Don’t Be Afraid to Ask
It’s Human Nature to Want to Give Referrals

Referrals are arguably the most effective way to build business. However, many advisors don’t ask for referrals for fear of damaging their client relationships. In fact, 82% of clients say their advisors have never requested a referral. How do advisors overcome this fear and capitalize on referral opportunities?

3 Steps to Overcoming the Fear

1. Understand why people give referrals
   Don’t assume that clients are uncomfortable giving referrals. Actually, it’s human nature to want to give referrals and build connections with other people. Most people enjoy providing referrals because it makes them feel good. Clients take pleasure in helping friends and family achieve their investment goals. They also like helping advisors grow their business. In fact, 58% of clients who gave referrals were motivated by a need to re-pay the advisor for their services. Another 38% said they were motivated by the desire to help others.

2. Highlight the value of your services and make clients feel good about giving referrals
   To encourage clients to give more referrals, it’s important to develop a systematic referral process that touches both sides of your client relationship—the professional and personal. Help your clients recognize the value that you bring as a professional; for example, your knowledge and expertise, as well as the personalized service you provide. At the same time, make your clients feel good about giving referrals by saying thanks and recognizing their help and support.

The Psychology of Referrals
Generate more referrals by managing both sides of your client relationship

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<thead>
<tr>
<th>LEFT—Professional or Rational Side</th>
<th>RIGHT—Personal or Emotional Side</th>
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<tr>
<td><strong>Provide Value</strong></td>
<td><strong>Make Clients Feel Good about Giving Referrals</strong></td>
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<tr>
<td>▪ Knowledge and expertise</td>
<td>▪ Engage clients and build trust-based relationships</td>
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<tr>
<td>▪ Personalized service</td>
<td>▪ Always say thank you</td>
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<tr>
<td>▪ Strong investment performance</td>
<td>▪ Recognize referrals from clients and other professionals</td>
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<td>▪ Good communications</td>
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'1The source of all statistics in this sales idea is the 2010 Economics of Loyalty survey conducted by Advisor Impact. More than 1,000 clients were interviewed in the spring of 2010 for the study.
3. Eliminate false fears

Don’t let mistaken assumptions prevent you from asking for and getting more referrals. Here are three of the most common assumptions that advisors make about referrals, and why correcting these assumptions can help maximize your referral potential:

■ “I don’t want to hurt my client relationships.”

Many advisors are afraid that asking for referrals will damage the trust and rapport they’ve built with their clients. The reality is most clients are happy to give referrals and want reminders that their advisors are seeking more clients. In fact, 91% of clients said that they’re comfortable giving referrals, and 42% of those who referred frequently over the last year said that advisors could encourage more referrals by asking.2

■ “I don’t want to appear too pushy.”

Many advisors think they’ll come across as aggressive and insensitive when making a referral request. However, if advisors don’t ask, how will clients know that they want referrals? When questioned about how advisors can encourage more referrals, the top two answers from clients were “remind me that you’re looking for referrals” and “help me better understand how you can serve my friends and family.”2

■ “I don’t want to look unsuccessful.”

Many advisors assume that asking for referrals is like “begging” for business; however, that’s not the case when you ask for referrals based on the strong value and exceptional service you’ve provided to your clients. The more confident you are about the benefits of your practice, the easier it will be to ask for referrals.

Create a systematic referral process that can help you ask for and get more referrals

The SunAmerica Client Referral Program can help you develop a systematic process of identifying and capitalizing on referral opportunities. You’ll discover tips, tools and strategies that can help you correct mistaken assumptions, communicate the unique benefits of your practice and show your appreciation to clients and strategic partners for providing you with referrals.

For additional sales ideas or to find out more about our comprehensive new referral program, please contact your SunAmerica wholesaler or call us today at 800-232-1230.

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