



QUICK TIPS GUIDE

How to **Build** Client Referrals



INTRODUCTION

You've completed a deal. After a lot of work and maybe a sleepless night or two, it's done! Congratulations from all of us here at Buildout!

So now what? You are a commercial real estate broker or agent who must hunt down your next exclusive listing. What if it's right under your nose? What if securing that next exclusive listing, that next deal, that next commission, comes from the happy client sitting at the closing table with you, right now?

This guide will focus is all about helping you to ask for a referral from a client.

Referred clients are the kind of clients you want!

- "Customers referred by other customers have a 37% higher retention rate." (Source: [Deloitte](#))
- "The LifeTime Value of a new referral customer is 16% higher." (Source: [Wharton School of Business](#))
- "Over 9 in 10 consumers trust referrals from friends and family over anything else." (Source: [Nielsen](#))

Maybe you're a seasoned broker looking to add new tools to your conversational toolbelt. Or maybe you just closed your first deal and have never asked for a referral before. Regardless - there's something in this guide just for you.

Time's ticking. **Let's go!** 



SEE WHAT'S INSIDE

Guide **objectives**

Are you preparing to ask for a referral right now?



Pick the perfect time to ask for a referral



Know the signs of a happy client



Brainstorming the perfect client gifts



Build your own referral program



QUESTION BREAK

Before we dive into Buildout's best tips and tricks, ask yourself this, on a scale of 1 to 5, **how confident are you with asking for a referral?** That you are confident you know the signs to look for and when to ask for optimal results?



BUILDOUT'S BEST REFERRAL TIPS

1st Tip: **Timing** is Everything

► Imagine, you're a **dentist**

Go with it.

In this alternate reality, those eight years of dental school were a breeze; your parents are super proud.

But you're not just any dentist—you're a really good dentist.

So more like 12 years of schooling, then. As a really good dentist, you know that asking a patient for a referral is all about timing.

- You don't ask a patient for a referral when they're in pain.
- You don't ask a patient for a referral right after you've numbed their mouth.
- And you don't ask a patient for a referral if they're, ahem, enjoying some laughing gas.

Back to reality.

You're not a dentist. **You're a really good broker.**



Timing Continued

Being a good broker, you know that...

You don't ask your client for a referral when they're in pain. *(E.g., they're anxious about the outcome of a deal, busy putting out fires elsewhere, or stressed about a big meeting with their GPS.)*

You don't ask your client for a referral after overwhelming them with other information. *(E.g., "ABC things need to change about the deal structure to get XYZ tenant into the space by 5pm or the deal is dead... Oh! Since we're already chatting, I wanted to talk to you about referrals...")*

And lastly, you don't ask for a referral if your client is distracted. *(E.g., they're distracted by finishing closing paperwork, running late to their next meeting, or anxious about their upcoming dentist appointment.)*

Timing is everything. When your client:

- has a shiny, new asset in their portfolio thanks to your expertise...
- when you've solved their problem...
- when the scariest thing on their calendar now is a dental cleaning...

Your client is primed for a referral conversation.

Keep in mind that your client is ready to talk about referrals because:

- The work you're doing for them is complete.
- They have proactively expressed gratitude, excitement, or satisfaction with your work, the outcome, etc.
- You're in the midst of a celebratory moment. (e.g., a dinner after closing, a ribbon-cutting reception for their new development, etc.).
- They mention someone with a similar problem you could support.

If one of these things is true, ask for a referral. If more than one of these things is true, what are you waiting for?

“

According to Dale Carnegie, "91% of clients will give a referral, but only 11% of salespeople will ask for one."

Need we say more?





BUILDOUT'S BEST REFERRAL TIPS

2nd Tip: Phrasing **the Ask**

There is no singular referral script to follow to guarantee 100% conversion rates. Let's not overcomplicate what should be a relaxed conversation between you and your over-the-moon client.

► 1. **Ask for referrals**

Seriously, asking your happy client is the first step. Leading with appreciation is important, and highlighting mutual benefit is great, too.

Remember: your client isn't a mind reader. They might even assume a talented broker like you is overwhelmed with business opportunities and doesn't need more. You need to dispel that very kind thought. You're ready for that next opportunity!

Ask. It's that simple.

