



Referral Marketing and Referral Networks

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For friends and colleagues on the ContractorUK forum



About Court Guinness

- Former Sales Executive
- Former IT Consultant
- Expert In Micro Private Equity
- Former Business Broker
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- Based in Warwickshire, Arsenal Supporter, Petrolhead, Dad
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What Is Referral Marketing?

- Referral marketing is where existing clients and contacts refer you to new business.
- It is not new.
- It is not illegal.
- It is a good way of turning inaccessible leads into warm sales leads.
- It is cost effective.
- It need not cost anything!
- Smaller clients like it because they can get suppliers they can trust.

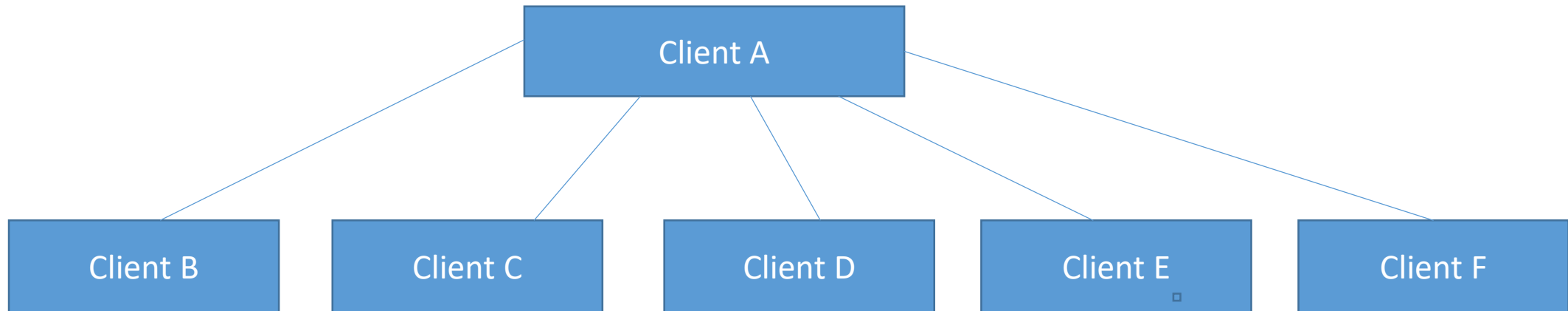


What Is a Referral Network?

- It is a managed way of generating referral based business.
- It starts the referral process.
- It keeps referrals going and keeps them ongoing.
- It is a low cost way to generate new business.
- Very popular in property related trades it has applications that are relevant to IT Contractors and freelance consultants.
- **Downside:** You are only as good as your performance for your last client. Upsetting a client can break the chain!



Lets Dig A Little Deeper (1)

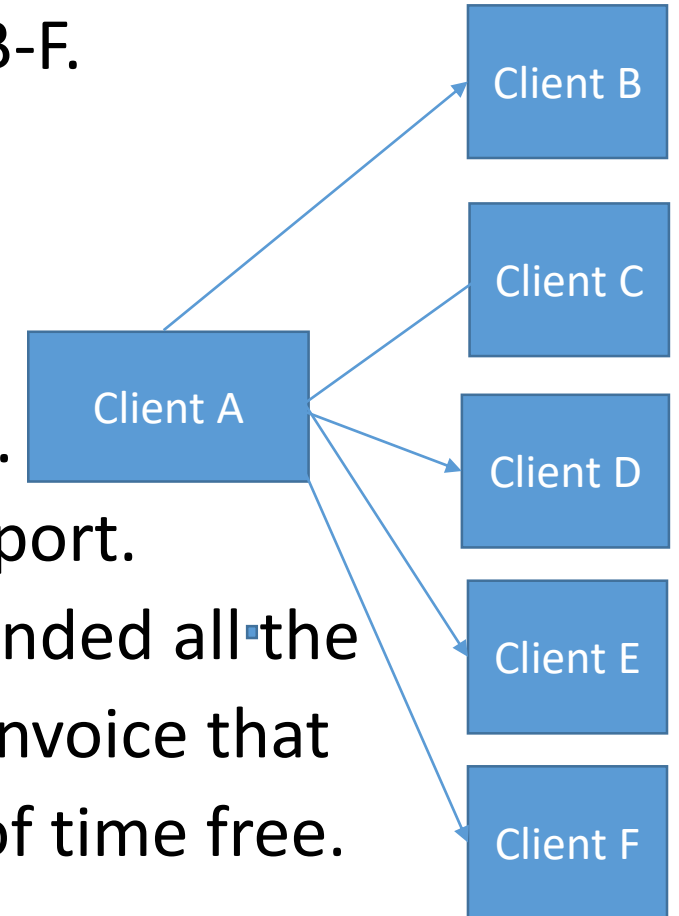


- Imagine being able to get business from clients B-F, thanks to Client A.
- Imagine Client A being very willing to do this for you.



