

Small Business “BIG” Profits

BONUS REPORT #3:

The Ultimate Referral System:

**“How to Get Your Customers, Prospects,
And Other Businesses to Bring You
Tons of Highly Qualified Referrals”**

By Bob Serling

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The Ultimate Referral System:

“How to Get Your Customers, Prospects, and Other Businesses to Bring You Tons of Highly Qualified Referrals”

I'm sure you've heard that old standard, “The best advertising is word-of-mouth advertising.” Well, that isn't necessarily so all the time, but there's little doubt that word-of-mouth advertising is a powerful tool to add to your marketing arsenal.

The only problem is, you have little control over when the words flow out of your customers' mouths! So while this form of advertising may be very beneficial, the big drawback is that you can't plan on it as a consistent way of getting more business.

Up until now, that is.

In this special report, I'm going to show you five very simple secrets for getting as much word-of-mouth advertising as possible. However, I prefer to call this type of advertising “Referral Advertising.”

The primary difference is, a referral system is something you can build into your marketing plan and use to consistently bring in a steady flow of new business, while word-of-mouth implies a random event that occurs only when a customer feels moved to tell a friend or relative about you.

Another important difference is that word-of-mouth only brings you business from your customers. But a carefully planned referral system will get you business from your customers, prospects who have not yet become your customers, prospects who will never become your customers, and other business owners.

So, as you can see, my approach to referrals is far more dynamic and productive than passively relying on customers to say good things about you on a very limited basis.

The 5 Secrets Of Getting Your Prospects, Customers, And Other Businesses To Funnel A Steady Stream Of New Customers Into Your Business

There are five secrets to getting tons of referrals on a consistent basis. They are:

1. Ask before you make the sale
2. Ask after you make the sale
3. Schedule regular referral events
4. Cross-promote with other businesses
5. Become the in-house expert for other businesses, groups, and organizations

Let's take a look at each technique in detail and find out precisely how you use them to get as many referrals as possible.

1. Ask Before You Make The Sale

This technique is so easy to use, it's mind boggling. Yet ninety-nine percent of business owners will never use it. Why? Because they'll never think to, even though it's based purely on common sense.

Here's how this technique works. Whenever you deal with a prospect, if they are going to end the transaction without doing business with you, regardless of the reason, ask them this powerful referral question:

Who else do you know who could benefit from (whatever your main benefit is)?

Let's say you're a financial planner and you've just finished a free evaluation for a prospect. Even if they are not going to sign a contract that day, you ask them for referrals.

Using a customized version of the question I just gave you, you simply say, “Who else do you know who could benefit from protecting a lot more of their income from taxes?”

There are two important reasons why you ask this question now. First of all, most businesses only close 10% to 25% of all their prospects. So if you don't ask this question now, you'll lose out on tons of hot leads you could have had for the asking.

You see, contrary to conventional wisdom, you don't necessarily have to make a sale before someone will refer other people to you. All you have to do is ask for the referral!

The second reason why you want to always ask prospects for referrals is that people tend to know and associate with other people just like themselves. Think about it. If you're an antique car buff, you probably know plenty of other antique car buffs. If you are in the upper-middle income category, you probably know and associate with other people who are in the same financial category.

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So asking prospects for referrals doesn't just increase your chances of getting more new prospects. More importantly, it increases your chances of getting more highly qualified prospects -prospects who can help make your business grow in record time!

How To Turn A Referral Snowball Into A Referral Avalanche

Once you've asked your prospect, “Who else do you know who could benefit from (whatever your main benefit is),” there's an extremely important follow-up question that can exponentially increase the number of highly qualified referrals you get. Can you guess what this important follow-up question is?

“Who else do you know who can benefit from (whatever your main benefit is)?”

And you keep asking this question over and over until the prospect has no more names, addresses, and phone numbers to give you.

This is how you turn a referral snowball (one referral) into a referral avalanche (dozens of referrals). Because again, people who possess certain interests or characteristics tend to associate with many other people just like themselves.

Examples Of The Referral Avalanche In Action

Now, in case you're wondering how you use this technique in your own business, let's look at some concrete examples. You've already seen how to use it in a service business, and here are examples of how you use it in a retail business and a mail order business.

The Retail Referral Avalanche

This technique might need to be adapted slightly for retail, but with a little creative thinking, you can easily come up with a number of ways to make it pay off big in your retail store.

The first way to use it is exactly as it's stated above. Let's say you own a jewelry store. After you've shown a young couple some wedding sets, you ask the bride-to-be, “Who else do you know who could benefit from getting the best price in town on a quality diamond?” Who is most likely to know other young women who are about to get married? That's right, a young woman who is about to get married herself.

That wasn't too difficult, but what do you do if you own a frozen yogurt shop? Asking, “Who do you know who would benefit from the largest selection of frozen yogurt flavors and toppings,” just isn't going to cut it. The truth is, this question will fall on its face in this situation.

