

Storefront

COACHING

Referrals: Customers are Willing, You Have to Ask

91% OF CUSTOMERS WOULD GIVE A REFERRAL, BUT 80% HAVE NEVER BEEN ASKED. BY DAVID CARLETON

Over the years, you've invested thousands of dollars in newspaper advertising, direct mail, home shows, radio, etc. for only one reason: to get prospects to come into your store and buy a hot tub. Then you spent even more time and money to close the deal.

IMPORTANCE OF TRUST IN GETTING REFERRALS

Why do prospects eventually buy from you? Certainly price is a factor. But somewhere along the way, your prospect decided they liked you and trusted you. And if you continue to keep your promises and deliver great after-the-sale service, their respect and affection for you and your store will continue to grow. Remember, people buy from people, not companies.

You may be saying to yourself, "Okay, I get that, but why is all this important?" It's important because most dealers spend the majority of their time and marketing budget trying to convince strangers to buy from them using a vehicle that most consumers inherently don't trust – advertising!

Don't get me wrong – advertising is important and certainly has its place in building your business. But the fastest, cheapest and most effective means of finding new business is through referrals. A referred prospect comes to you predisposed to buy your products or services. Why? Because they are being sent to you from a previous customer who already knows, likes and trusts you. The bottom line is that referred prospects are easier to convert to paying customers than those that come from advertising.

And guess how much it costs you when that referral turns into a sale? ZERO!

BUILDING A CAMPAIGN BASED ON REFERRALS

Now that you understand how effective referral marketing can be, it's time to start a referral marketing campaign. You can do this in any number of ways, including e-mail, phone calls or direct mail. The most important thing to do is to create a referral marketing system and then automate it as much as possible.

I recommend systemizing and automating your referral marketing system because it will help you leverage your time and resources. In addition, the easier you make it for you and your employees to ask for referrals, the more likely it is to get done.

Here's a real shocker: One study said 91 percent of customers would give a referral, but 80 percent have never been asked. Want to increase your sales ASAP? Start asking your current customers for referrals. ■



Industry expert David Carleton is president of Street Smart Sales and Marketing and creator of the Spa Dealer Marketing Boot Camp. With a 30-year track record of success, Carleton has worked in the sales and marketing trenches for companies ranging from start-ups to Fortune 500s. He spent six years as vice president of sales and marketing at Dimension One Spas where he was responsible for developing programs that helped hundreds of dealers in 30 countries generate leads, enhance their marketing and increase their sales.

Want to learn the six easiest ways to get more referrals? Check out "The Referral Marketing Success Manual." SpaRetailer readers can obtain a FREE copy from STREETSMARTREFERRALSYSTEM.COM.