Lets Dig A Little Deeper (2)

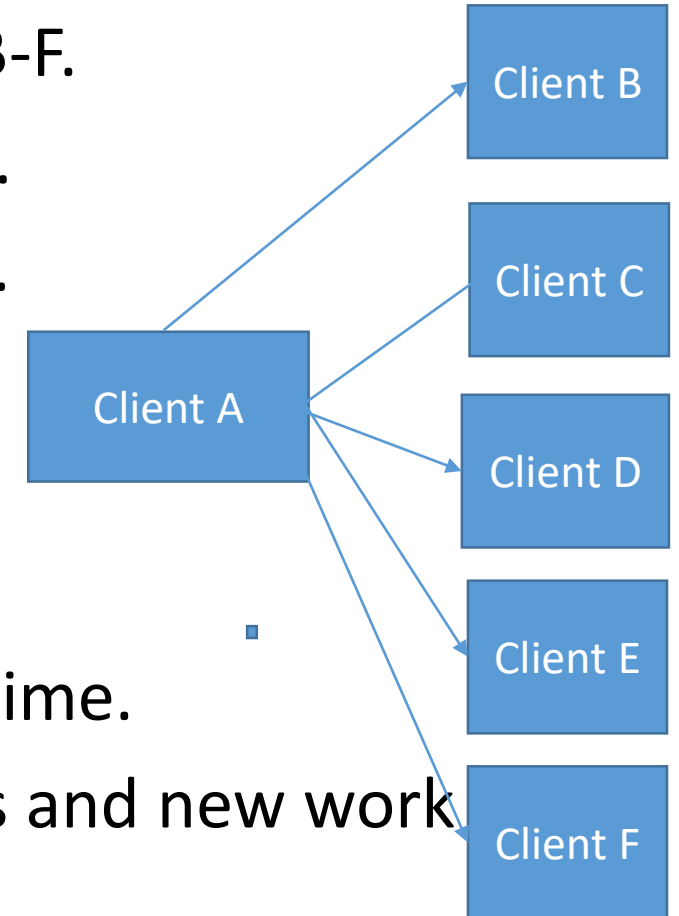
- You could badger Client A into talking to Clients B-F.
- Client A will not like this.
- Give Client A something for their trouble.
- Give Client A 5 vouchers to give the client.
- On each voucher is a small freebie for the others.
- Something like a free 30 minute chat or a free report.
- Tell Client A that when his referrals hand have handed all the vouchers back and after they have paid their first invoice that Client A will get a good freebie for example a day of time free.





Lets Dig A Little Deeper (3)

- You can then duplicate the process with Clients B-F.
- Every client will feel like they are getting a bonus.
- The originating client will like the bonus they get.
- That client will want to go a little further to help.
- In this case Clients B-F have a better chance of becoming longer term customers.
- Clients B-F will be happy to help do the same in time.
- Has the potential to generate a long list of clients and new work





Things To Watch

- Do not hand out too many vouchers. (3-5) per client is about right.
- Make sure your offer is something that both sets of client will want.
- Do watch who you give the vouchers too. You might not want the potential new business for various reasons.
- Have a way of making sure that vouchers cannot be duplicated.
- Don't give away too much but don't give away too little either.
- Don't put too short a time limit on voucher redemption.
- Match terms and conditions of the voucher to your business.



Things To Watch (2)

- Make sure your referring client has a good appreciation of the type of clients you want to be referred to and the type of work you want to be referred for.
- Your referring client will want to be kept in the loop as to progress as they will want to collect their freebie!



Things To Offer Or Give The Referring Client

- A free upgrade to another level of service.
- A discount on future work.
- A partial discount.
- A small refund.
- Free time – a day or number of hours free.
- A free gift – something out there. For example Ferrari driving day or flying lessons. I'm not a big fan of this. Note do not offer vouchers, holidays or consumer electronics. Research has shown that this does not go down well with corporate clients.



Things To Offer Or Give The Referred Client

- A free report.
- A free consultation.
- Access to discounts on related products.
- A piece of free software.
- Note: Merchandise such as pens, laptop bags, and alcohol are not advisable.
- Make sure it is something they will get value from.
- Make sure it is smaller in value than what is given to the referrer.



