

# Let's Talk: Word of mouth

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By Rebecca Thacker

## What is the best strategy to get referrals and new business

Trust is a key factor in growing a business and one of the most important strategies for gaining word of mouth referrals. In today's fast-paced society, product reviews and experiences are only a click away, which is why businesses must make their customers a priority. According to CEO and co-founder of Spacer.com.au, Michael Rosenbaum, "the best strategy to get referrals via word of mouth is to provide an exceptional end-to-end customer experience where the customer becomes a true advocate of your brand."

Not only is word of mouth a powerful marketing tool, it is also simple and cost-effective. CEO of Fishburners, Pandora Shelley, said, "Treat your customers right, empower them to be champions of your company and they will do the hard work of selling for you ... And remember, always thank them for their referrals. If you can, thank them publicly, it will encourage others to spread the word too."

In this week's Let's Talk we asked business leaders 'What is the best strategy to get referrals and new business' ... here are their tips on how to generate word of mouth referrals and grow your business.

### Troy Douglas, CEO, Nexba

As a business leader, you have a responsibility to build your network and there is no substitute for increasing your chances of success in new business by having a door opened for you. LinkedIn is an accessible tool for finding out who exactly will be the decision maker you need to meet. So when you have identified the person you need to meet with, try and seek an introduction or referral first. If that fails, then approach direct with confidence. At Nexba, Drew and I spent years sometimes trying to have that first meeting with a 'New Business'. So when we did secure the opportunity to meet, we were prepared. Steve Smyth our Commercial Director instilled in the business a focus on customer centricity. Listen and the key to securing a win will be in understanding their strategy and how your business can support driving that performance and outcomes

### Pandora Shelley, CEO, Fishburners

Member referrals are always our number one application source and we wouldn't want it any other way. As a coworking space, we strive to provide the best environment for startups to grow including facilitating a supportive community which is reinforced by our virtual platform. We have seen so many startups flourish here at Fishburners and when they do, they spread the word of our business to encourage other founders to seek out our community. It really is simple, treat your customers right, empower them to be champions of your company and they will do the hard work of selling for you. And remember; always thank them for their referrals. If you can, thank them publicly, it will encourage others to spread the word too.

### Detch Singh, co-CEO and co-founder, Hypetap



Strategies for acquiring new business will always vary depending on the type of business you're running. It goes without saying that the best way to get referrals and new business is to do great work for existing clients. Beyond that, using case studies to showcase this can be extremely powerful social proof.

It may seem counter-intuitive, but for a sales driven business most of the focus should be on retaining and growing an existing client base. The process for taking on new clients should never be at the compromise of existing ones. If you are running hard for new business, it's also key to realise the importance of, and differences between, the sales and marketing functions, and where in the funnel each of these should play a role.

#### **Michael Rosenbaum, CEO and co-founder, Spacer**

The best strategy to get referrals via word of mouth is to provide an exceptional end-to-end customer experience where the customer becomes a true advocate of your brand. The investment in building an awesome product backed by an amazing customer support team is what we have found drives strong word of mouth, and is the best form of advertising.

#### **Kym Atkins, CEO, The Volte**

Trust is vital for sharing economy platforms, as we are asking strangers to share their possessions. Trust is core to the business model of a sharing platform.

We realise at The Volte that we have to build trust with our users before they will engage in a sharing economy platform. The most powerful tool for trust is word of mouth of existing users having a positive experience. At the Volte we also have an extensive review system, which covers the lender, the borrower and the item. It covers everything from quality, delivery and overall satisfaction to ensure our users get the comfort they require to use our platform. We also value the security of our members and we have an ID verified secure platform, secure payment system and also have a 24/7 customer service team who is there to assist our members at all times.

#### **Alexis Soulopoulos, CEO Mad Paws and co-founder, The Sharing Hub**

In the sharing economy, customers now have more methods than ever of vetting a product or service provider. However, word of mouth is still the most potent driver in the decision-making process. We've especially found this to be the case with Mad Paws. In fact, many of our new Pet Owners find us through recommendations at the dog park. Because Pet Sitters are essentially caring for a member of someone's family, trust is paramount. While Pet Owners can browse Pet Sitter profiles and read reviews from clients, a word of mouth recommendation can provide further peace of mind. If someone knows that a Pet Sitter has cared for their friend's dog, they're more likely to book that Sitter.

