



Referral: The Foundation of Customer-Led Growth

A Best Practices Guide



Contents

Referral: The Foundation of Customer-led Growth	01
Referral Programs: Always Evolving	02
31 Best Practices	04
<i>Our best practices outline the following core principles of customer-led growth:</i>	
Focus on your advocates	
Make user journeys delightful	
Get technical	
Secure Your customers' data	
Leverage every innovation	
Customize your rewards	
Marketing post-conversion is key	
Use data to glean actionable insights	



Referral: The Foundation of Customer-Led Growth

Best Practices for Refer-a-Friend & Advocacy Programs

As marketing pros seek to innovate their approach to growth, refer-a-friend programs have proven to be an important channel for customer acquisition and loyalty.

These programs deliver what no other form of marketing can—a significant source of new customers based on the great experience of existing customers.

With referral, customer engagement = customer acquisition.

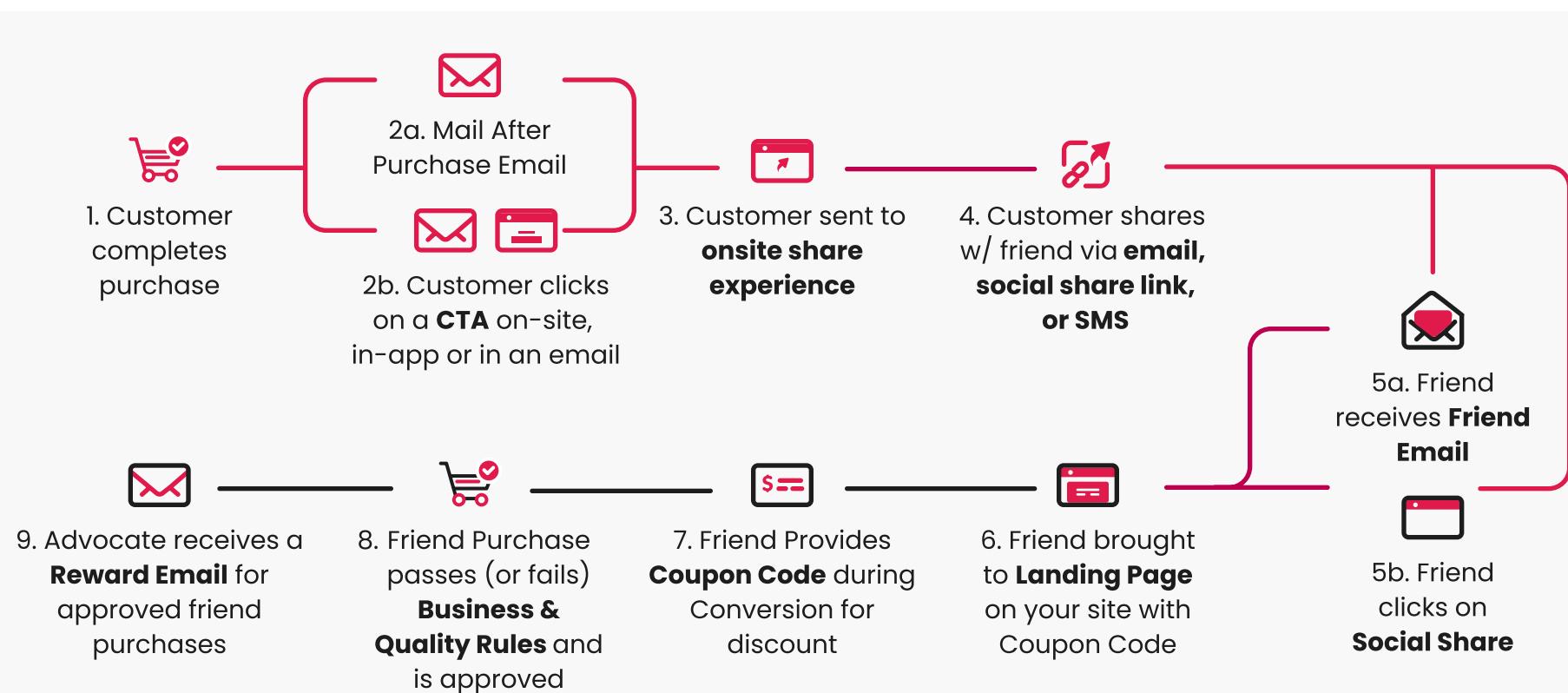
At Extole, we have the privilege of working with smart marketers at leading companies that have figured out the key to unlocking the benefits of customer advocates. That key is engaging your customers between and beyond purchase – and encouraging them to share their experience through valuable recommendations to their friends and families.