But never fear, there is a solution! What you do instead is tie your referral avalanche to another technique. For example, if you use punch cards that allow customers to get a free

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cup or cone of frozen yogurt after ten purchases, put a big banner up in your store that says:

“Join Our FREE Frozen Yogurt Club”

Each time you buy a cup or cone, have your card punched. Once you have ten punches, **your next cup or cone is FREE.** Plus, you can get your FREE Frozen Yogurt Club card absolutely free. *There's no purchase necessary!*

Now, maybe you're thinking that everyone who comes into your frozen yogurt shop is a paying customer. That just isn't so. Some people come in and change their minds. Others come in with a paying customer but don't buy anything.

You have to train your employees to ask everyone who steps foot into your store if they would like a card for your FREE Frozen Yogurt Club. That will make sure you get as many prospects as possible who don't buy anything to take your card and increase your chances of them becoming your customer.

All right, that's a great way to get prospects to “refer” themselves. But it doesn't deal with how to get prospects to refer still more prospects to you.

I'm going to show you how to do just that. But before I do, I want you to think about how you might accomplish this by using your FREE Frozen Yogurt Club punch cards. Did you come up with any good ideas?

Here's one that's extremely simple, costs you next to nothing, and works like crazy!

Whenever you give a prospect (or a customer) a punch card, give them four or five more along with it. Tell them you'd like to have them give them to their friends and relatives. If each prospect or customer gives just one or two of your cards to other people, and just half of those people use it, you'll have an avalanche of referrals!

The Mail Order Referral Avalanche

This technique works extremely well for mail order companies, both for prospects and customers. The only difference is, you want to ask the question in written form and give your prospects and customers a strong incentive for sending you their referrals.

Here's how you do it. Create a form with the heading, “Do A Friend A Favor.” Under that heading, allow room for your prospect to fill in the names and addresses of as many people who will fit on both sides of the form.

Next, create a short cover letter that you send out with the form to all your prospects that says something to the effect of:

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Dear Friend,

You recently inquired about our Giant Blue Whamblaster, the most effective, cost-efficient Whamblaster on the market. Using the Giant Blue Whamblaster will easily cut your work time in half and save you 25% on all your whamblasting tasks.

I'd like to ask a special favor of you, I'm sure you have some friends or relatives who would also like to get these powerful advantages for themselves.

If you'd be kind enough to give me their names and addresses so I can contact them, I'd be happy to give you a FREE gift that will save you even more money. It's a special report I've created called, "11 Ways To Reduce Your Whamblasting Costs," and our customers give it rave reviews.

To get your free copy, just fill out the enclosed form and send it back to me. I'll rush your copy of this powerful report to you the same day I receive your completed form. Thanks in advance for all your help!

By the way, since you haven't yet taken advantage of our great deal on the Giant Blue Whamblaster, I'd like to "sweeten" the deal a little. You'll also find a coupon good for 10% off any of our already outrageously low prices.

All you have to do to take advantage of this ultra-low price is order and redeem your coupon within the next 7 days.

Sincerely,

Fred Whamson, President
Giant Blue Whamblasters, Inc.

Do you think this will work for your business? You bet it will!

This simple technique can create a referral avalanche from prospects who never even do business with you. And it can convert even more of those prospects into paying customers.

The combination of the additional discount and the prospect remembering precisely why they inquired in the first place when they fill out the referral form will turn even more prospects into cash-paying customers.

For customers, you simply modify the letter slightly. You thank them for doing business with you, ask for referrals, and offer them a free report plus a discount coupon that's good

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towards their next purchase. This too, will bring you tons of highly qualified referrals you never would have gotten without this technique.

2. Ask After You Make The Sale

This technique is nearly identical to the first technique. The difference is. after you've made the sale, you're asking customers rather than prospects.

Also, you can ask customers more than once. After any sale, you want to ask for referrals immediately. But you can also contact your customers a couple of weeks after the sale and request referrals.

An excellent way to do this is by tying the referral request in with a customer service call. For example, if you are a retailer of consumer electronics, you have one of your staff call two weeks after a customer makes a purchase and find out if they're satisfied with their new TV (or stereo, CD player, stove, etc).

You also ask if they have any questions they need answered, Believe me, most customers will be absolutely shocked that you're giving them such royal treatment. The vast majority of companies forget about their customers once the money has changed hand. But you won't do that now that you're a savvy marketer!

You close the call by asking: “Who else do you know who can benefit from getting a great stereo at a fantastic price?” And you keep repeating the referral question until your customer runs out of names to give you.

By the way, the number of referrals you can get with this technique can be enormous. Remember, few businesses ever pay any attention to their customers once the deal has been made. By giving your customers the kind of attention they want and deserve, they'll be extremely motivated to give you tons of referrals.

This technique works extremely well with any kind of product or service. And it doesn't matter if you're in a service business, retail, or mail order.

Give it a try today, and start reaping the benefits!

3. Schedule Regular Referral Events

One of the best and most successful ways to employ this technique is to tie it in to holidays. For example, you could tie your referral event into the start of the New Year.

Here's how this works. Let's say you sell shoes. You send all of your customers a letter telling them how much you appreciate their business, and that you want to do something special for them. Then you tell them that what you've come up with is a special program that will allow them to do something nice for their friends and relatives, and something nice for themselves at the same time.