► 2. **Frame your ask**

Not all referrals are equal. If your client sends you a referral for a deal that you don't support, that doesn't help either of you. Make your ask is specific to help, share info like...

- The types of problems you solve. Ground your expertise with some light reminiscing. "You know, I'm so glad we solved ABC problem by making this deal work. Solving ABC problems is my sweet spot, and I'd love to tackle more of these issues for folks you might know. Does anyone come to mind?"
- The kinds of deals you work on. Your phrasing could sound like, "It was great to work on this multifamily sale with you. Multifamily makes up most of the business I do, but I'm also expanding into retail, specifically in downtown." Specificity about what you do best will help your client pass along leads that align with your abilities, specialties, or location.
- A listing you have right now. You might share, "I've got a ____ listing right now that I think is too good to miss. Who do you know that's looking to invest/lease/etc.?"



MAKING THE CONNECTION

Having your client introduce you to their referral is appropriate and very helpful. Someone calling ahead on your behalf will turn that cold lead into a warmer, more receptive connection. "Would you be willing to introduce me?" It's as simple as that! If that intro is over email, **awesome**. If that intro is in-person, **even better**.



BUILDOUT'S BEST REFERRAL TIPS

3rd Tip: **Build your own** referral program

Building your own referral program helps you stay close to new leads and existing clients alike. It doesn't have to be complex, and it doesn't have to be expensive.

Consider “Bradley Broker”—a very real and not at all fictional investment sales broker with a meticulously clean office. About six months ago, he started his own one-broker shop with a modest book of business. He's staring into the middle distance, thinking about building a referral program.

Bradley is thinking through...

A target audience | If Bradley wants to do more land deals, he could build a referral program targeting those kinds of buyers and sellers. That means he'd want to tailor his...

Communication plan | Not only will Bradley want to have a tight elevator pitch for his land-specific referral program before he meets with an existing client next week, but he'll also consider social media promotion and maybe an email marketing campaign to announce the new program. He'll want to monitor and adjust his promotional efforts, which leads him to...

Tracking and metrics | Bradley will want to track obvious metrics like number of referrals, conversion rates, and referral program costs. He'll spend a little extra time digging into Customer Lifetime Value (CLV), Average Transaction Value (ATV), and Cost per Acquisition (CPA).

- We would refer you and Bradley to the flip card below for more metrics insights.

Budget | Bradley is still ramping up his solo-broker business. He doesn't have a ton of cash to put into this program. He'll consider his budget, the kind of returns he'd need to make to justify that budget, and...



Build Your Own Continued

A tiered rewards system. Bradley will consider tiers and what activity constitutes moving from one tier to another. He jots down:

- Tier 1
 - Action: The client submits a qualified referral (specifically, a referral looking to buy/sell/lease land)
 - Reward: \$25 gift card to a Local Business in town.
- Tier 2
 - Action: The client's referral signs an exclusive listing agreement with Bradley
 - Reward: \$50 gift card to Nice Restaurant down the block.
- Tier 3
 - Action: The client's referral closes a deal!
 - Reward: Tickets to theater/sporting event + 1 entry into End of Year Referral Raffle
- End of Year Raffle
 - Action: Each closed deal from a referral = 1 entry for the referrer
 - Reward: Weekend in Sonoma Wine Country for two

This isn't the end of Bradley Broker's brainstorm for his new referral program, but he's off to a great start.

Bradley would also want to dig into data to help him make decisions. If Bradley read, "more than 9 in 10 referral programs are double-sided, offering rewards to both the referrer and the referred," Bradley might be more inclined to consider incorporating both sides of a referral into his referral program. (Source: [SaaSquatch](#))



“The majority of today’s referral programs are used to directly increase revenue, indicating a consensus that word-of-mouth marketing is a topline revenue strategy.”

SAASQUATCH

Report



NEED WE SAY MORE?

Top **Five** Reasons

Here are Buildout's top 5 reasons to build a referral program if you are looking a little bit more power to bring this point home:



DATA!

No matter your circumstances, your data will empower you to make informed and successful decisions in building a referral program for any digital business unit. Looking to boost your data? [Let's chat.](#)

► INCREASED LEAD GENERATION

Referral programs can be a reliable source of high quality leads by incentivizing current clients and contacts to refer potential clients to you. You can tap into new markets and expand your client base effectively.

