



Reference Point
a newsletter for customer reference professionals

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Volume 6, August 2004

In this month's issue

Featured Article:

Persuading Customers to Become References

The best way to persuade a customer to become a reference is to provide great products, services and solutions. That said, even happy customers may require a touch of the persuasive arts to sign up for your program. People persuasion is actually a subject of serious scientific study—the most famous expert in the field is behavioral psychologist Robert Cialdini. This month's featured article presents six tips from Cialdini's extensive research that will help improve your odds the next time you pop the big question to a customer: "Will you be my reference?" Indeed, if you have an extensive pipeline of potential customer references, it's a very good bet that these techniques will measurably improve you "close rates." Please see featured article, below.

Online Briefing—Reminder:

Mark Your Calendar for August 17!

Lee Communications and ITSMA (the IT Services Marketing Association based in Boston) will present an Online Briefing called "Building an Effective Client Reference Program. It's scheduled for Tuesday, August 17 at 11 am EST (10am CST, 8am PST). Already, 57 of your colleagues and peers have early registered, and we expect many more by the 17th.

ITSMA's Steve Hurley will provide a detailed framework showing key challenges to building an effective program, plus best practices for meeting them. One of your peers (and a Reference Point subscriber herself), Barbara Khait, will provide real world lessons learned in building the new customer reference program at Lucent Worldwide Services. And I'll do a segment on creating success stories that sell, based on our research into success stories at 25 top technology firms.

Special Note: the Briefing is free for subscribers to Reference Point, but you'll need to register to participate.

Instructions for registering:

- First, click [here](#).
- Click the "REGISTER HERE" button on the upper right of the page.
- Under "Step 1. "What is your current membership status, check "I'm a Reference Point subscriber" to receive free registration.
- Complete the registration process.
- You should receive a confirmation email from ITSMA.

Hope to see you there!

Special for our New Subscribers:

Ideas and Tools You Can Use from Previous Issues

Just click the specific issue that interests you:

[March Issue](#)

Success Stories: The Top Five Mistakes (and How to Avoid Them)

Based on our research into success stories at 25 top technology and tech-related companies (no names mentioned:)

[April Issue](#)

Anticipating – and Improving – ROI from Customer Reference Collateral

Also, click [here](#) for to download an Excel-based ROI calculator based on the article.

[May Issue](#)

Everything Success Story Writers Should Know About Sales

Up to 90 percent of marketing collateral is never used by sales. Based on our own research, that may well include success stories. Article gives your marcom writers the information they need to write stories that sales will use and benefit from.

[June Issue](#)

Tips on Getting Customers to Disclose ROI

Article urges you to challenge the notion that customer references won't disclose this information -- after all, they're going public with the fact that they use your solution, and how they're using it. This article provides several tips, based on my own experience, in getting customers to "give it up."

Bonus: *A Platform for Getting Customers to Take Reference Calls 24x7 -- and Like It*

[July Issue](#)

The One Number That Drives Growth -- Customer References

July's featured article turns from tactical issues to broader strategy. What are new ways in which Customer Reference programs can add value to their companies? We look at one new way in which Customer Reference programs can do so and this one is potentially a biggie. Plus it is based on relatively recent research you should know about, on the (often untapped) importance of customer references to a firm.

This Month's Featured Article:

Persuading Customers to Become References

How do you persuade a customer to become a reference? That question is a broad one that goes to the very heart of your CR program's design, covering such topics as the incentives you provide customers to participate and the opportunities they'll have to promote their own brand in addition to yours.

But we're going to focus in this issue on the simple, interpersonal art of persuasion—how one human being persuades another to do something. You'll find this information useful the next time you pick up the phone or otherwise approach a customer to pop the big question: "Will you be a reference for us?" It's based on research by respected behavioral psychologist Robert Cialdini, who's work and study on the dynamics of persuasion has appeared in top business and marketing publications including *Harvard Business Review*, and whose training courses are well attended by corporations throughout the world (I've been myself). One thing I particularly like about Cialdini's approach is his emphasis on ethics. These are not "tricks" to use in trying to manipulate someone, but well tested and studied principles for building a mutually beneficial relationship.

OK, so what are the most effective principles one person can use to persuade another—and that you can use in particular to persuade that attractive customer?

Principle #1: Reciprocity

Cialdini notes that every culture in the world recognizes the principle of reciprocity—if you do something for me then I'll feel an obligation to do something for you. For customer reference professionals, reciprocity suggests a simple strategy for timing your big request to a customer: Wait for a moment when the customer is particularly pleased with something your company has done for him. For example, wait until your people go “above and beyond” the call of duty, or solve an especially difficult problem.

