



The Academy

The Psychology of Referrals

What the client sees when asked for a referral



Agenda

- How psychology can complicate the referral process
- Making it safe to give you a referral
- Creating an experience worthy of a remark
- Reframing referrals with confidence



How psychology complicates the referral process

In theory, a referral should be simple

Who do you know that could use my services?

Here is a list of everyone I know, their liquid assets and phone numbers.

In reality, it's complicated

Do I appear desperate for business?

Is this awkward?

Does this elevate the client experience?

Will I get credit if it works out, blame if it doesn't?

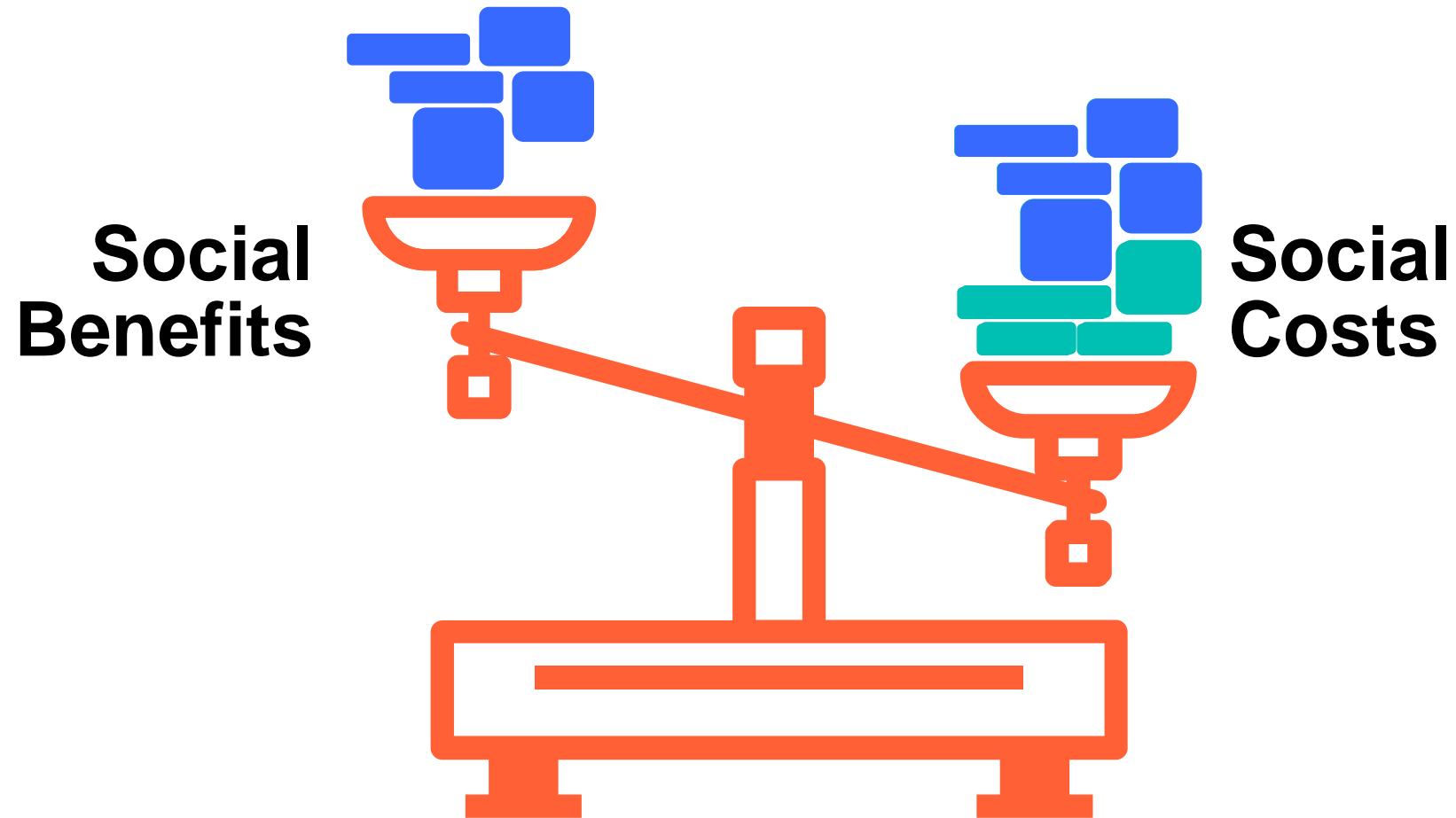
Do I want to be responsible if my friend has a bad experience?

Will she get too busy for me or raise her rates if I refer someone?


