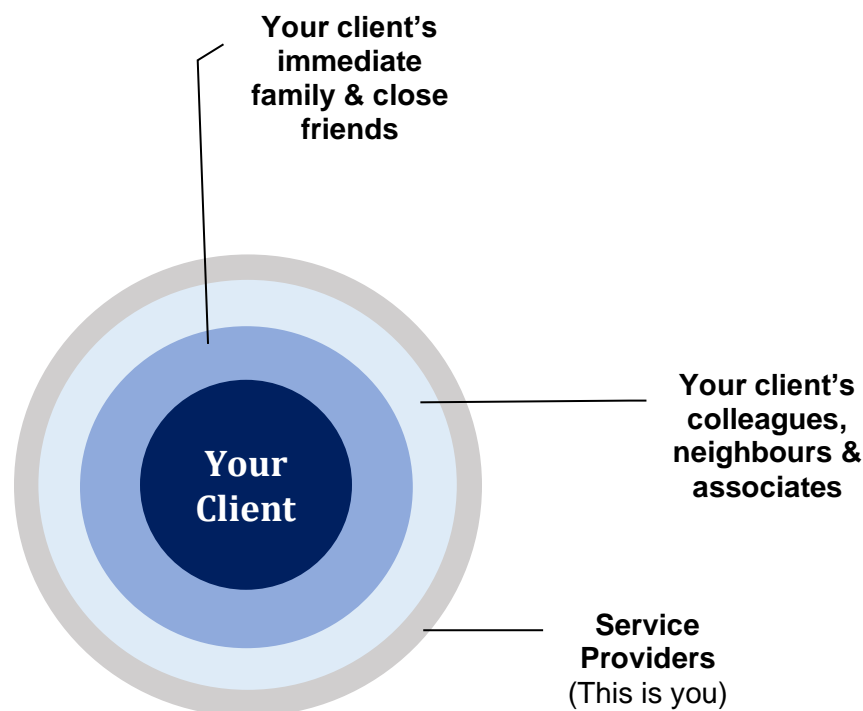


The Psychology of Referrals

The psychology of why clients introduce you to their friends, family and associates is straight forward: They don't do it to benefit you; they do it to benefit their friends and family. The initial payoff (read = motivation) for your client is the simple pleasure they derive in knowing they've helped someone they care about. A secondary payoff can come in the form of the praise and thanks they receive from their friend or family member, which also makes them feel good.

This means that at the heart of your client's motivation is – *themselves* – and how they feel because of their actions. This is tied directly to their desire to help immediate family and close friends. Beyond this, is their willingness to help colleagues, neighbors and associates. On the outer edge (read = least important motivation), is where service providers, like Advisors and other professional's rank.



What Exactly Does This Mean?

If Advisors position introductions to benefit themselves (which is often how it has been done and/or is perceived by those on the receiving end), they will seldom happen. In addition to completely missing the motivation behind why clients are motivated to refer in the first place, this often has advisors coming across as needy, which is not something we want associated with your branding.

We need to alter how we fundamentally think and talk about 'referrals.' In fact, the first thing we are going to recommend is that you stop using the word 'referral' with your clients and instead call them 'introductions' because that is in fact, what they are. The word "referral" has a negative connotation for many people – simply because most of us have been on the receiving end of a bad one.

The Win-Win-Win Approach

To begin to truly embrace a new way of looking at referrals, we need to believe and accept that everyone in the referral chain is a 'winner,' not just the advisor.

What's in it for your clients making the referral?

The messaging around the introduction process must speak to the client's payoff: what's in it for them – not *us*. It is positioned as a service and benefit to the client: help them help others and feel great about their day-to-day decisions.

We're sure they also enjoy the perks and privileges they receive because they're your AAA client.

What's in it for those who are introduced to you?

Equally important: we need to understand the payoff to the friend or family client who has been introduced to you. An introduction provides them with:

- Knowledge
- A respected opinion
- Freed-up time to do other things
- Value when introduced to a professional that is a good fit

When it comes to finding the services of a professional (especially one related to financial matters), the last thing most people want to do is rely on Google and/or set up a series of interviews with various Advisors. Instead, most individuals are inclined to ask those around them who they use and why. In other words, they prefer the easy way.

What's in it for you – the Advisor?

This is the obvious one – you benefit from having a new client which positively impacts your assets under management and revenues generated. However, this isn't the only intention behind WHY we have an introduction process. We do it because it's the right thing to do for our clients. And we've found if you approach it with that in mind you will generate better results.

YOUR TOP CLIENT

Feel good helping others.

Like getting praise and thanks from others.

Enjoy the perks of being a AAA client.



YOUR NEW CLIENT

Save time and energy finding the right service provider.

Have a clear expectation of the process – familiarity.

Have more confidence they are making the right choice.



THE ADVISOR

Help a top client.

Gain a new client.

Grow their revenue.

Win-Win-Win