This is an especially useful principle in the overall process of building your relationships with customer references and potential references. As you build these relationships, look for opportunities where *you* can help promote *their* company. Don't just make the partnership about your company. Create a mutual dynamic of “first you, then me, then you, then me.”

In his research, Cialdini found that the actions that promote the strongest sense of obligation on the part of others have three qualities: They're significant to the other person, unexpected, and make the other person feel different or special. One simple example is a waiter who had a habit of leaving a mint for his customers. That simple gesture prompted generous tips. But for some customers, he would come back and leave a second mint “for you nice people.” That sent his tips through the roof. What unexpected thing can you do to make a particularly attractive customer feel special?

Principle #2: Scarcity

People want more of what they can't have.

You undoubtedly have guidelines for customer references based on such factors as their industry vertical, the solution they've deployed and their potential for gaining media interest. Cialdini's research suggests that such guidelines can make your program more attractive to customers if they include an element of exclusivity. For instance, you may invite only customers with a certain level of respect and recognition in their industry, perhaps, or a certain level of commitment to the solutions you provide.

As a corollary to the principle of scarcity, research consistently shows that people—and this is particularly true of business managers—are much more motivated by avoiding a loss than achieving a gain. Don't just tell customers what they would gain by joining your CR program. Point out what they would *lose* by *not* participating. One lost opportunity might be the chance to rub elbows with the exclusive list of customer references you're building. Other persuaders might include limiting the number of media opportunities you plan to pursue with customers, or (this one really pains me) limiting the number of success stories you plan for the upcoming quarter.

Principle #3: Authority

People who are uncertain look for guidance to two sources: experts and peers (or “similar others”). We'll get to peers in a moment.

One of the likely selling points for your CR program is that your customer's participation in your marketing efforts will result in marketing benefits for them as well. Be sure and emphasize your own—and your firm's—marketing and PR expertise. Let potential customer references know that you and your firm's marketing and PR teams are authorities in these fields. Emphasize your credentials, your knowledge of these fields and your trustworthiness as far as delivering on claims you make about the marketing and PR benefits customers will enjoy. Consider developing a few references for your CR program itself so potential references can verify your claims.

By the way, what's the fastest way that a would-be-authority can register trustworthiness in another person? Mention a weakness or drawback in your case—a principle that most of us in marketing and PR should write on the blackboard a hundred times! In a world of over-promising and excessive hype, Cialdini found that revealing a weakness or shortcoming in your case is the easiest way to disarm a prospect and make her receptive. Then, immediately follow up with your strongest argument!

For example, you might tell a prospective reference, “Our marketing efforts do not include your specific industry vertical. However, we have attracted major business media attention to the solution you’re using.’

Principle #4: Consistency

People tend to act in ways that are consistent with their clear commitments. Note: This doesn’t mean they act in ways consistent with what *you or someone else* thinks they agreed to!

Once the customer does commit to participating in your program, make the commitment lasting by drawing on the principle of consistency. Set your process up so that their commitment is (1) Active (that is, they do something tangible, such as sign an agreement); (2) Public; and (3) Voluntary.

In a world in which people are increasingly reluctant to sign any sort of agreement, this can be a delicate process. Keep the agreement short and free of legalese. For example, after a verbal agreement is struck with the customer, send an email summarizing it and ask the customer to respond if he approves. Be sure the agreement emphasizes the conditions and terms that are important to him. Also, copy the email to as many other people as you reasonably can.

Principle #5: Consensus

Peers are the second source people look to when they’re uncertain of what to do. People are often swayed by what “similar others” do.

When persuading a potential customer reference to participate in your program, be sure they know which other, similar companies are already participating in your program. These might be companies in the same industry, or same region perhaps.

This practice is a variation on Ben Franklin’s famous approach to raising money for charitable causes. First, get commitments from leading members of the community who seem most likely to say yes. Then use those names to persuade the next tier of prospects who seem more reluctant, and so on.

Principle #6: Liking

We tend to like—and want to cooperate with—people who are similar to us, who like us, who appreciate our qualities and who can help us achieve mutual goals.

Those occasional and informal personal chats you get into with customers are not only enjoyable, but they are a perfect opportunity to establish similar interests such as baseball, skiing or theater. By establishing such personal similarities, you deepen the relationship and pave the way for mutual cooperation.

Note that in order to generate a real sense of warmth and cooperation, it’s not enough just to be liked by the other person. You need to let the other person know you like her and why. Research consistently shows that people have the highest regard for individuals who praise them overtly. Indeed, such overt expressions of appreciation are so powerful they’ve become recognized as the best way to “break through” in a difficult or testy relationship. If you’re working with someone you don’t like and don’t enjoy interacting with, find something nice to say about them. Hard as it may seem, such pleasantries can often sweeten a sour relationship immediately—including the one you have with that customer you’d written off as a possible reference.

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