Read on for our best practices!

Referral Programs: Always Evolving

Every good referral program uses rewards. An “advocate” typically gets a reward when a customer they have referred makes a purchase. The referred customer then gets a reward during their first shopping experience as a way of encouraging that initial transaction.

This dual sided reward works most effectively when the value of the advocate’s reward closely matches the value of the friend’s reward. The journey of a referred customer typically looks something like this:





Focus on your advocates

1. Enable one-click connections between advocates and the referred.

68% of Americans say they are more likely to open an email if it's from someone they know. Provide advocates with native sharing tools that enable them to rapidly connect with referral candidates.

2. Simplify recipient sharing.

Make it easy for recipients to share. Even if they don't convert, they can pass the promos on to others who might. 92% of consumers say they trust referrals from people they know, and they are 4x more likely to purchase when referred by a family or friend.

3. Offer a consistent experience across platforms.

The majority of today's customers expect every marketing initiative from brands to be digitally accessible, seamless, and consistent. 76% demand connected journeys. Thus, your referral marketing program should be accessible and consistent across all digital channels and devices.

4. Make sure your advocates have a great experience.

You can start by collecting feedback from your advocates on what constitutes a great experience. You can also leverage data from your previous campaigns to see what works for your advocates and what doesn't. The insights you glean will help you create and deliver experiences that are advocate-centered.

5. Build a referral system that leverages person-to-person connection.

Make it easy for your advocates and their friends to communicate. Utilize one-click chat buttons to encourage meaningful communication and collaboration between the referrer and the referred.

6. Enable your advocates to personalize their referral message.

Friends tend to respond positively to branded messages delivered in a familiar voice or tone. The more personalization, the more impact. The data shows that personalizing your promotional emails can improve unique open rates by **29%**, and unique click-throughs by **41%**.





Make user journeys delightful

7. Define qualification criteria for referrals and communicate them clearly to advocates.

Designing a referral program includes being explicit about the eligibility requirements for referrals. Your advocates need to know who can send and receive referrals or they could be deterred from submitting them.

8. Recognize that referred customers are different from other customers.

The path to purchase for referred customers should have a different starting point, different touchpoints, and different motivations and rewards than that of a standard customer. Do this by telling the referred friend that someone who loves your brand thinks they will love the brand, too, and that they will get a reward for completing a certain action. Don't drop referrals onto a standard landing page, confuse them with other offers, or neglect to leverage the social proof associated with the advocate's recommendation. Design their journey accordingly to give them the best experience.

9. Map out the referral journey.

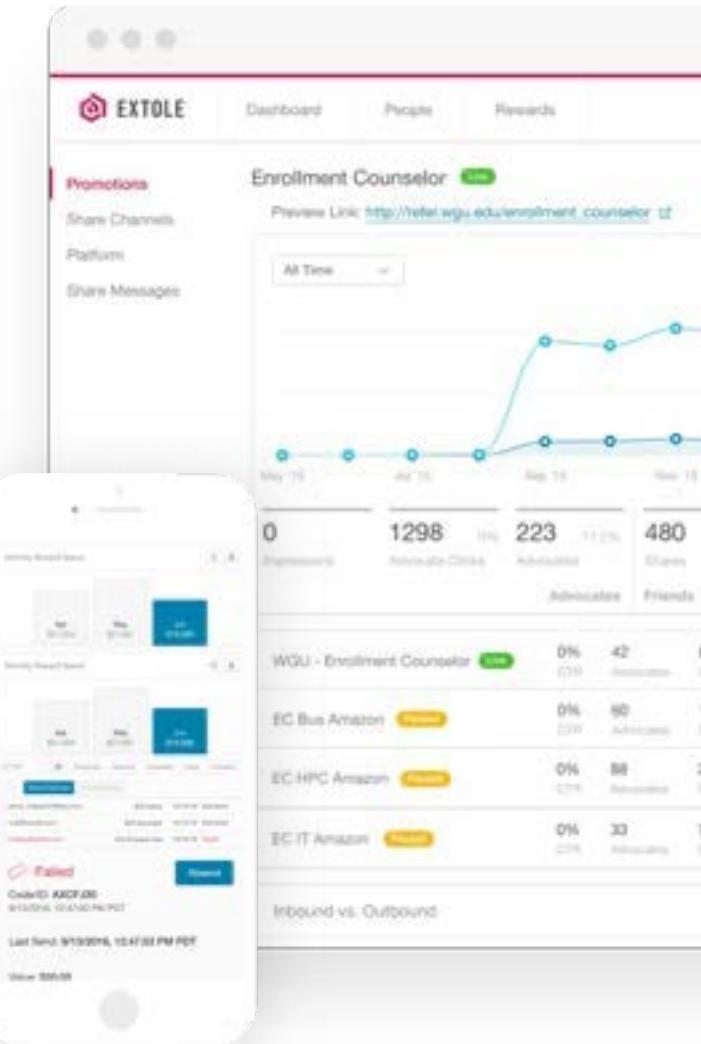
Make it easy for your advocates to see what steps they need to take to get their reward. Track and capture all the events in each journey so that you can reward for key events, change the reward triggers easily, and measure customer quality (and drop-off). Optimized referral journeys deliver better customer experience (CX), and an estimated 86% of consumers say they're willing to pay more for better CX.

