



Referral Programs Increase Business for Credit Unions

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Studies have shown that referrals are extremely important to the success of a business. Take a look at these statistics

and then see if maybe you want to devote your next staff meeting to beginning to develop a referral program for your credit union.

- According to *The New York Times*, 65% of new business comes from referrals.
- Nielsen reports that people are four times more likely to buy when referred by a friend.
- A member who is referred by another member has a 16% higher lifetime value, according to a study by the University of Pennsylvania's Wharton School of Business.

If you think about it, it makes perfect sense. Satisfied members make the best advocates for your credit union. And since they know both your credit union and their friends/colleagues, they can actually target the right people for the right product/service. So not only can they act as your brand ambassadors, they can do the initial audience segmenting for you too. They've had a good experience with your credit union and products. Now encourage them to tell their friends, family and colleagues about your credit union and the great



service you provide. Not only will they bring in new members, everyone will benefit as you increase your revenue stream. Be sure to offer them an incentive for their efforts. That's important. They're helping you out so you should do something for them. It doesn't have to be cash back but consider offering something your members would appreciate such as a charitable donation to an organization in your community. Not only will it reward your members but it will reward your community as well.

When your members make referrals, everyone wins. Use referral programs as part of your lifecycle marketing campaign and watch your credit union and your bottom line grow. You and your members will be glad you did.

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