#### **Justin Hales, CEO, Camplify and co-founder, The Sharing Hub**

The sharing economy is growing in Australia at an amazing rate. With something so new, participants need advice and suggestions to get started. Word of mouth is a powerful tool in this in Australia. At Camplify we have seen countless examples of owners talking around the caravan park and the campfire about their success on Camplify. This drives more owners to use the platform and contact Camplify to see how it would work for them.

#### **Justin Cannon, co-founder and CEO, martech company, Cooperate**

The answer to how to get new referrals and new business always needs to be tailored to the individual business, however there will be some transferable approaches that make sense at a category/industry level.

The very first thing a business should do is get clarity around category insights. In other words, how do people discover and ultimately buy products or services in your category. Every great marketing strategy needs to intelligently take into consideration what the prospective buyer is looking to achieve at the various stages in that process. Like any relationship in life it's about listening and being aware of how the other person is feeling and what their self-interested need state is along that path to purchase.

One of the big errors inexperienced marketers make is that they overstate the role their brand, product or service plays in the life of their target customer and they imagine they can make more transformative change in their customers buying state than is practical, by virtue of how little people often think about the brands in their lives and how heavily heuristic thinking underpins consumers purchasing habits.

It is only from this well-formed category insight that marketers can get into the tactical weeds and start coming up with strategies and potentially new tactics to get new referrals and new business. The bottom line is, good answers to this question can only be extracted after great customer journeys are designed-built on the foundation of great category insights.

#### **Darrell Hardidge, CEO, Saguity**

Referrals are the ultimate marketing leverage and deliver the highest conversion rates. To achieve the optimal outcome from referrals the basics must be solid. Delivering a great client experience is essential and often overlooked. If you cannot identify what creates the optimal client experience, then you cannot expect to receive the highest degree of quality referrals. Mastery of your client experience is the most powerful way to ensure the foundations of obtaining referrals. You must put the client first and not your need for new business. Obsess over clients and not over competitors and they will then look after you.

#### **Scott Cooper, VP Marketing, GO1**

The strongest way to advance your product is by creating advocates out of your existing clients and customers; then they will pretty much be doing the marketing for you. Look into your customer data to find out who your power users are, and find any recognisable brands that will help to attract interest. Once you have this list, start leveraging them for case studies, user stories, reviews, and anything else that will help to tell the world about what you are doing – and how they are using it to improve their business. People trust people, so by putting a human element with your voice you are instantly strengthening your brand and reinforcing the social proof that your product is something that people should be using.

#### **Alan Manly, CEO, Group Colleges Australia**



With happy customers, referrals will come. The question is how do you re-enforce to customers that they are happy and motivate them to recommend your service to others. You need to be brave and ask the customer "how do you feel about our service?" The familiar Likert scale being the five options ranging from most unhappy to very happy is sometimes reengineered to be "would you recommend us to others?" Brutally blunt but it flushes out the unhappy customers who can be followed up or if anonymous, at least the issue can be reviewed. The survey also reinforces the happy customers who in time will be more inclined to spread the good news because they have already said they would.

### **Rolf Howard, Managing Partner, Owen Hodge Lawyers**

There are a number of best practice strategies to implement to get referrals and new business, however, the best way to get individuals referred to your organisation is via word of mouth. We find, in the legal industry, personal referrers hold much more sway if they have been referred by a trusted friend, family member or colleague. Due to this, it is critical to provide the best service possible, so not only is the client satisfied, but to increase the chances of referral.

We also find that cross referral programs can be very beneficial. For instance, clients that look for the advice of a real estate professional on selling their property will often need the services of a property lawyer. It is in our best interest to form a referral relationship with a particular real estate, as we can refer clients to them, and they can refer clients to us.

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