Other Tasks To Complete

- Create well designed vouchers.
- Create a small system to manage vouchers – A spreadsheet will do.
- Talk to your accountant about how refunds or discounts should be treated in the company accounts.
- Create meaningful and simple terms and conditions that align with your business.
- When you create the “offers” make sure you are more likely to make profit than loss.
- Make sure all your marketing is up to date and relevant.

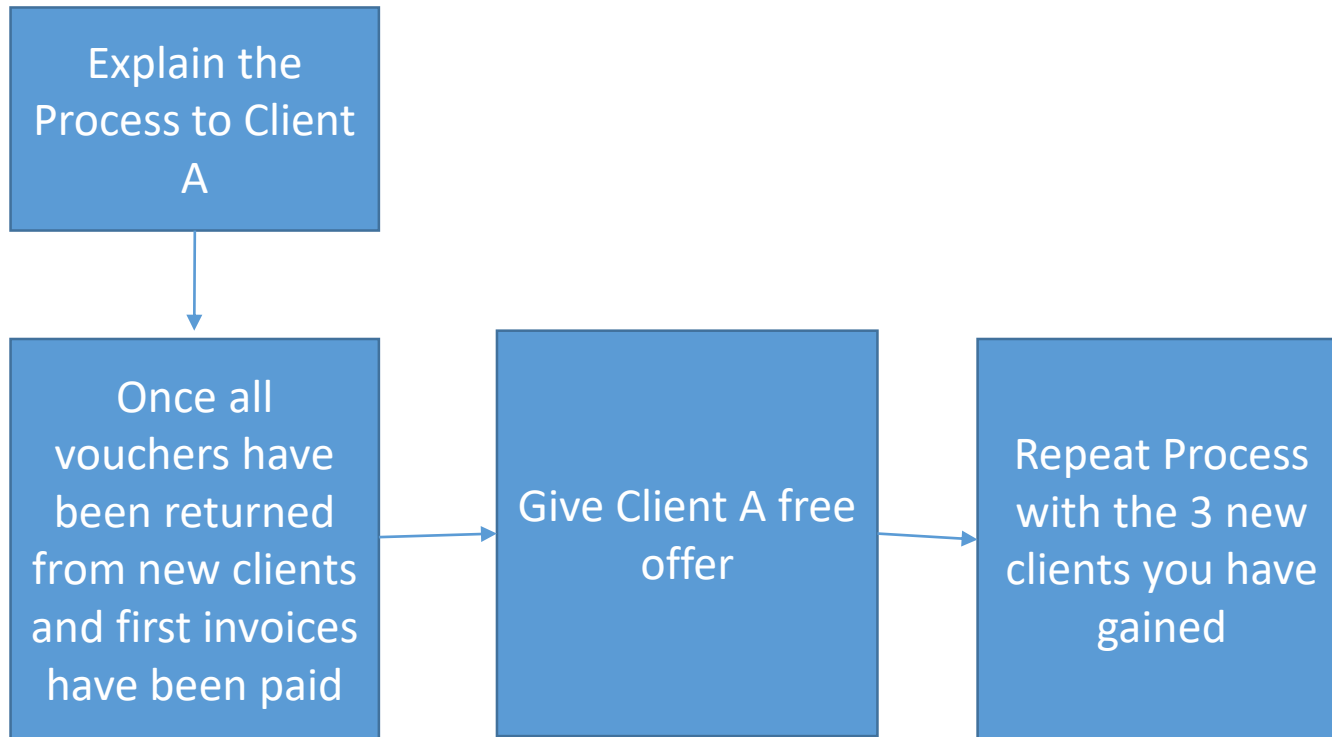


How To Pitch This To Your Client?

- Its quite simple:
- Just say: “how would you like to save a little on your budget?”
- Or: “What if I could show you a way to get a day or 2 of my time for free?”



Recap: The Process





Other Methods For Referral Marketing?

- Pester others for referrals at networking events or in forums or trade groups – this is not popular and can get you disliked and blocked.
- Sit back and wait for the client to recommend you. This might never happen.
- Giving talks and presentations at relevant events.
- Writing articles for relevant publications.
- These will only cost time and have varying degrees of success but are valuable to certain extents in their own right.



Any Questions Or Feedback?

- Please feel free to ask any questions or provide feedback on the forum or via my website.



Thank You For Watching