



Why Work By Referral?

It's The Ultimate Strategy For Business Success

Our clients don't lie awake at night worrying about whether or not we'll have a successful year. We have to provide an excellent real estate or lending experience and do the work to remain fresh in their minds so that when they have a need in our area of expertise, we are the natural choice. One of the best ways to do that... is to work by referral.



What's in it for you?

63% of buyers and **73%** of sellers choose to work with the real estate agent who they used previously, or one who was referred to them.¹ Instead of spending your valuable time looking for a new, cold lead every day, focus your attention on the people who already know you and like you and reap these rewards:

- **Decrease your expenses and increase client loyalty.**

Consumer surveys show that 90% of people trust the recommendations of people they know much more than any form of advertising.² Staying in touch with your clients and taking care of them when they need your help or advice is much less expensive and much more powerful than any advertisement you could run. It also builds trust and strengthens the relationships that lead to more opportunities over time.



- **Differentiate yourself from the competition.**

Consistent contact sets you apart from the competition by demonstrating your character and your competence as a professional. You will make an even greater impact when you clearly articulate how your clients benefit from the unique way you run your business.

- **Generate a steady stream of high-quality leads to grow your business**

The working-by-referral system offers a consistent and systematic approach to marketing that delivers predictable results. Sending your clients valuable information gives you a great reason to follow up, answer their questions or see if there is any help that you can provide—and ask for referrals!

- **Provide exceptional customer service.**

To work by referral successfully, you must invest your time in building relationships, listening for people's needs and then serving them to the deepest level before, during and after the transaction. By following this proven formula, you create advocates for your business who are excited to refer you to their family, friends and work associates.

- **Leverage your time and enjoy what you do!**

It takes a lot more time and energy to generate and convert a cold lead into a viable client. By focusing your efforts on your existing personal and business relationships, you will receive enough leads to work only with the people you want to and have time to pursue the other passions and interests in your life. Work by Referral so that you can live a good life!

Sources:

- 1) National Association of REALTORS® Profile of Home Buyers and Sellers, 2009
- 2) The Nielson Company, 2009

5 Steps to Launch or Re-energize Your Referral Business!



1 Build, Sort and Qualify your Database.

Create or update the list of everyone you know including your sphere of influence, preferred service providers and all businesses you frequent or refer (make sure to get complete and current contact information).

Determine who is an A, B, C or D.

- “A+” Clients:** People who have sent you multiple referrals.
- “A” Clients:** People most likely to refer you.
- “B” Clients:** People who would refer you, if asked, and shown how.
- “C” Clients:** People who might refer you in the future.
- “D” Clients:** People to be deleted from your database.

2 Send or Pop By with an Item of Value.

Choose the top 20 in your database and visit them with a small token of appreciation. Send an Item of Value to the remainder of your list.



3 Follow Up with a Personal Note or Phone Call.

Write a note to those you visited thanking them for their time. Place a phone call to the others who received your mailed Item of Value in order to touch base and see how they are doing. It is seven times more effective to call behind a mailing!

4 Master the Referral Dialogue.

Educate your clients on how the industry works, and explain how you operate differently. It will have a greater impact if you can clearly express the benefits they will enjoy personally.

The Referral Dialogue

Educate your clients as to how your industry works.

“Most people spend the majority of their time and resources prospecting for new business by doing things like: cold calling, door-knocking, advertising, sending direct mail, etc.”

Articulate how you work.

“I devote myself to serving the needs of my clients before, during and after each transaction. All I ask is that while I’m working for you, I would like you to refer me to great people like yourself, who need the type of service I provide and would appreciate this same level of attention...”

Outline the benefits to your clients.

“You see, as long as you and my other clients keep referring me, I don’t have to go out prospecting like everyone else, and I can do an even better job working for you.”

Practice, practice, practice makes a skilled professional who receives referrals!

5 Repeat Steps 2 and 3 Monthly.

Be consistent for compounding results and a strong, steady referral business!