

Powerful Referral Business



Customers don't make up stories about you or your business – ***you create them***. The customer simply retells them. How the story is told, and what the content is, **is up to you**. It's based on your actions or reactions, combined with their interpretations and perceptions.

These stories create the basis for the most powerful form of advertising known to mankind, word of mouth. More than 50% of American business is based on this form of advertising.

When people ask each other for a referral, or a business reference -- it's given based on their past personal experience -- or what they "heard" from others. Other stories.

Here's a example: "Hey Jeffrey, you fly all the time. I'm going to Dallas -- what airlines should I fly. Three options will occur. You will either get...

1. A referral – USAir is the greatest.
2. Nothing – Well, I dunno, they're all about the same.or
3. A reverse referral – Anyone BUT USAir.

Here's an example of the *whisper-down-the-lane* version: "Hey Bill, I'm going to Dallas -- do you know which airlines I should fly. Three options will occur. You will either get...

1. A referral – "You know Sally, my friend Jeffrey says USAir is the greatest, and he flies all the time."
2. Nothing – "Well, I dunno, they're all about the same."
3. A reverse referral – I've heard all kinds of bad stories about USAir, I'd say pick anyone but them.

Referrals ... If the an experience was good, the customer may not pro-actively say something, but if the experience was bad -- you can bet your last dollar they'll bring up the story in the first 5 minutes of a conversation -- depending on the severity of the displeasure – sometimes in the first 5 seconds.

This lesson of customer service is the most real (and valuable) I have found. First because it shows how one front-line person can speak volumes for a multi-billion dollar company by creating an experience worth talking about. Certainly more powerful than a bunch of

rhetorical ads on TV, most of which are so plastic they should be accompanied by vomit bags. And second it creates a classic opportunity to examine how customers can make or break a business *after* a transaction has taken place.

If 50% of American business is done by word of mouth advertising, what's the word on you? The only way to "get the word out" is to create memorable situations. Excellent service is not what you believe it to be it's, what your customer perceives it to be and tells others.

8 advantages of great service

1. **It's free.** Great service costs little or nothing -- but it's worth a fortune
2. **It builds goodwill.** Consistent service creates and builds reputation.
3. **It builds customer loyalty.** People will actually look forward to the next time they will do business with you. Happy to do business with you.
4. **It creates memorable experiences that will be retold time after time.** Stories create the basis of word-of-mouth advertising.
5. **It makes your customers salespeople for your business.** And they are one thousand times more effective than any employed salesperson on your team.
6. **It leads to referred business.** People are guided and influenced by the success, satisfaction and happiness of others.
7. **It makes it harder (impossible) for competitors to steal away customers -- even at a lower price.** "Loyalty through extra-ordinary service" is a powerful -- yet overlooked motto in business today.
8. **It creates a clear distinction between two companies engaged in the same business.** You and your biggest competitor.

Every time a customer calls you, or you call a customer, you have an opportunity and a choice. What opportunity are you taking? What choice are you making?