

SPREAD A REFERRAL VIRUS AND GROW YOUR SALES

AS MOST MARKETING CONSULTANTS WILL TELL YOU, the most cost effective way to grow your business is through word-of-mouth referral. Referrals are the delightful consequence of others doing your promoting and selling for you. So why do referrals happen and what can you do to generate more?

Unleash the power of your referral engine

Isn't it wonderful when the phone rings or a potential new member walks through the door and you find yourself talking to someone who already knows what you offer, what your costs are and is all set to sign on the dotted line? What a feeling!

Every good business can enjoy a steady flow of referrals, but very few proactively do anything about generating them – most opt instead to sit by the phone, waiting and hoping. In research we've undertaken with our community of independent small businesses, upwards of 97 per cent of them don't actively generate referrals – it's crazy!

To build a powerful referral engine you need to understand who refers for you, why they refer and what you can do to help spread a referral virus.

Who refers?

The simple answer is 'raving fans' – people who think you're great and rave about you to others. Easy really. Well, not quite.

Raving fans are people who truly believe in what you do. They look to spread the good word to prospects you don't know, moving your business forward and helping others to improve their health and fitness. What nice people!

Ponder for a moment; can you think of people around your business right now who are raving fans? People who clearly love what you do and who open doors to opportunities for you? How many of them are actively referring for you though, and what are you doing to support their efforts? More on that in a moment after we've looked at why they are referring you.

Why people refer

Contrary to popular belief, it is not the gift of a month's free membership or a branded sports bag that inspires people to refer. There are two simple reasons:

1. They admire the work you do
2. By referring they are doing something genuinely helpful to others

Imagine that. People admiring what you do and being motivated by a strong sense of do-goodedness. This isn't to say that they're not helped along somewhat by promotions and incentives, but without genuine belief and admiration, no amount of freebies will swing the deal.

So what can you do to generate more referrals?

To answer this we need to rewind to the start of the referral virus relationship as it helps to explain how people become raving fans.

To reiterate, raving fans have made it to that position of their own accord and have done so as the consequence of either personal experience or having witnessed the transformation of someone they know. There's nothing more likely to get people talking than the sight of someone whose health and wellbeing has had an extreme makeover, particularly where that person is a close friend or family member.

This kind of transformation is going on all the time in your business – your challenge is to bring it to the fore and to do so in a context that befits the stage of the relationship.

The series of steps explained below show the stages of relationships people go through on the path to becoming raving fans:

- **Strangers** – this is where every relationship starts. Strangers are the contacts you've yet to make. So let's not spend any more time on them.
- **Nodders** – these are the people with whom you have had minor contact. They may be new members or others outside of your direct working environment. They do not know much about you, or you them.
- **Smilers** – these are 'business friends', people with whom you have some warmth. If they're members they're easy to talk to. Bump into them in town and you'll probably stop for a quick chat.
- **Huggers** – these are fans, though not quite raving fans. They need a helping hand.
- **Raving fans** – this is where we want people to be.

Understanding this sequence, and recognising which category the people around you fit into, is the key to unleashing the real power of business referrals.

Be specific and relevant

Too often what a business will do is lump everyone together (whether into a database or an invite list) and give the same message or proposition to everyone. What you should be doing is respecting the stage of the relationship and planning relevant messages and activities.

For example, an evening event where the success stories of others are shared and celebrated can be ideal for smilers and huggers, but might seem too pushy for nodders.

Those in the nodder category need something a little less overt as they are still getting to know you. Activities for this group should centre more on growing knowledge about what you do, concentrating on building trust and respect for your expertise.

Once you get used to following the sequence it becomes easier to recognise the characteristics of each and to plan accordingly. The most important step of course is transforming members into your referral virus spreaders.

Turning huggers into raving fans

When I talk about referral marketing to a group of business owners I invite suggestions as to how we tip huggers into raving fans. I get a mass of responses, but the answer is rarely generated ... because it's so simple.

You turn a hugger into a raving fan by inviting them. It's that simple. If you have respected the sequence and are sure your contact is a hugger the most powerful thing you can do is say something like:

'Thank you for the support you show to my business, if you know anyone who is low on energy and is looking to really get a grip on their health and fitness, please direct them personally to me and I'll be delighted to give them complimentary access for their first couple of visits.'

Or something along these lines – it's your business, you'll know how to tailor it! The point is, you can be upfront with people when the relationship is this strong and you should be as specific as possible in your request. When I have vacancies in my coaching business I reach out to my huggers and raving fans and tell them precisely who am I looking for. In twelve years the strategy has never failed. Try it – you'll be glad you did. ■



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Robert is a coach, author and presenter who works with small business owners. He helps clients attract more of what's wanted, whether that's more structure, more balance or more customers. He is the founder of the online community at www.flyingsolo.com.au and is co-author of *Flying Solo: How to go it alone in business*.



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