

Seven Excellent Ways to Build Referrals

Growing a business is tough work. Finding the best clients for your business does not come from cold calls but from building a strong referral business. The goal of this article is to describe seven sure-fire ways to build your referral business.

Referral marketing is good business because it reduces your sales expenses and shortens your sales cycle from initial contact to close of sales. With less time calling cold prospects, your business can focus on customers and their circle of influence.

Referrals can build your level of satisfied customers. The cycle self-perpetuates with more satisfied customers referring others to your company.

Referrals increase your sales revenue. According to sales trainer Tom Hopkins, your closing ratio for non-qualified leads is 10 percent versus a 60 percent close ratio with bonafide referrals.

To ensure your business is on track to building referrals, follow these 7 tips:

1. **Set A Target:** In business, measure the results to improve performance. Set a clear goal with a time line. Example, 10% increase in referral business over the next 10 weeks.
2. **Timing:** Conventional sales wisdom claims the best time to ask for the referral is immediately after the close, but this tactic is far too aggressive. Give your clients time to experience your service or product before asking for a referral. Ask for the referral at close only if your client is already delighted with your business.
3. **Top 20:** Not all customers are referral candidates. Find the top 20% that are ecstatic about your business and ask them for referrals. Make sure their network is the type of client you want.
4. **Give and You'll Receive:** Give your clients extra service and follow-up support before asking for referrals. When you give willingly to your customers, they will return the favor.
5. **Type of Customer:** Inform your referring clients of the type of customers you can help. Provide a clear picture of the customer demographics will help your referral marketing.
6. **Rewards Program:** Provide special rewards to your referring customers on a regular basis. If a customer provides you with 5 sales, offer them something special, e.g. discounts.
7. **Thank-You:** Lisa A. Maini, President of my Marketing Manager, recommends that businesses, "Create a basic thank you letter that can be personalized and sent to each referral you receive. Treat your referral sources with the utmost of care and you will not only build a foundation of trust but keep hot prospects coming to your door."

These tips are simple but when executed on a regular basis they can drive your referral business and build sales revenue. Start today and watch your referrals grow.