



Improve your business with a referral program

IT'S EASY AS 1-2-3...

Referred customers are more profitable and more loyal, why wouldn't you want to attract them?

STATS:

According to the University of Pennsylvania's Wharton School of Business, referred customers' Lifetime Value was 16% higher than non-referred customers and were 18% less likely to churn.

However, creating a referral program isn't as simple as offering people money and saying, "Tell all your friends!" **That's why we've built a thought starter to whet your referral program appetite.**

GET IN TOUCH!

If you have any questions whatsoever or if you want to know more about referral programs, get in touch with Alex! **We're here to help!**



Alex Gillon

Analyst

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YOUR GOAL:

- GROW YOUR USER BASE.....
- CHANGE USER BEHAVIOR.....
- BUILD BRAND AWARENESS...

DESIGNED BY



Lean Referral Program

Start Again

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FOOD FOR THOUGHT

WHAT DOES "MONEY" MEAN?:

Money doesn't have to mean giving away free cash. Alternatives include discounts, points, and other monetary equivalents like upgrades.

WHAT DOES "NON-MONEY" MEAN?:

While many companies focus on giving cold hard cash, non-money incentives are 24% more effective (UChicago Study). No, don't give out company keychains. However! Instead of giving a discount, give an upgrade. Instead of giving \$250, give a bottle of wine valued at \$250. The key is to appeal to the hedonist in us all.

CHOOSE A MODEL CUSTOMER:

But how do you know whether to do money or non-monetary incentives? The first step is to think about who your best customers or target customers are. When growing your user base or changing behavior, you need to the customers who are going to add value to your business.

TIME PERIOD ADVISORY:

One note on time periods: short intense bursts can yield quicker growth than ongoing programs. With this in mind, it's important to think hard about what your goals are for your business."

TO GROW YOUR USER BASE TRY...

THE LEAN PROGRAM

DETAILS:

SUMMARY:

Referrers receive discounts on services each time they share AND sign up new members. The people they refer receive discounts or upgrades as well.

TRANSFORMATION SPEED:

Slow and Steady Gains

REFERRAL INCENTIVE:

Money, Non-money

INCENTIVE PAYOUT TIMING:

As soon as the referral is confirmed

REFERRAL CAMPAIGN RUNTIME:

Ongoing

SHARING METHOD:

Referrers can share unique code on social media, email, and via text

Case Example: Lean Referral Program

SEE THIS REFERRAL PROGRAM IN ACTION



Case Example Of The Lean Referral Program: Kabbage

Start
Again

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BACKGROUND:

Kabbage, a lending fintech company, funds small businesses through its automated lending platform.

THE LEAN PROGRAM X KABBAGE

WHAT THEY DO:

Quick and easy small business loans

REFERRAL MODEL:

Referrers receive \$250 directly deposited into their provided account, while the new business referred receives a \$50 gift card; Unlimited referrals allowed

WHY IT WORKS:

Understands that money is a huge incentive to small business owners and becomes an incentive for the new users to become referrers themselves

REFERRAL AD SPEND:

Referral marketing spend seems to have been very low, using a page on their own website and Facebook coupled with link backs in other people's articles, including those written by referrers. Other Potential Costs: "Share Kabbage" Dashboard to manage shares

PROMOTION METHOD:

Small "refer a business" link in footer to full referral page
Partnership/Affiliate "Link Backs" in content created by other players
Facebook page mentions referral program

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Steps!

IT'S TIME TO APPLY
THE KNOWLEDGE.

← LEAN REFERRAL PROGRAM



7 Steps to Get started!

BONUS:

Print out the steps and start your own program!

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← LEARN REFERRAL EXAMPLE

STEP 5-7 →

STEP 1 DEFINE YOUR GOALS

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- If you want to create a referral program that works for your business, you need to specify what your company needs and wants. For example, growing user base or increasing the number of transactions completed on your platform.

STEP 2 UNDERSTAND CUSTOMER MOTIVATION

- What would drive your users to refer you?
- Once you understand what business goals you hope to accomplish, you should decide which customers you want to attract and what motivates them. Take a look at your existing customers. Which ones buy the most? Which ones are loyal? You want to focus on attracting more of these high quality customers.
- Some examples of motivation include: competition, money, and status.

STEP 3 CHOOSE YOUR INCENTIVE TYPE

- Do you want to give out money, upgrades, or physical gift?
- So this is where the rubber meets the road. Given what you know about your best customers, what do you think would inspire them to refer you besides the goodness of their own heart? Besides that, what can you afford to spend?
- While non-cash is generally more effective, in some cases it makes sense to use cash. You'll be able to uncover which you need, by looking at your customer persona.

STEP 4 DECIDE HOW CUSTOMERS CAN GET THE REWARDS

- Based on your budget and customer motivation, think about the customer referral experience. Do you want to gamify your referral scheme? Do you want to create an ongoing scheme that allows people to earn side income? Do you want to use points?

