

A Systematic Referral System That Actually Works

“The purpose of a business is to create a customer who creates customers.” – Shiv Singh

Hi. I'm Jonathan Goodman and I wanted to welcome you back to our Wealthy Fit Pros video series. If you missed yesterday's lesson on time management, I suggest you go back and watch that first before moving on to today where I'm sharing the reasons why most referral systems commonly used in the fitness industry are flawed and the secrets behind a thoughtful and effective referral system.

Why the focus on referrals? Referred prospects are better than cold leads in every way. They convert faster, spend more, and do much less shopping around. Not only that, they have increased lifetime value and are preconditioned to refer because that's how they were brought in. To add to it all, the customer who made the referral gains a deepened commitment to your business, improving their lifetime value.

The dream of any fit pro is to have prospects approach asking 'how do I buy' as opposed to challenging you with questions like 'why should I buy from you'. For this to happen, you need referrals.

Most, if not all, of this is nothing new to you. Referrals are great. You probably know that you should be getting them already. So let me ask you this point blank: Do you have a single system in place to generate referrals?

I'm not talking about a haphazard, 'maybe if I get the courage I'll ask people

one time and offer them a gift card if they send me somebody'. This doesn't count. I'm asking you whether you have in place in your business an actual systematic approach to generating referrals.

If you said no, and I expect that you did, then you're not alone. Systematic referral generation is a hallmark of Wealthy fit pros, but it's rare. Building a referral culture into your business is the single most valuable client generation strategy to have in place.

Not only that, but many who do actually ask for referrals from time to time (and that's even a small percentage) do it something like this:

'Hey awesome client who has gotten great results. I, uhh, have some space in my schedule and want to reserve it for friends and family of my awesome existing clients. So, umm, uhh, if you, uhh, have somebody who wants fitness stuff and to look good and get muscle and stuff, then can you tell them to call me ... or email me? To show my appreciation to you, I'll give you a gift card, or discount on your training, or enter you in a draw to win something.'

Don't get me wrong ... this is better than nothing—but it's flawed. In addition to the randomness of it, this type of haphazard referral request doesn't take into account both the psychology of why a client would want to refer and the natural flow of a client's life.

Not only that, you're asking a lot and giving comparatively little. The client referring takes on a lot of risk. What if they refer somebody that has a bad experience with you? They'll hear about it every holiday for years.

Translated to how it's interpreted by your client, here's what you're basically asking them:

'Please tell your family and friends about our company. When you do, please make sure that you communicate our story well, representing properly what we do including the benefits specific to the client. If they decide to come in

and give us their money, we'll give you a relatively insignificant bit of it in some form of token gesture that isn't all that meaningful to you.'

Fit pros that cannot systematically generate referrals fall flat. The way that it's commonly attempted is not good enough. If somebody is going to send you business, it needs to happen when it's natural for them, not at the exact time that you bribed them with a gift card.

The first step is to understand why people actually refer – because it has little-to-nothing to do with any sort of external incentive. Rewards are OK as a reactionary measure of appreciation if done well, but they will do little to proactively encourage referrals – which is what we're after.

A quick note before I dive in... I readily admit that some clients will help you out of the goodness of their hearts and in rare cases others will be motivated by financial incentive. Action is driven mostly by internal motivation though.

With that in mind, clients will refer if you are able to do 3 things: The first is to make them feel important. The second is to help them show off that they're more in-the-know than their friends. And the 3rd is to make it easy for them by fitting it into their natural pattern.

In Dale Carnegie's famous book *How to Win Friends and Influence People* he encourages his readers to view others with a big tattoo on their head that says, "Please make me feel important" – that's a pretty good guideline. We empower our people to take ownership of their own success by gaining the skills to make things happen for themselves, immune to outside forces. They tell us that this is very empowering.

Everyone is able to refer. Every client of yours has some relatives, friends, neighbours, co-workers, fellow church members, and more that they could recommend to your business if you make the process natural for them. If you aren't getting referrals then it's not the customer's fault, it's yours.

Now that we have the background out of the way, it's time to get aggressive with your referrals. Instead of asking a customer to refer somebody, you're going to write a letter to new prospects from your happy client as a promotional piece or have them write one and you edit it. I want to share this referral system that you can implement as-is if you like but, because I don't know your business as well as you, my advice is to view it as nothing more than an example – keeping in mind what it accomplishes. Once done, you can also download the letter I used from when I did this in my own business.

In this letter you'll describe the initial skepticism and how his or her life has been changed because of the transformation. If your client is OK with it, include a picture of their before and after. Then, at the end of the letter, include a special offer for 'friends of your client'. A gift card included in the letter works brilliantly. The better you can paint a picture of their beginning state, their reservations, and their transformation, the better the letter will perform. Once written, mail to the neighbourhood surrounding your gym, to prospects, to stale leads, and anybody else.

Include contact information for your client listed if the prospect has any questions. Then, provide your client with a script on how to respond to these questions. Don't leave anything to chance.

All that it takes is one or two great letters. These are better marketing pieces than any flyer you could imagine. To show you what I mean, I've included a download of an actual letter written by one of my clients back in 2010. Names have been changed, but the letter is real. I've annotated the letter so that you can see all of the places where it highlights the journey, the feelings, the emotion, and the relatability. It's raw and real and sad and joyous and that's what makes it so effective. You can't make this stuff up. Our business deals with real people who have real lives and we can have massive positive impact on everybody that we touch. It's time for you to showcase that. Please download the letter that my client wrote. Feel free to use it as a template for your own clients.

This example may or may not be for you, so i want to end this lesson with the 11 things customers must know when creating a referral culture in your business. Consider this as a checklist of things to be in place for your referral strategy that you put together. A strategy that must permeate through every facet of your business. I've included it on your worksheet for this video, which you can also download on this page. This list comes from Dan Kennedy:

1. Our customers refer
2. Our good customers refer *often*
3. Our best customers refer *often and a lot*
4. Referrals are expected. From you.
5. Referrals are genuinely appreciated
6. Referrals are well taken care of (you'll only get happy reports and thanks from those you refer)
7. NOT referring is weird and inappropriate. You should feel bad about it.
8. There are a LOT OF different reasons people do business with us – not just the reason that brought you in. Keep all of these reasons in mind...
9. Most people don't really know how to find a good, trustworthy provider of what we do, so you are doing others a great service by telling them about us.
10. There are easy ways to introduce people to us and to get our information into the hands of people you think we can be of service to ...
11. So–here's how to refer. Exactly what to do. 1,2,3,4.5

People do all sorts of things for emotional self-interest, even though they may consciously think and would certainly insist that they are doing these things “for” someone else out of love, appreciation, friendship, charity, generosity, etc. If there is one unifying motivation affecting everybody every single day, it is pursuit of feeling good about themselves and how they feel that they are being viewed by others. If you take this into account and request your

referrals in a way that's natural for your existing customer to participate or, as you've seen with my example today, aggressively pursue them, then you'll be swimming in highly qualified, warm leads.

And with that, we're done video 2. Tomorrow I'm going to be back to talk about pricing. Specifically, in tomorrow's video, you will learn to avoid the two biggest mistakes that well-intentioned yet misguided fit pros make with pricing and why pricing is the most important element of any fitness business.

For now, please download the supportive documents for this lesson that include your crib notes, the checklist, and my example letter.

And if you felt that this lesson was useful, please share by hitting one of the share buttons on this page, emailing it to a friend, or suggesting your colleagues register for this video course. Finally, tell me in the comments below with your biggest takeaway from the video so that others can benefit from your thoughts.

See you tomorrow where we discuss pricing!