► HIGHER CONVERSION RATES

Leads generated through referrals often have higher conversion rates than leads from other sources. This is because referred prospects already have a level of trust in you making them more likely to engage with your services and move through the sales process more quickly.

► ENHANCED TRUST & CREDIBILITY

When someone refers a friend or colleague to you they are essentially vouching for your services. This endorsement can significantly boost your credibility in the eyes of the referred prospect making it easier to establish rapport and close deals.

► LONG-TERM RELATIONSHIPS

Referral programs can help you cultivate long-term relationships with both clients and referral sources by rewarding referrers for their efforts and providing exceptional service to referred clients. You can foster loyalty and goodwill leading to repeat business and ongoing referrals in the future.

► COST EFFECTIVE MARKETING

Referral programs can be more cost-effective than traditional marketing channels. Instead of spending a significant portion of your budget on advertising or lead generation campaigns, you can leverage your existing network to generate new business.



FOLLOW-UP IN STYLE

Following up with a client after they've referred new business to you **is a must.**

► REPUTATION + RETENTION MANAGEMENT

They'll be excited to hear how their business match-making is going. Plus, this check-in could encourage them to bring you up with your new client—their referral. Having your happy client chat up their referral about their experience is another way to stay top of mind with a new business relationship.

Following up with a past client ties back to that all-important metric: customer retention.



FUN FACT

According to Hubspot, a mere 5% increase in customer retention can increase revenue by 25-95%! Not too shabby.

Guess what supports retention?





THE FOLLOW-UP STEP

How you do it, is where the **magic** lies.

An email check-in is great in a pinch. But why not maximize your efforts and make another good impression on an existing client?

- A phone call will allow you to pick up on tone and get a pulse check on your original client's current business needs.
- A handwritten thank you note is all too rare. According to the [Greeting Card Association](#), the average person gets only ~20 personal cards a year. This is an underutilized gratitude channel that will make you stand out
- A lunch or dinner invitation will allow you to check in, express gratitude, and make your client feel included in the success their referral is experiencing

However you choose to follow up, come prepared. Share what you've enjoyed about your working relationship with the referral.

- If you learned something new
- If you and your referral have something meaningful in common
- If you genuinely enjoy your working relationship with this referral

Whatever you can express to help your client feel your gratitude for the referred business, share that.

What about gifts? For many people, a well-timed, thoughtful gift communicates respect more than anything else can. Here are some gifting criteria to consider if you're fresh out of ideas:

- **Relevance to the Occasion:** Align your gift with significant milestones or events in your client's business.
- **Practical Utility:** Consider your client's practical needs like a stylish coffee machine for a new business.
- **Personalization:** Such as engraved tools or customized decor, show that you've thought about your client's space.
- **Branding:** Choose gifts that align with the professional image of the client and your brokerage.
- **Sustainability:** Consider eco-friendly options, especially if your client is environmentally conscious.
- **Exclusivity:** Limited-edition or custom-made items convey a sense of exclusivity and make your client feel valued.

Don't box yourself in here. A picture of your client's first development in an inexpensive frame might go further than a pricy bottle of wine. Follow your gut. If your client is sentimental, practical, or eclectic, lean into that. You know your client best.



QUICK TIP

Drop a task in your CRM to follow up with your client on the status of their referral. Don't put it on yourself to remember, put that task in your CRM!

Wait, you don't have a CRM?

Check out our ultimate guide to CRM strategies, [here!](#)



TIME TO WRAP THIS GUIDE

Wrap it with a box, if you'd like.

We hope thinking through how you ask for referrals gave you a new strategy, idea, or sense of confidence.

We'll say it again: you know your clients best, and you know how to communicate with them best. Trust your instinct when it comes to asking for referrals. Buildout will be here to support all your software needs when you secure that next exclusive listing. **Here is your takeaway next steps.**



YOU GOT THIS!

Looking for some help? [Contact us.](#)



Your **referral action plan:**

- ▶ Ask a past client for a referral.
- ▶ Do a little back-of-the-napkin math for a new referral program.
- ▶ **Think through:** When are you seeing a current client next? Is that a good opportunity to ask for a referral?
- ▶ Ask another broker in your office about their go-to gift for clients.