training Company -Partnered with complimentary businesses to provide training classes. A local print shop received all kinds of really poorly designed business cards, brochures, letterhead, etc. Print shop partnered with the computer training company to offer its customers with graphic design classes. Eventually they expanded it to marketing, web design, and specific software applications. The key is to look for businesses where you can offer a natural extension of their product or service.

Lawn Service -Created a referral group of complimentary services – tree service, plumber, heating and cooling, window cleaning, maid service, driveway repair, handyman service. Then each of the services marketed the entire group with dollar-off coupons whenever they did work or made a marketing call on a homeowner or business.

Remodeling Contractor -After this upper end remodeling contractor finished a project, he offered to throw an open house party for the neighbors. The homeowner invited friends and neighbors to "come see what all the fuss was about" and see the new home. The remodeling contractor made a very small presentation and then passed out cards. This worked particularly well when he added a cigar tasting, wine tasting,

golf demonstration to the event. Of course he also took photos of the homeowners enjoying their new home addition and mailed it around the neighborhood.

Sales Trainer -Offered an all expenses paid trip to Cancun for the person who referred the most clients in a year. Contests have been around forever because they work. They had many different levels of prizes and even gave a little something whenever they received a referral even if the referral did not turn into a client.

Remodeling Contractor -Sends a series of letters to houses surrounding a project. This way they let the neighbors know what is going on, give them contact information, and promise to keep the jobsite as tidy as possible. But the real thing they are doing is sending a powerful marketing message that says look how much we care about our customers. The final letter includes a photo of the completed project and a quote from the happy homeowner.

Electrical Contractor -Pays its salespeople $20 for every referral they generate. They use door hangers and hang them on 10 or so houses surrounding a job they are working on. When one of the coupons on the door hanger comes in, that salesperson gets $20. The key is that the door hanger has the address of their customer listed on it saying something like, “We were working at 1233 Mockingbird Lane today and we thought you might like a $20 off coupon for any electrical service you may need.” This personalization is what makes this a referral type strategy.

Maid Service -Sent out fake $100 bills as a Valentine’s Day Gift to all of its clients and then allowed them to gift this $100 off their service to anyone they wanted to. They acquired new clients and their existing clients felt great about being able to give this valuable gift away.

Window Washing Company -Most of their clients are so pleased with the way their clean windows look they actually feel compelled to tip the crew. Whenever that happens, the crew chief hands over three referral postcards and asks the client to address them and place a note on them right on the spot. The crew chief then mails the cards for the client. They get one in three of these back as a new client.

Seminar Company -Lets clients come back to a seminar for free if they bring one paying guest. They make money on products that they sell and they feel that this offer actually helps sell people in the first place.

Auto Dealer -A day or two after a client buys a new car, the auto dealer sends a very large (hard to miss) balloon bouquet to the client's office. He finds that everybody in the office insists on knowing who sent the balloons. He always gets calls on this one.

Wedding Photographer -Offered couples a free portrait ($250) on their one-year anniversary if the couples would provide three referrals at the time of the wedding. Then they also acquired the list of the entire wedding party and sent them thank you notes for being so helpful with all of the arrangements, photos, etc. The Photographers also offered a free family photo as way of saying thanks. What they found was that people who were in wedding soon married as well.

Independent Professionals

Financial Planner -Created his very own referral and lead network by sending a letter to 10 other professionals that he had worked with and felt comfortable referring business to. This letter informed them that he was creating a unique referral network of 100 of the area's top professional services providers and was inviting them to become a member, but that he needed them to recommend 10 others who belonged in this

exclusive group. He then created a resource directory and website that featured all 100 professionals. The entire group promoted the directory and web site and referred business to each other. As a result, other professionals begged to be allowed into the group. The strategy was so powerful that many of network members did no other form of marketing.

Business Consultant -Every time he acquired a new client he took him/her photo and made postcards for him/her to send to referrals. The photo made the card much more effective and generated much better referrals.

Attorney -Sponsored online teleseminars and invited well-known authors and speakers by allowing them to pitch their books or other products. Targeted clients lined up to hear the prominent speaker and provided their names and e-mail addresses to get on the free call. The telesesminars became so popular that the attorney recorded each call and created an entire library of products that he used for other marketing efforts. By sponsoring the well known authors, the attorney created a very high profile referral network.

Dentist - Created what he calls compliment cards: Every time a client gives a compliment, like, "that didn't hurt at all" someone on his staff is ready with a referral card. The staff also emphasizes that the only way they work is by referral.

Marketing Consultant -Contacted a bank and an accounting firm that both had small business clients and offered to put on a free marketing seminar for their clients. The bank and the accounting firm invited the guests and provided the space and refreshments. The marketing firm provided the seminar content. The bank and accounting firm liked the idea of doing something for their clients, but the twist that really made this work was that the bank and accounting firm saw it as an opportunity to meet each other's clients and perhaps get some good exposure to prospective clients.

Management Consultant -This smart marketer made it a habit of acquiring testimonials from every single client he had ever worked with. In some cases he had testimonials from every single person that worked for a business he had consulted with. At some point, he had many more than 500 letters from thrilled clients. Then, when a prospective client would call and ask for information on his company or request a proposal for services he would simply create a spiral bound 500-page book of testimonials with a snappy cover and send it over. The prospects were floored by so much proof.

Business Coach -At networking events people would always ask how business was and he would typically respond something like, "Just great." Now he simply says, "Business is very good but I am always looking for more clients who need this..." then he hands them a referral card that clearly states the types of issues, challenges, and frustrations that he helps people through. Just changing his response to this seemingly automatic question has changed the way he generates referrals.

