BIZCOMMUNITY

Five customer referral mistakes to avoid

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8 Dec 2016

One of the most effective ways of getting new customers is through referrals. Getting constant referrals from your clients and customers can increase brand awareness, create trust and boost your profits significantly.

Unfortunately, many salespeople have not mastered the art of generating quality referrals. As a result, they end up making losing out on a lot of potential sales.

Here are some of the customer referral mistakes you need to avoid at all costs:

1. Failing to ask

Salespeople fail to ask for referrals for different reasons. Some assume that their clients will get offended if they ask for referrals, while others think their customers have no referrals to give. Many others get disappointed when previous referrals fail to yield sales, and thus conclude that it is not worth their effort and time. However, the fact is that referrals will not just fall from the sky. If you don't ask for them, you are not likely to get any. Therefore, for your business to grow, you need to surmount your fears and ask for referrals.

2. Asking for referrals at the end of the sales process

Many salespeople put off asking for referrals until the sale is completed. They assume that asking for referrals too early will make their customers uneasy. While this could be true, waiting until the sale is over means that the customer has not had much time to think about who they could refer. Therefore, it would be advisable to ask for referrals as early as possible in the sales process.

3. Suggesting instead of asking

When it comes to referrals, most customers respond better to direct requests than suggestions. Therefore, avoid saying things like 'Mr. Customer, if you know someone who might find my product useful, could you give them my number?' If this is your strategy for getting referrals, you are likely to get disappointed. Instead, you need to find a tactful way of asking the customer directly for the referral's contact details.

4. Failing to define a good referral

When asking for referrals, don't assume your customer knows what you are looking for. You need to explain to them clearly what a good referral is. If you don't, you might end up with random names and telephone numbers which are not likely to yield sales. You can define the ideal referral in terms of age, tastes, economic status, gender and even residence.

5. Not considering the client's interests

Many salespeople only think about themselves when asking for referrals. However, most customers don't give referrals because they were treated well, or because they love your products or services. They do so because of what is in it for them. Therefore, be sure to show clients how they will benefit by giving referrals. For instance, you could consider offering them generous incentives such as discounts for future purchases or exclusive gifts.

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