“Networking” and “Word of Mouth” referrals are the most effective way to reduce out of pocket costs and cultivate a clientele. The valued opinion of influential customers is the most important and cost effective promotion that a business can develop. Surveys show that new customers recruited by existing customers are more loyal and profitable. In fact, studies show that 85% of Likes through social media and purchases are made through referral marketing rather than from advertising. Social media is the new “Word of Mouth” marketing vehicle. But, despite the rise of social media, many recommendations still happen offline, with people sharing their experiences with friends over the phone or face-to-face.

Set goals for word-of-mouth. Just as with any other type of marketing tactic, vague goals like “getting everyone to talk about us” are too nebulous to be useful. Create measurable goals, such as getting X number of new customers through referrals per month, obtaining press coverage in three places per month or generating X number of leads per month via word-of-mouth marketing.

Consciously create a system to get happy customers talking and generating referrals.

✓ Offer bonuses, freebies or discounts to customers who give you referrals to other
customers is a good way to encourage the practice.

- Hand out extra business cards. Whenever you do business with a new client and know they're satisfied, give them extra business cards so they can pass them out to friends or colleagues who might need your business’s services.

- Offer customers who are referred special deals. Give new customers discounts or special offers in return for being willing to try your business.

- Offer “refer a friend” links on newsletters. If you deliver a beautiful email newsletter, make it easy for people to share that and at the same time you may gain a new subscriber who eventually may become a customer.

- Communicate and reinforce to employees the value of raving fans. You might think it’s obvious to your employees that they should be trying to make customers happy. But, they’ll actually take their customer service cues from you. If you spend a lot of time focusing on solving negative complaints, you may be inadvertently sending signals that customer service only matters when there’s a complaint.

Finally, always ask new customers how they first heard about you. Try to get as specific as possible—if they learned about you from a friend at work, where do they work? Tracking how customers learn about your business will help you assess how well your word-of-mouth marketing efforts are working so you can focus on the most productive avenues.

PROACTIVE NETWORKING AND WORD OF MOUTH

1. **JOIN** a Chamber of Commerce or social club.
2. **JOIN** a breakfast or dinner club with other professionals to discuss business and network referral.
3. **VOLUNTEER** to serve on community organizations.
4. **HOST** a holiday party
5. **HOLD** an open house
6. **JOIN** a community list-serve on the internet.
7. **VOLUNTEER** to work with youth
8. **JOIN** professional industry organizations