Financial Planner -Does fee-only work and states that part of the fee is that the client must provide five referrals. After working with a client for a few months he is able to learn a lot about what they do, what clubs they belong to, what church, etc. He then creates a customized list of prospects he knows he wants as clients that his new client may know. Then, instead of simply asking the client if he/she knows anyone else who needs planning services, the Financial Planner puts a list of 50 or so highly targeted names in front of the client and gets great referrals every single time.

Insurance Broker -Once a month this broker invites his most important referral sources to lunch and has them picked-up at their offices by a limo service. This little ploy makes his referral sources feel special but, perhaps more importantly, it forces them to explain to their associates why the limo is waiting for them. This word of mouth buzz sends a lot of other would be referral generators his way.

Marketing Consultant -He puts on a free seminar and then offers another free seminar on an even hotter topic to everyone in the room that will come back in a week and bring two other business owners. He goes from 30 participants to 90 with no additional marketing.

Insurance Sales -Insurance Agent turned his business owner clients into stars. He interviewed some of his highest profile clients on what it took to be successful in business. He recorded these interviews and eventually turned them into a very useful business-building library. Then he sought out potential "interview guests" to include in the series. These business owners didn't see him as an insurance salesperson; they saw him as a member of the media who had the ability to offer their business lots of free publicity. But, eventually, many of these featured businesses bought insurance from him and in all cases they promoted his business when they gave away or sold the library of interviews.

Construction Consultant- Over the years this construction consultant had created about 50 construction related publications and training guides. They had offered the books through direct sales on their website or at trade shows. Then they decided to launch an affiliate program that allowed every trade association and industry group the ability to promote their products for a share of the revenue. The entire process was automated using the Internet and each of the participating affiliates had a unique URL that allowed it to promote the books. There are many companies selling product this way on the Internet, but this was still fairly unique in this industry and the sales were astonishing. Any business can take advantage of this approach--no matter what you sell. There are many services available to automate this process.

Financial Planner -Created a "Marketing Board of Directors" to review and suggest ways to better market his services. The group was wisely chosen in some cases for their ability to refer

target clients. By creating a formal board structure, the board members became very invested in the success of the business and became very active referral sources. The format also allowed them to completely understand how to sell the business so the leads they attracted were exactly the right kind of leads.

Accounting Firm -In an effort to increase business with dental practices, this accounting firm approached a well-respected dentist and convinced him to let them take over certain aspects of his accounting at no charge. In exchange the dentist would send a letter to the entire dental society in his town recommending the accounting firm's services. Of course it goes without saying that the accounting firm needed to perform as promised. The program was so successful that that it eventually grew to add legal, financial and marketing consultants and became a half-day seminar sponsored by the initial dentist. The initial sponsoring dentist gained tremendous exposure from this partnership.

Attorney -Held Friday help clinics. Every Friday from 2pm – 4pm he would allow clients to call in and free help on a specific topic. Another professional expert provided the assistance. One week it might be tax issues from an accountant, the next it was environmental issues, then marketing, then HR. The idea here was that his clients saw it as a great way to get some very specific free help and the other professionals saw it as a great way to get in front of some prospects.

Marketing Consultant -Partnered with a local business newspaper that agreed to sponsor his seminar. The seminar topic was very appealing and the cost for the seminar was $149. The consultant gave 50% of the fees to the newspaper in return for an all-out promotional campaign in print. The newspaper covered all of the ad cost, the consultant filled up the seminar and made a good profit, but really benefited from credibility that the sponsorship generated. Find a media

partner to generate referrals and you may get famous pretty fast.

Financial Planner- Clients would come in for an annual review and he would surprise them with something very nice and very unexpected. While the client sat in the Planner's office looking out the big picture window, a mobile automobile detail service would arrive and detail the client's car. Clients were so pleased they talked about it for a week to everyone they met. He initiated this as a client service but he found he got so much word of mouth support from it that it turned into a referral system. Every year he tries to outdo the last and his clients can't wait for their annual review meeting.

Public Relations Firm -The first meeting with a new client always involves a homemade cherry pie. The cherry pie fits with a theme of their marketing but the effect is that create lots of good will and buzz. Food is a good referral tool.

Law Firm--Contacted the board members of almost every local charity in their town and offered to host their board meetings at their offices. The law firm had a very nice conference room with plenty of media tools and the firm offered drinks and copies as part of the deal. Several large organizations, without good meeting space took them up on the offer. The members of the boards of those large organizations were exactly the business owners and leaders that the law firm wanted exposure to. This gave them a built in marketing process after they were willing to make such a generous contribution to the charities.

Accounting Firm-Produced several very easy to understand guides for certain types of tax situations people find themselves in, such as Divorce, IRS audit, College Tuition, and starting a new Business. They use these reports in their marketing efforts but also offer them free of charge to lawyers, financial planners and other consultants who have clients that may appreciate and need this kind of information. In some cases they offered to co-brand the materials by putting the law firm name and

logo on the covers of the booklets along with their own information. The law firm gets additional marketing materials and the accounting firm gets referrals.

Dentist -Installed an oven and small kitchen in his office and bakes chocolate chip cookies every day. Every patient leaves with a little gift bag of cookies. A couple of things make this work so well. Instead of smelling like a dental office, the place smells wonderful. The cookies are really good so people appreciate getting them, and the practice is so unique that people naturally talk about it to friends and associates.