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In your letter, you enclose a coupon that's good for 10% off on any purchase they make. But you also tell them it gets even better. On the back of the coupon (which will be the size of a full 8-1/2 X 11 sheet), are five areas for filling in the names of their friends and relatives who they'll be referring to you.

Tell your customers that for each name they fill in, they can take an additional 3% off their purchase. So if they fill in all five slots, they'll get a total of 25% off their next purchase (the original 10% plus 15% more for all five names).

Plus, you'll send their friends and relatives a special 15% discount coupon and tell these new prospects that it's a gift from the customer who gave you the referral names. So everybody wins. Your customers get a nice discount, plus they get to look good to their friends and relatives.

The friends and relatives win by getting a nice gift. And because the gift comes with a recommendation from someone they know and trust, the chances of them using it are high. And that's where you win! Not to mention that you'll stimulate more repeat sales with your current customers by sending them the discount coupon and referral offer.

Like everything else in marketing, referral events work best when they're scheduled on a regular basis. I recommend that you schedule between two and four referral events every year.

Referral events can be staged around nearly any holiday or special day. With just a little imagination, you can come up with dozens of ways to use this technique and gain a tremendous amount of business you wouldn't have seen without it.

4. Cross-Promote With Other Businesses

Here's a great way to get a continual stream of hot, qualified prospects pouring into your business. Contact other businesses and cross-promote each others' business.

The great thing about this technique is you can use it with other businesses that sell products or services related to your own or with businesses that aren't even remotely related.

For example, let's say you own a flower shop. You could give your customers discount coupons to the local gift shop (a related business), or your local quick oil and lube service (a completely unrelated business).

You see, what matters most in cross-promotions is that the discount coupon endorsing the other business is personalized by you. It should say something along the lines of:

'Thanks for your business! A company whose service we think is a really great value is Lightning Quick Oil and Lube right around the corner at 220 Elm Street. To show our

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appreciation for your business, we'd like to give you this coupon good for 15% off of any oil change or chassis lube. Please use it with our compliments.”

Can you begin to see how powerful an endorsement like this can be? Much more so than just having a pile of generic coupons sitting on your counter for customers to pick up at their leisure. Remember, what makes any referral work to its full potential is the endorsement from the person or business doing the referring.

The flip side of the cross-promotion is that Lightning Quick Oil and Lube would hand out similar coupons promoting your flower shop to its customers. Here again, the customer wins and both businesses win as well.

5. Become The In-House Expert For Other Businesses, Groups, And Organizations

I love this technique because you can get huge organizations referring hundreds of customers to you for very little effort on your part.

Here's how this technique works. Let's say you're a veterinarian who would like to increase the number of paying clients you see quickly and easily. What you do is contact every large organization in your area and offer to be their resident veterinary consultant.

Some of the groups you'll want to approach include large corporations in your area, schools, churches and synagogues, rotary clubs, chambers of commerce. Boy Scouts, Girl Scouts, and so on. All it takes is one or two of these organizations to take you up on your offer.

As the resident expert, each month you give a 30-60 minute presentation on some aspect of keeping pets healthy. You also allow at least a half hour for the audience to ask any questions they might have related to their pets.

But why stop there? You can take things even further and schedule one or two hours every week where members of these organizations can call your office and get any questions they have answered by you or a knowledgeable member your staff.

When these organization members are in need of veterinary care for their pets, who do you think they'll turn to? And when their friends and relatives ask if they know of a competent, caring veterinarian, who do you think will get the referral?

Chances are extremely high that they'll turn to you, the expert who has been kind enough to give them free advice on a regular basis.

Multiply Your “Reach” With This Innovative Twist

Here's another twist on this same idea that I've used with tremendous success in my own business. It allows you to leverage your ability to reach as many potential customers as possible for as little time and effort as possible.

When I used to publish my newsletter on direct marketing, I offered dozens of direct marketing associations the right to give away free six-month subscriptions as a bonus to their members for joining or renewing their membership.

These associations touted my expertise, plus their members got to sample my expertise in action for six months. I received hundreds of highly qualified referrals every month like clockwork.

Of course, along with each issue of my newsletter, these prospects received marketing pieces for my products and services. A sizable number of these qualified referrals converted to paying customers.

By the way, you don't have to publish a newsletter to get tremendous benefit from this technique. You can simply create a special report and use it in precisely the same way. By tapping into the immense strength of huge organizations, you can easily have hundreds or thousands of eager customers steered directly to your business.

Conclusion

Congratulations! You are now well on your way to becoming a master at keeping hundreds, even thousands, of highly qualified referrals pouring into your business. And the bonus is, it's much easier to sell more to prospects who seek you out, than prospects you have to convince to do business with you.

I hope you'll put one or two of these ideas into action in your business very soon. I know you'll be pleasantly surprised by how well they work.

Also, I want to emphasize that these techniques work equally as well with small local businesses, service providers, huge corporations, and mail order businesses. I strongly recommend that you set aside a little time to brainstorm exactly how you can apply each technique to your business.

It's well worth it. Because once you start putting these techniques into action, you can literally manufacture your own “word-of-mouth” advertising. And the results you'll get will be invaluable!