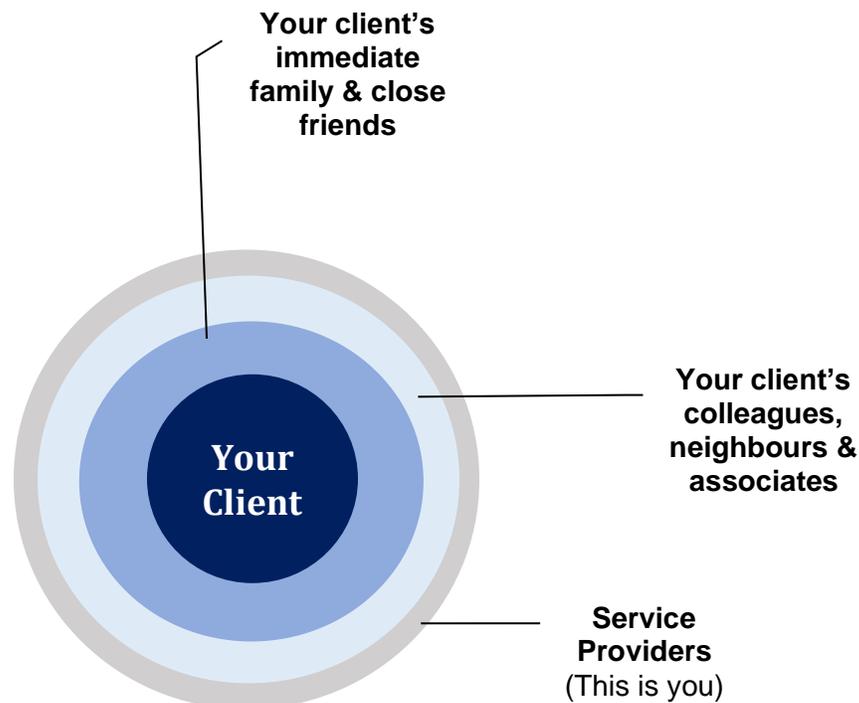


The Psychology of Referrals

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.