

CUSTOMER REFERRALS

Generate Customer Referrals Using Promotional Products

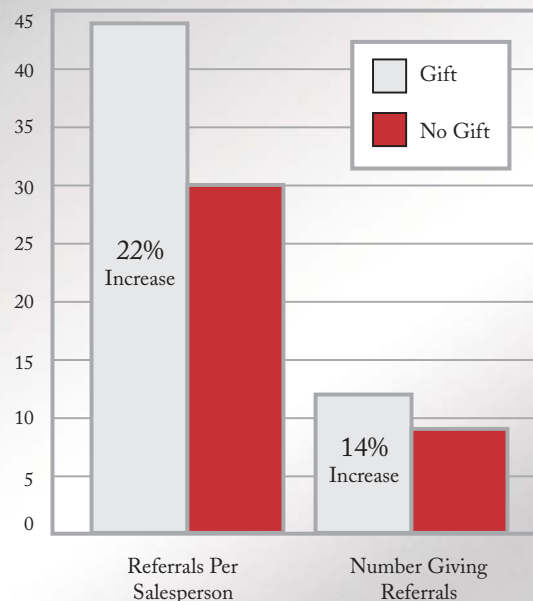
Promotional products help encourage customers to provide you with the names of friends and associates whom you can contact in the future. A 1993 study by Baylor University found that customers who receive promotional products are more willing to provide these leads than customers who don't receive promotional products.

This study was conducted with 20 Mary Kay beauty consultants, half of whom distributed promotional gifts (imprinted lint removers) to customers; the other ten offered no promotional gifts. Both groups then asked customers (200 in all) to refer the names of acquaintances. Findings are presented below.

Results

- Customers who receive a promotional product were 14% more likely to provide leads than those who did not.
- Salespeople who gave promotional gifts to their customers received 22% more referrals than salespeople who did not use promotional products.
- 40% of the salespeople who used the gifts commented on how well the gifts were received by their customers.

Providing promotional gifts to customers increases the likelihood of them providing your salespeople with business referrals, and increases the number of leads generated. Used within a one-time promotion to expand your customer base, or as an approach to insure the continuous growth of your business, promotional products are effective tools.



Case Study

Objective:

To gain name recognition within a defined group of apartment managers and leasing agents in order to increase the number of referrals from them.

Strategy & Execution:

This apartment search firm was competing with another firm who had dominated the market in the Twin Cities area. The three phase, \$6,000 promotion was begun in the winter months, with the distribution of "winter survival kits" by a sales rep. The kits consisted of a bottle of hand lotion, ice scraper, stick-up calendar and labels. The spring promotion was sent through the mail and consisted of a frisbee type flyer and flower seeds. The summer survival kit was again distributed by sales reps, and included a bike sport bottle, can cooler, rubberized sunglasses, bottle of hand lotion, Aero prop and mini beach bag which served as the container.

Results:

A Marketing Services Representative of the company wrote a letter indicating that promotional products, along with several other factors, contributed to growth and a definite impact with on-site staff and owners.