Would it look like I am getting special treatment if I refer someone?

How does a referral make me look?

Humans are social creatures



The flaw in traditional referral requests



Who do you know that
could use my services?

YOU benefit the most

- Clients do all the work
- Clients take on the social risk
- They do it for free

What motivates a referral?

1



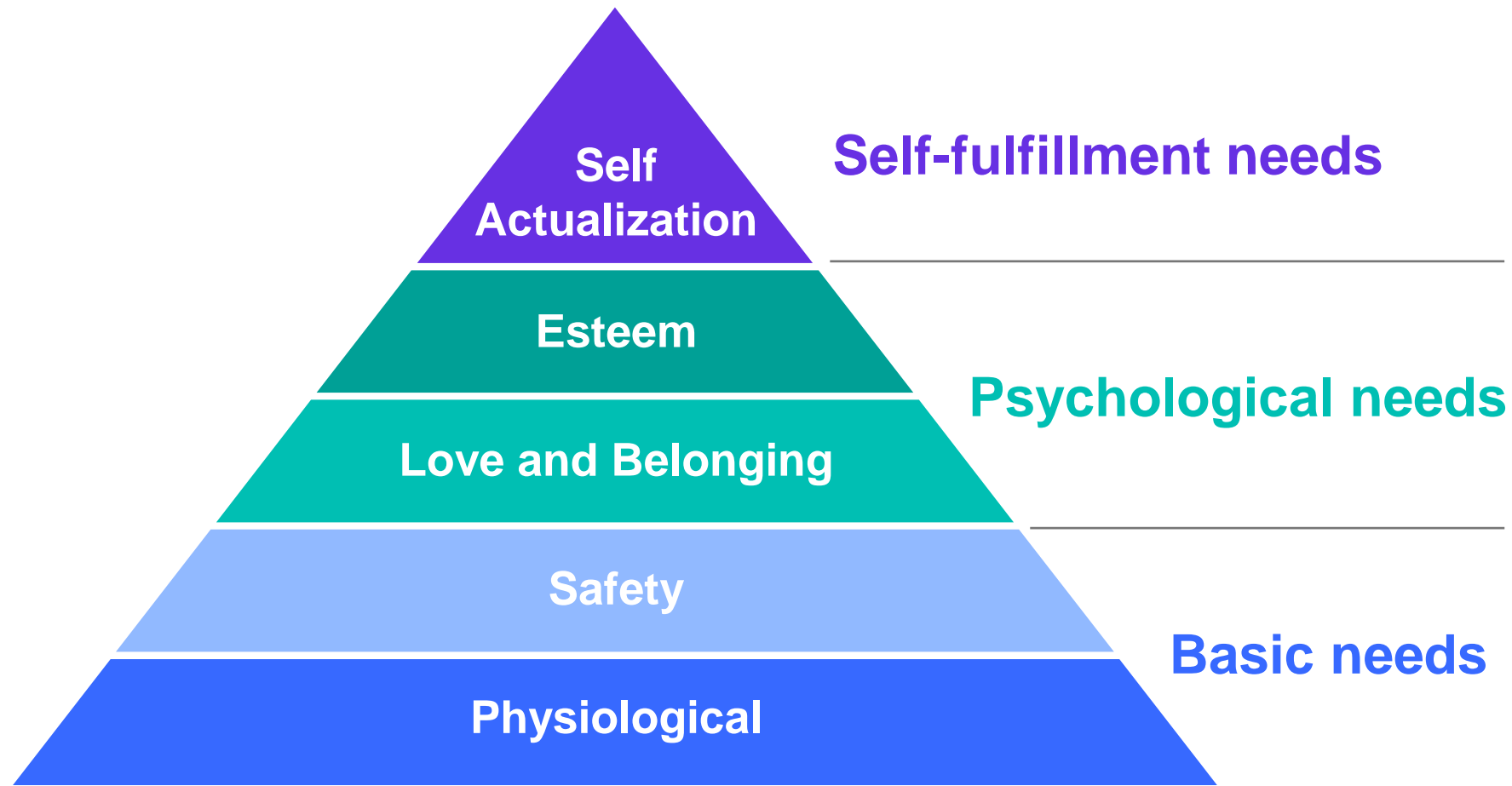
2



3



Maslow's hierarchy of needs



Making it safe to give you a referral



Poll

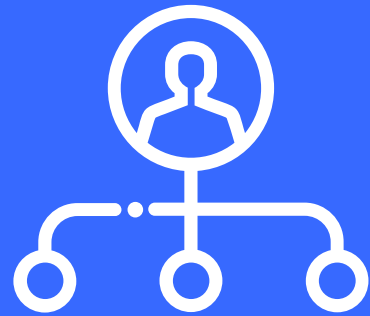
In your experience, what is more important to clients?