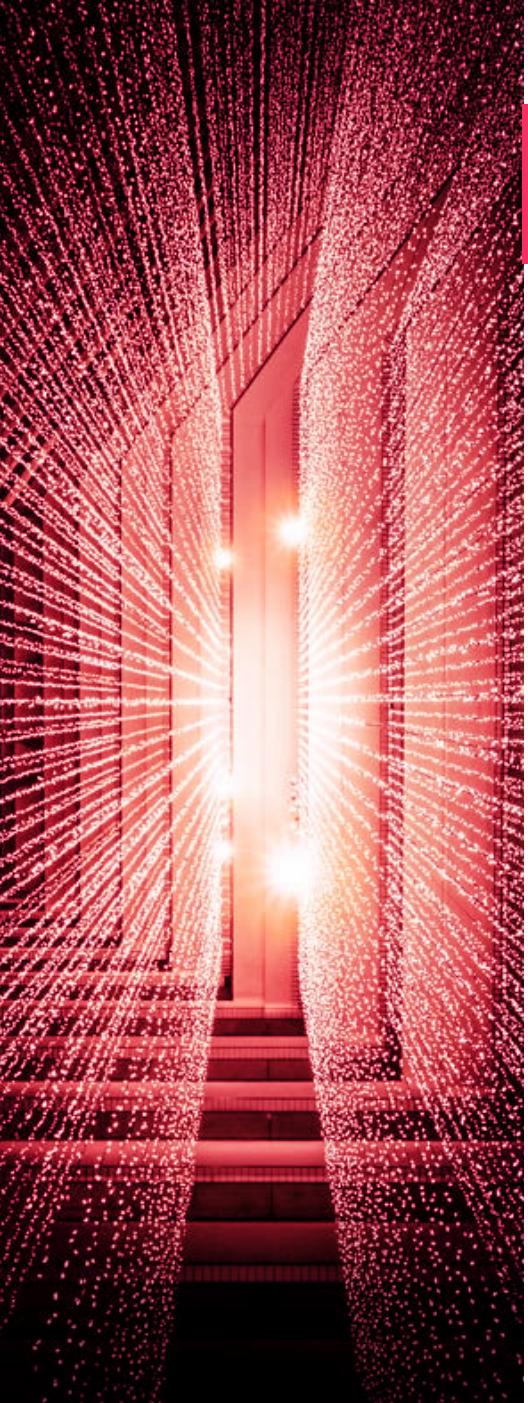
10. Personalize your landing page.

Too often, we see businesses direct referred visitors to a standard landing page, failing to leverage the powerful impact the advocate recommendation can have on the visitor's experience. It is great to give "first time" offers to anonymous prospects who visit your site, but referred visitors should have a landing page experience that reinforces their friend's recommendation.

11. Design referral workflows based on business segments.

Referral journeys for retail are unique from journeys for insurance—don't shoehorn a retail customer into a customer journey designed for an insurance company, and vice-versa. By making referral journeys more specific to your business segment, you can place touchpoints at the optimal stages, further optimizing interactions and creating more customer-effective and efficient processes.





Get technical

12. Leverage data for powerful customization.

Customization is essential to the success of any form of marketing, referral included. Customized copies and CTAs are shown to have **42%** higher conversion rates than programs with generic messaging. Derive insights from customers' data, preferences, and history to supercharge customizations and increase the odds of engagement and conversions.

