

Referral Marketing Survey Results

Most Don't Run to the Phone

By Drew Zagorski

January 6, 2009

Last month's survey focused on referral marketing. 91 responses were collected and below you'll find the results. Two of the most striking results were:

- ☛ In most cases (slightly more than 70%) people sought more information online by Googling the business or professional they were referred to before calling them,
- ☛ Only 23% indicated a referral was the single most important criteria in their buying decision, and
- ☛ (Here's the real eye opener) 100% responded that the quality of the image and presentation of information (professional look and feel, a message that shows you understand you target market's needs, materials that are easy to access, etc.) is important in legitimizing you as a valid option for the needs of people who are seeking your service.

So what to take away from this? Referral marketing is a wonderful way to grow and market your business. But investing in a professional presentation of your business is critically important in ensuring that those who are referred to you will make that final step and engage you. If your marketing is poorly executed, doesn't project quality, looks like it was done on the cheap and is cluttered, disorganized and poorly written (i.e. it talks all about you, not your target client) you may be losing more referrals than you realize.

Survey Results based on 91 responses:

I do not actively market my business because it is based on referrals.

Only 11 respondents indicated that this was true about their business.

Of those 11 who indicated that they do not 'actively market' their business:

- ☛ All responded that they have a web site and believe it's important that it look professional and rank high in the search engines.

- ☛ All responded that they have a brochure, data sheet or other printed matter that they provide to help people understand their business and the services/products they have to offer, and they believe it's important that it's designed and written in a way that presents a professional image of my business.
- ☛ 9 have done or are planning to do a mail campaign (either printed via snail mail or via email, not including newsletter type content).
- ☛ 6 have published or currently publish a regular newsletter, blog or other written content (in print via snail mail or via email/web).
- ☛ 6 have or are planning to have a display or banners that they can use for making presentations, at conferences or trade shows, or at other events including sponsorships.
- ☛ 4 have run or are planning to run a print/display ad (in any type of print or online publication including newspapers, association publications, banner ads, yellow pages, etc.).

Take Away : Even when building a business on referrals, it's important to have the right marketing tools that can inform and educate your potential customer. At the very least a web site and brochure or data sheet are basics that help to legitimize your business. Your brochure can accompany sales letters, invoices or be placed with strategic partners or used at networking events.

Being referred to a business by someone I know is the single most important criteria in my buying decision.

77% indicated that this statement was false.

Take Away : Most people who are referred to a business or professional base their final buying decision on factors other than a personal referral. This is not to say that referrals aren't a part of their decision process, but, in and of themselves, referrals are not typically the most important decision criteria or factor.

If I have a need for the product/service I've been referred to, my first action on that referral is to:

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Call them immediately, without first seeking further information

Only 30% indicated they would call with no further information.

Google them or ask the referrer for a web site address and check them out online before calling

70% seek information online about the business or professional they were referred to.

Take Away : Only 3 out of 10 referrals will call you with no other questions asked. The importance of having an online presence can dramatically enhance your referral conversion rate.

When looking at a business I've been referred to the quality of their image and presentation of information (professional look and feel, a message that shows they understand my needs, materials that are easy to access, etc.) is important in legitimizing them as a valid option for my needs.

100% - yes, 100%! - indicated it is vitally important for you to have a web presence - a comprehensive, well planned web site and other online listings (LinkedIn, Chamber and Association directories, other networks, etc.) - is a key factor in their decision to call you. If your web site looks shoddy, cluttered and disorganized and its content is all about you as opposed to your target customer, you may disqualify yourself from consideration.

Take Away : Invest in your web site and other online listings. Make sure they effectively communicate that you understand your target audience. Invest in presenting a clean, professional look and visual online brand. If your site looks like your teenage nephew built it, that's the image that will stick and you'll lose the referral. If you're using a template site (a hosting service that offers a site builder tool) take the extra step of inserting your own, customized header graphic (most allow this) and make sure you have contact info on every page. Better still, consider having a unique, custom site built for your business. It will allow you to further differentiate yourself and enable you to stand

out from the crowd. Also, you will have more control over the look and feel, content and search engine aspects of your site. As these results indicate online image and presence can make or break your referral.

Drew Zagorski is the Principal of LeftBrainRightBrain Marketing. You can reach him at drew@lbrbmarketing.com.

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