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← STEP 1-4



STEP 5 DECIDE WHEN CUSTOMERS CAN GET THE REWARDS

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STEP 6 CHOOSE HOW YOU WANT TO SET UP THE REFERRAL CAMPAIGN

a. Timing: How long do you want to run your program? A short one month program might be right for those looking for a quick infusion of new users, while a steady ongoing program might be right for those looking to provide an avenue for loyal users to share their enthusiasm.

b. Sharing: The easier for referrers to refer, the more successful the program. Users should be able to share on social media, through phone apps, and via email if they'd like.

c. Tracking: Tracking is vital to see what's working and what's not, both for you and your referrers. Options for tracking could be a referral dashboard for referrers, a linked tracking code to an app or standalone referral portal, or simply unique codes for every user.

d. This is an iterative process: build a prototype, test it, and measure the results.



STEP 7 DECIDE HOW YOU PLAN TO MARKET THE NEW PROGRAM

Keep it simple, keep it visible, keep it cheap.

a. Add a page for referrals on your website

b. Tell your subscribers in your next newsletter

c. Run a campaign on social media

Start Again

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Endurance Referral Program

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TIME PERIOD ADVISORY:

One note on time periods: short intense bursts can yield quicker growth than ongoing programs. With this in mind, it's important to think hard about what your goals are for your business."

TO CHANGE USER BEHAVIOR TRY...

THE ENDURANCE PROGRAM

DETAILS:

SUMMARY:

Referrers receive discounts or upgrades for each transaction they make on the platform.

TRANSFORMATION SPEED:

Slow and Steady Gains

REFERRAL INCENTIVE:

Money, Non-money

INCENTIVE PAYOUT TIMING:

As soon as the referral is confirmed

REFERRAL CAMPAIGN RUNTIME:

Ongoing

SHARING METHOD:

Referrers can share unique code on social media, email, and via text

Case Example: Endurance Referral Program

SEE THIS REFERRAL PROGRAM IN ACTION



Case Example Of The Endurance Referral Program: Coinbase

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coinbase

BACKGROUND:

Coinbase is a digital currency exchange that brokers Bitcoin, Bitcoin Cash, Ethereum, Ethereum Classic, and Litecoin exchanges with fiat currencies in roughly 32 countries. The company also manages bitcoin transactions and storage in 190 countries.

ENDURANCE PROGRAM X COINBASE

WHAT THEY DO:

Cryptocurrency trading platform

REFERRAL MODEL:

Referrers rewarded each time referred customer makes an action on the platform, like funding, withdrawing, or trading on the account. Allows referrers to earn bitcoin without having to trade themselves. "Earn Bitcoin for Life"

WHY IT WORKS:

Rewards people for more activity on the platform and solves the main pain-point of new crypto users i.e. answering the "how do I get coins?" questions.

REFERRAL AD SPEND:

Seems like near zero ad spend, primarily using referral mechanism to generate new content marketing and reinforce the feedback loops.

PROMOTION METHOD:

Because referrals are central to the company's business model, Coinsquare sent out multiple press releases and features referral in their website's top menu bar

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← ENDURANCE REFERRAL PROGRAM



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← ENDURANCE REFERRAL EXAMPLE

STEP 5-7 →



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TO BUILD BRAND AWARENESS TRY...

THE MUSCLE PROGRAM

DETAILS:

SUMMARY:

Referrers get to compete for rewards by referring the products and receiving a certain number of points per referral. Using the referral portal, referrers can track referral progress, rewards acquired, and status on the leaderboard. The competition lasts for 3 weeks and repeats once each quarter.

TRANSFORMATION SPEED:

Fad Diet Level Gains

REFERRAL INCENTIVE:

Status/competition, money, non money

INCENTIVE PAYOUT TIMING:

Once they make top 10 on the leaderboard

REFERRAL CAMPAIGN RUNTIME:

Series (Every other month?)

SHARING METHOD:

Referrers can share unique code on social media, email, and via text

Case Example: Muscle Referral Program

SEE THIS REFERRAL PROGRAM IN ACTION



Case Example Of The Muscle Referral Program: Verafin

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VERAFIN

BACKGROUND:

Verafin's cloud-based regulation technology firm provides financial institutions with an end-to-end solution to detect, investigate and report financial crime.

MUSCLE PROGRAM X VERAFIN

WHAT THEY DO:

Financial crime management platform

REFERRAL MODEL:

"Referral Rally," run over one month. At the end of each week, the member with the highest referral number received 1,000 points, with the top three at the end of the month being able to choose a prize. Verafin paired the game with educational resources, creating referral certification challenges that educated members on how to speak about Verafin's potential and increased the referral quality. At the end of each challenge, the user would receive a certification badge.

WHY IT WORKS:

Mix of financial and non-cash incentives. Short time period creates a sense of urgency.

RESULTS:

While their goal was 40 new users, they hit 117, almost tripling their target.

PROMOTION METHOD::

Twitter/Social

SPECIAL POINTS:

Chose their advocates wisely, selecting most loyal "Verafans" and giving them an easy means to spread the word. Maintained a leaderboard and other game features that increased the competition aspect. Made it easy for advocates to refer, via form, email, or social media
Maintained a Verafin VeraFan community for the duration of the rally

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