

How to Effectively Use Referral Programs to Grow your Business

with Raul Galera, Chief Advocate at ReferralCandy



- Get to know your customers so you know what offerings will speak to them.
 - We often talk on the show about how companies and businesses want to put their agenda out through marketing channels and expect consumers to want to engage. That is the opposite of what you should do and it applies here. You want them not only to interact with you but also advocate on your behalf by recruiting others.
 - In today's digital world, this does not have to be a terribly intensive task with weeks of surveys and interviews. You can do an audit of where people are interacting with you most now and what types of offers/messaging they are interacting with most and go from there.
 - Testing and learning also applies here. Don't be afraid to put more than one offer out and see what comes back and then optimize accordingly. Ask for feedback. You will sort out those that are passionate about your brand by who is eager to respond to you.
- Build a clear and easy to understand referral program.
 - Now that you know your customer, where they engage, and what excites them, build your referral program against those insights and learnings. A few things to consider/watch out for:
 - Don't make it too hard for them to engage. (i.e. too many steps to get to the incentive)
 - This is a place where being transactional is helpful. (1:1 approach to incentives)
 - Build them up as your ambassadors/"in the know" so they feel proud to share with their friends.
 - Ensure that your brand TOV is authentic. (Don't make it all about the sale in this way.)
- Create two-way interactions with your customers.
 - Yes, they are being incentivized and that is good. But don't ever let them get to a place of feeling, "what have you not for me lately?" You want them to continue to get excited about your business over and over again, so create new moments of delight that are specifically for them because you appreciate what they are doing for you:
 - limited time offers that only they get
 - promos that acknowledge THEIR interaction with your brand (not just their referrals)
 - customize communications (or seemingly so) that speak to them on a 1:1 level (points or \$\$ accrued based on their spend, "items you looked at and might still consider", items you might like based on what you looked at already, etc.)
 - first access to what is new
 - invites to give their perspectives on new offerings and how they feel about them (BUT make sure you respond authentically/tell them how their input is used. Do NOT bait and switch.)
- A marketing team sees the world different from any other function in your organization.
 - Giving your customers a place to come, discuss and help each other hosted by our brand but not about your brand keeps them coming back.
 - The holy grail is when they keep coming back to this place because it feels like where they should go.
 - This is another level of appreciation from you because you value them beyond just the transactions and the referrals. This is when a brand takes on a life of its own and becomes more than just what it sells.