

Changing the Conversation: Building Referral-Based Business

The Word of Mouth Marketing Association (yes, there's an association for everything) reports 2.4 billion brand-related conversations happen every day.¹ That is a superhighway of opportunities available at little cost to your bottom line with potential for big return on investment. By focusing your efforts on being a part of the conversation, you may be able to build a sustainable business driven by the power of referrals.

Let's look at a few simple approaches that you can put in practice today for growth down the road.

1

The conversation: "I know someone who may be able to help."

The approach: When you're investing in a relationship with your current client, make note of the other people in their life that they're mentioning. That creates a meaningful connection that moves into asking if their friends or family also need help with financial needs. The key here is developing a trusted relationship with your current client first and then naturally shifting into asking for more business.

Why it's worth trying: The lifetime value of a new referral customer is 16% higher than your average customer.²

Key take away: The key here is developing a trusted relationship with your current client first and then naturally shifting into asking for more business.

2

The conversation: "Is there more I can do?"

The approach: Conducting an annual survey that you send out to your clients, or offering a face-to-face annual review, brings insights and business building opportunities to your door. While you are soliciting for their feedback, you can also ask them to recommend someone else for your services.

Why it's worth trying: 91% of customers say they'd give referrals, but only 11% of salespeople are asking for them.³

Key takeaway: People who love you will want to talk about you, they just might need some probing.

3

The conversation: "I talk the talk and walk the walk."

The approach: Get your name out there by being active in the community. Sponsor or volunteer for events like a 5K, parades, or benefit for opportunities to create relationships. Pick something you're passionate about, and that aligns with your skillset. That way, your conversation starting point is with like-minded prospects. Plus, this allows you to pursue conversations with prospects you want to engage with and not waste time and energy on those you don't.

Why it's worth trying: 91% of consumers have more positive feelings about brands after attending events and experiences.⁴

Key takeaway: Get more bang for your buck and attend the event you're sponsoring (if feasible). When it comes to generating referrals, there's a big difference between being there and being seen there.

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The conversation: “Get to know more about my business.”

The approach: Having a strong presence on LinkedIn or other social media sites allows potential clients to get to know who you are and what your services are prior to contacting you. By creating valuable content, you can increase your online footprint with the people you are targeting. Plus, with sites like LinkedIn – you can get to know potential clients, their interests, and their employment history before you even meet with them.

Why it’s worth trying: 71% of consumers are more likely to make a purchase based on social media referrals.⁵

Key takeaway: Social media is part of most people’s day-to-day lives, use it as an opportunity to put your best foot forward.

5

The conversation: “We are all on the same page.”

The approach: Make sure your staff and co-workers know your referral strategy. Everyone in your office should be in tune and should be listening for the cues from their own connections to help you win the business. Keep partners engaged with regular communication, celebrate best practices, and share successes.

Why it’s worth trying: The speed at which referred customers churn and leave the bank is, on average, about 18% lower than that of other customers.²

Key takeaway: If you are successful, they are successful.

Less communicating and more conversing

Marketing across all industries is shifting from one-way communication to two-way conversations. Now savvy consumers drive the marketing narrative, and they are more likely to rely on their own research or a friend’s opinion than an ad. The brands communicating at their customers are losing ground to those conversing with their customers. This transition highlights the importance of consumer engagement and the impact of word of mouth. Join the conversation with any of these suggestions, and let us know how they help your referral business grow.

1. ADWEEK, WOMMA “Infographic Explores Word Of Mouth Marketing — Online And Off.” 2011
2. Wharton School of Business, “Do Customer Referral Programs Increase Profits?” 2013
3. Brevet. Williams, Brian, PhD, 21 Mind-Blowing Sales Stats. Credited to Dale Carnegie
4. EventTrack, “The Event & Experiential Marketing Industry Forecast & Best Practice Study” 2018
5. Annex Cloud, Miller, Grace, “38 Referral Marketing Statistics That Will Make You want to Start A RAF Program Tomorrow” 2018



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