13. Understand that fonts matter.

In the world of marketing, your choice of font, text size, and spacing matter as much as the messaging. A psychological study revealed that people tend to assign personalities to fonts, which can impact how they perceive marketing materials. Make sure the “personality” of your font matches your brand.

14. Make sure your buttons match your branding.

The color, transparency, and opaqueness of your buttons and CTAs should reflect your brand. Doing so can improve your brand recognition by as much as **80%**, and conveys consistency. Of course, you can always experiment with colors outside of your branding palette to find what works best, but you can never go wrong by sticking to what is already familiar.

15. Include the offer near your CTAs.

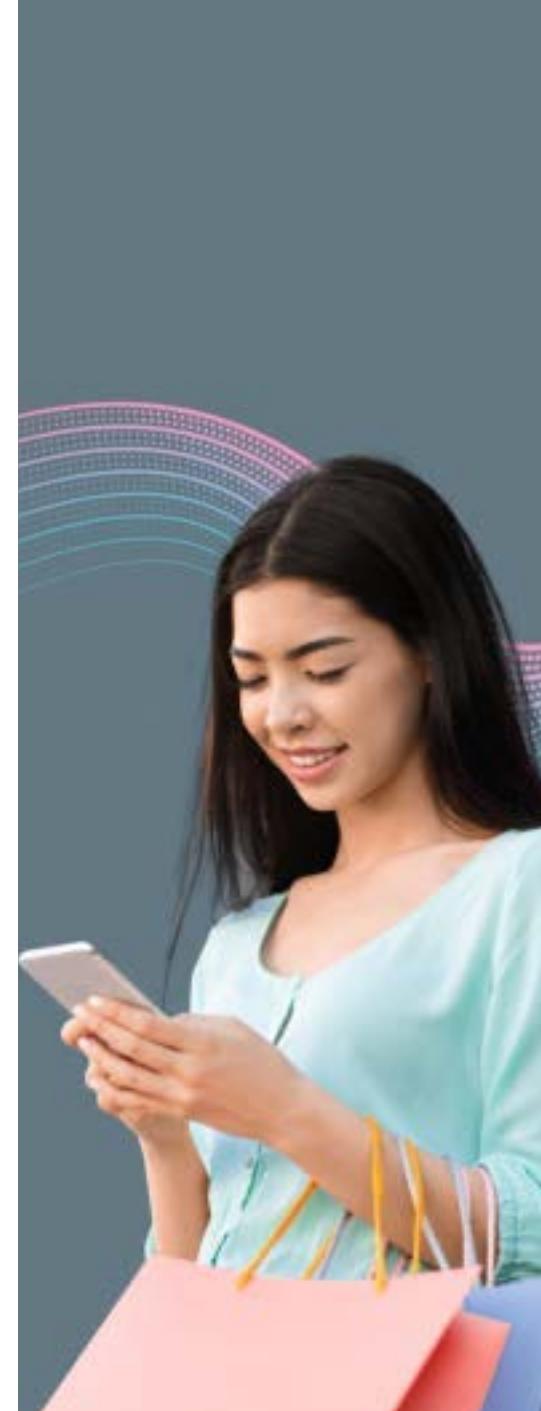
In a test where a marketer placed a descriptive copy of a promo first and put the CTA at the bottom, the placement resulted in a **304%** conversion lift. Receivers prefer to know more about an offer before clicking the CTA button, so make sure to give users a glimpse of your programs to make your CTAs more encouraging. Another great CTA optimization tactic is to personalize your call to action—personalized CTAs have a **202%** higher conversion rate than generic CTAs.

16. Make sure your landing page is more than a sign-up page.

Use the landing page to state what your brand offers, especially if it involves a big decision for referred visitors. It is critical that your landing page contains the information your customers need to make a purchase decision—people don't want to go searching. Landing pages that answer a customer's concerns see conversion rates as high as **80%**.

17. Leverage language localization.

Engaging referred visitors in their own language drives growth. **84%** of B2B marketers say that localization positively impacted their revenue, and over **72%** of customers say they are more likely to buy a product when it is presented in their own language. Ultimately, localization is about more than just translation—it is also a vital step in connecting with potential customers by respecting their customs, traditions, and idioms.





