

CREATING CLIENT ADVOCATES

Persuading your clients to advocate your services to their family, friends and colleagues may require more than just good customer service



BROKERS HAVE always recognised that existing – and satisfied – customers remain the most powerful source of referred business.

The concept behind all referral activity is that by providing excellence in service and support, a business will enjoy unprecedented least-cost acquisition through word-of-mouth advocacy by satisfied customers.

While this sounds good in theory, the reality is that it may take a lot more than quality customer service to ensure a broker's client recommends their services to someone else.

To make sure that you are getting the best possible return from your existing client base there are several strategies brokers can employ to guarantee their customers become their greatest advocates.

"The most important thing brokers can do to ensure their clients become client advocates is stay connected," founder of Front Runner Consulting Doug Mathlin says.

"A mortgage is the type of product many customers get, set and forget. But brokers can't let their clients forget them."

"Keep in touch with your client network through quarterly newsletters, yearly phone calls and birthday cards.

Brokers that choose to communicate via email or newsletters must ensure the communication is relevant and important, however.

By providing relevant and timely information, brokers are more likely to stay on top of their client's mind.

EDUCATE YOUR CLIENTS

But while timely communication can go a long way in securing word-of-mouth referrals, Mr Mathlin says brokers can also strategically engage and educate their clients on how to refer.

"From the first meeting, it is important for brokers to explain to their clients that their business relies on word-of-mouth."

Investor Capital does just that.

The brokerage's director Elizabeth Fung says she always makes sure to remind her clients that her business is reliant on word-of-mouth referrals.

"Client referrals account for almost 80 per cent of our business," Ms Fung says.

So, with word-of-mouth referrals so critical to Ms Fung's bottom line, she says that "conditioning" clients throughout the home loan process – reminding them that the business relies on referrals – is crucial, as is reinforcing the message through newsletters and at loan review times.

But pro-actively calling referred clients is the best strategy, according to Ms Fung.

"Our business mantra is 'service doesn't stop at settlement'," she says.

According to Ms Fung, brokers that stay in contact with their old client network will create endless business opportunities.

But, treat a client as if it's a quick means to an end by moving on to the next one with no further follow-up, and you'll never hear from them again.

"We send birthday cards and put in yearly phone calls to our clients – it is a nice way not only to see how their loan is doing, but also to let them know that we care."

REWARD THEIR REFERRAL

According to Ms Fung, clients will not refer your services on to their family, friends and colleagues unless they have good reason.

Happy clients are not only likely to buy from you time and again, they will also actively advocate your services to others.

In the same way, monetary incentives may also encourage clients to spread the good word.

Some brokers offer their clients gift vouchers, monetary incentives and even candlelit dinners if they provide a referral that goes through to settlement.

Tony Bice, director of brokerage Finance Made Easy, pays his clients \$300 if they provide a referral that passes through to settlement.

The money is often given to his clients as a gift voucher for dinner.

While he does tell each and every client he finances that he offers a referral payment, he makes sure never to stipulate exactly how much the 'payment' is.

"I have had one customer give me 12 successful leads within two years," Mr Bice says.

"While often clients are only too happy to refer your services on without the monetary incentive, I think it is a valuable way to show them you are grateful for their leads."

"Referrals make up 40 per cent of my business, so I want to ensure they continue to stream through, and offering a monetary incentive to my clients is a great way of ensuring I receive plenty of referral business."

Monetary incentives aside, Mr Bice also employs other strategies to encourage his clients to refer his services.

He wines and dines his clients, sending gift baskets filled with goodies.

"I send a gift basket to every client regardless of whether it's a purchase, a refinance or a new risk insurance policy – people remember that for years. I also include 5 business cards which they can hand out to their friends," he says.

Mr Bice says gift baskets have the greatest impact when they are sent to the client's workplace, rather than their home address.

"Everyone loves receiving something for nothing. And I find that when I send it to my client's place of work, their colleagues are interested in why they have received the gift, which stimulates conversation and ultimately leads to greater business opportunities for me." ■

FINDING THE HAPPY MEDIUM

HAPPY CUSTOMERS ARE A POWERFUL MARKETING TOOL FOR BROKERS – AND PROVIDE SOME OF THE WARMEST LEADS AROUND

Brokers that provide their clients with exceptional service on an ongoing basis can expect to receive repeat and referral business, says Troy Phillips, director of brokerage FirstPoint NB.

"We actively engage our clients on an ongoing basis. We make sure our service does not stop at settlement."

Mr Phillips sends regular newsletters to his existing client database. In addition, the broker makes sure he calls at least two or three old clients a day "just to see how they are, and if they are happy with their current loan arrangement".

"This keeps us at the top of their mind, which encourages them to refer us on to family, friends and colleagues," he says.

Referrals account for more than 50 per cent of the company's business.

The other 50 per cent is largely made up of 'walk-ins'.

"We do a fair bit of advertising in the local media, which creates 'walk-in' clients," Mr Phillips says.

"I think it is important to have a mix of referrals and walk-ins. Advertising not only helps us attract new clients, but it also helps us build our brand and reconnect with existing and ex-clients.

"The better our reputation and brand within the local community, the more likely past clients are to refer our services on to others."