

## Seven Ways to Build a Better Customer Reference Program

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My father is an avid tennis player. After he moved into a senior living center, he volunteered to organize tennis lessons for the residents. Since I am also a competitive tennis player, he called me and asked my opinion on the local tennis instructors. To my father, this was an important decision. He wanted to ensure that the lessons went well and his new friends would be pleased. And like most people when faced with an important yet risky purchase, he asked for references.

This is what businesses do when they are nervous about making a risky purchase: The greater the customer's perceived risk when buying a solution, the more important references become. To maximize your success, make sure to include building a customer reference program in your sales and marketing activities.

Here are 7 rules to build an effective customer reference program.

### **1. Approach customers early about being a reference**

When working with early adopters in your beta program or existing customers, it is important to set the expectation that you expect them to be a reference. Often, vendors are so excited when a customer is willing to test their new product that they not do get the customer to agree to be a reference. An evaluation agreement should be used with each early user to clearly outline mutual expectations.

### **2. Understand the customer's personal motives**

The path of least resistance is for customers to say no to a request to be a reference. After all, this is often something outside of their normal business responsibilities. The first step in getting an executive agreement is to understand their personal goals and objectives.

I worked with a chemical company that wanted to introduce a breakthrough product to large manufacturing companies. One of the early adopters had a policy against recommending vendors. Over dinner, I asked the customer about his career goals. He wanted to move from the West Coast back to New England. He enthusiastically said yes when I asked him if he would co-author an article with us to be published in a leading trade magazine. He felt that the publicity would help him find a new job. Suddenly, we found a way around the "Policy".

### **3. Confirm your understanding of the customer's approval process**

The marketing department at a multi-billion dollar software company worked for weeks with a customer on a variety of marketing deliverables. After a significant investment of time and resources, they learned to their horror that they could not get the appropriate approvals to proceed.

If this can happen at one of the industry's best performers, it can happen anywhere. It is marketing's responsibility to work with sales to get all of the required approvals in advance.

### **4. Present the customer with options**

Customers who are not marketing savvy may not be aware of all the different ways to promote their success with your product. Some customers may recoil at a press release but be more than willing to present a technical paper at a conference. Others may not be able to speak with an analyst but would speak with other potential customers.

Case studies can be a good starting point since both the vendor and customer can control the messages. Presenting the customer with options gives them control and makes them comfortable. To accelerate the process, pick 2 or 3 options to start.

### **5. Make it easy for the customer to be a reference. Be sensitive to their fears.**

One reason why customers don't want to be a reference is that they are worried it may take up too much time. Another is that they will lose control of the message and end up "looking bad". Your marketing team must take the lead to alleviate their concerns. Clearly state how little of their time and resources are required and be clear about the level of control they have over the outcome.

### **6. Highlight the business benefits obtained from your solution**

The real impact of a reference comes when you publicize how the customer achieved specific business benefits. Some customers may be reluctant to reveal certain data for fear of giving away the store. And they may not have a problem sharing other information. Determining what customers are willing to say publicly requires excellent listening and negotiating skills.

### **7. Don't outsource your customer relationships to your PR agency**

A good PR agency can be important to your product launch. In an attempt to be helpful, agencies often offer to take over the entire process of promoting your customer. It is a mistake to let this happen. Often when talking with the customer, issues that have nothing to do with public relations will arise. The customer may have input for product improvement, an issue with the product or a service complaint. This is a great opportunity for marketing to

build a closer relationship with the customer and their own sales team by listening and getting these issues resolved.

Nothing builds credibility faster with a risk adverse customer than telling them about someone who has already taken the plunge and now enjoys real benefits. Marketing and sales teams can accelerate your sales success by following the seven rules of building a customer reference program.

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