18. Set security standards to prevent fraud.

Referral fraud, such as self-referrals, coupon sharing, and return abuse, is a persistent concern for brands that engage in referral marketing. Brands must take the necessary measures to identify both high-quality referrals and potentially high-risk referrals.

19. Make A/B testing a habit.

It is critical that you conduct A/B testing on every aspect of your referral program. This will not only provide you with a clearer picture of your campaign, it will also enable you to further optimize your performance and deliver great results.

Secure Your Customers' Data

20. Be transparent about consumer data rights and usage.

86% of consumers have concerns about data privacy. The good news is that 90% of them also express a willingness to share their data if they have a positive experience with a brand. One surefire way for brands to deliver a positive customer experience is by securing their information and being transparent about its use.



Leverage every innovation

21. Streamline the referral journey with QR codes and deep links.

QR codes, mobile share sheets, SMS notifications, and deep links help enrich marketing campaigns by linking campaigns directly to media-rich content such as images, videos, events, and landing pages. This eliminates signposting and path guessing. Referred parties can then quickly locate the item or information, significantly reducing frustration and empowering them to continue their referral journey.

22. Strategically place QR codes.

Make it easy for your users to locate and scan your QR codes. Place them where they have direct access, such as on a desktop to share from their phones easily, in customer dashboards, in-store, in-branch, and in printed material. Doing this encourages sharing.



Customize your rewards

23. Reward your advocates aggressively.

Even if referred users don't perform your desired actions, it is still beneficial to reward your advocates to encourage them to keep participating and sharing. This also helps avoid WISMR ("where is my reward?") inquiries.

24. Expand offerings to non-members of the advocates' circle.

By rewarding non-advocates who share your program, you further grow your customer base and expand the reach of your referral marketing efforts.

25. Check your reward delivery rates if WISMR inquiries occur in more than 1% of referral cases.

WISMR ("where is my reward?") inquiries are a common occurrence in referral programs. However, if the number of inquiries goes beyond 1% of the number of advocates, then something is wrong with the delivery of your rewards. Unaddressed, you risk losing your best and most loyal customers.

26. Reward advocates based on other factors that contribute to customer growth.

Most referral programs are designed to reward advocates only once the referred friend completes a purchase. Brands can benefit if they provide rewards for other actions that may not necessarily lead to a direct purchase, but will impact their bottom line in the long run (e.g., number of leads submitted, customer quality, and journey progress).

Marketing post-conversion is key

27. Capitalize on moments of delight.

Happy customers are empowered advocates. Moments of delight can be turned into connections by integrating CTAs into triggered emails and thank you pages to promote your programs and get more referrals.

28. Send new advocates a ‘thank you’ email when they’ve completed their first share.

Thank you messages are a great way to show how much you value your customers, further strengthening their relationship with your brand. The numbers don’t lie: **60% of consumers** said appreciation should be delivered directly to both the referrer and the referred.





29. Review your strategy and modify accordingly if you're not hitting desired targets.

Every referral marketing strategy has its own unique set of KPIs to measure performance and gauge success. If your program fails to reach the desired numbers within a certain period of time, you should look at your strategy closely, identify the pain points, and make the necessary adjustments.

Use data to glean high-value, actionable insights

30. Capitalize on high-value customer segments revealed by your referral program.

Your referral programs are brimming with customer information that you can use to create exclusive customer segments. Identify your most loyal advocates and successful referrals, group them together, and create exclusive offers for them.

31. Discover untapped customer segments based on customer data.

Businesses have a treasure trove of customer information hidden in their CRMs, ERPs, and other sources. If you're looking for data to inform your targeting strategies, that's where you should go first.



Best Practices in Action

Taking the next steps towards implementing your referral program

Getting implementation-ready may seem daunting, but Extole has all the tools you need to launch efficient and effective referral programs that check off every box on this list, from customization to sophisticated audience segmentation to data protection and detailed reporting. Our platform can adapt to meet your business needs, as well as the unique steps in your customer journey.

Make customer-led growth a reality.

Businesses just like yours are driving 10%, 20%, and even 30+% of new customer acquisitions through referrals. Maximize your growth potential with a winning referral marketing strategy, and see the powerful impact that customer-led growth can have.

[Request a Demo Today](#)



Experience Extole for Yourself

REQUEST A DEMO

CONTACT

www.extole.com
hello@extole.com

in



© 2025 Extole Inc. All Rights Reserved. PROPRIETARY/CONFIDENTIAL