- a. Structure
- b. Repetition

Understanding basic needs



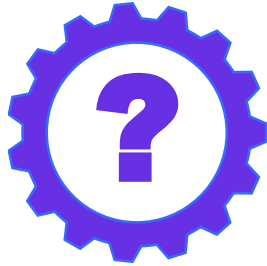
What helps clients feel secure?



Structure



Repetition



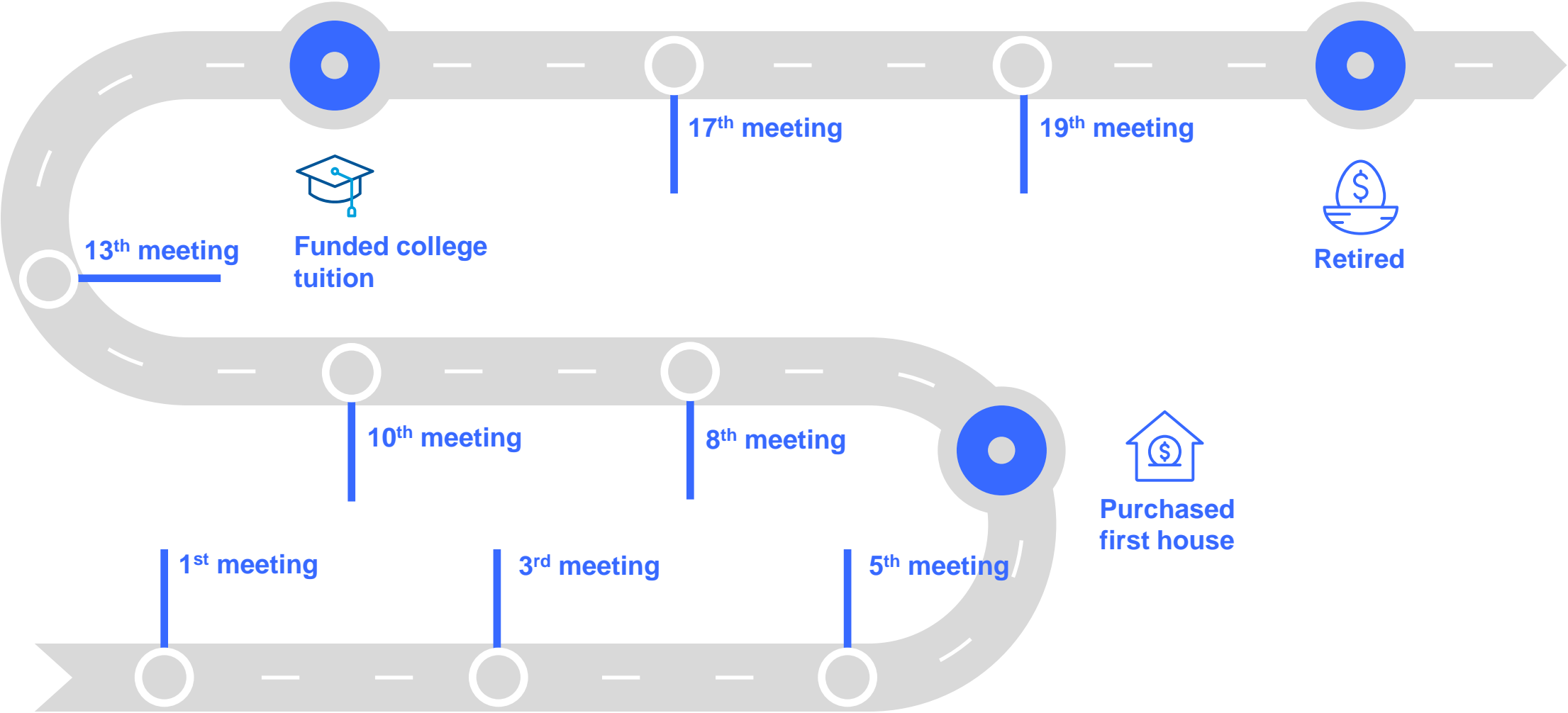
**What do YOU do to make clients
feel more secure?**



Setting expectations

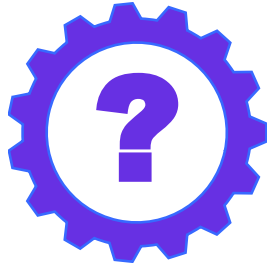
- Benefits
- Process
- Communication
- Value vs. cost

Helping clients tell their financial story



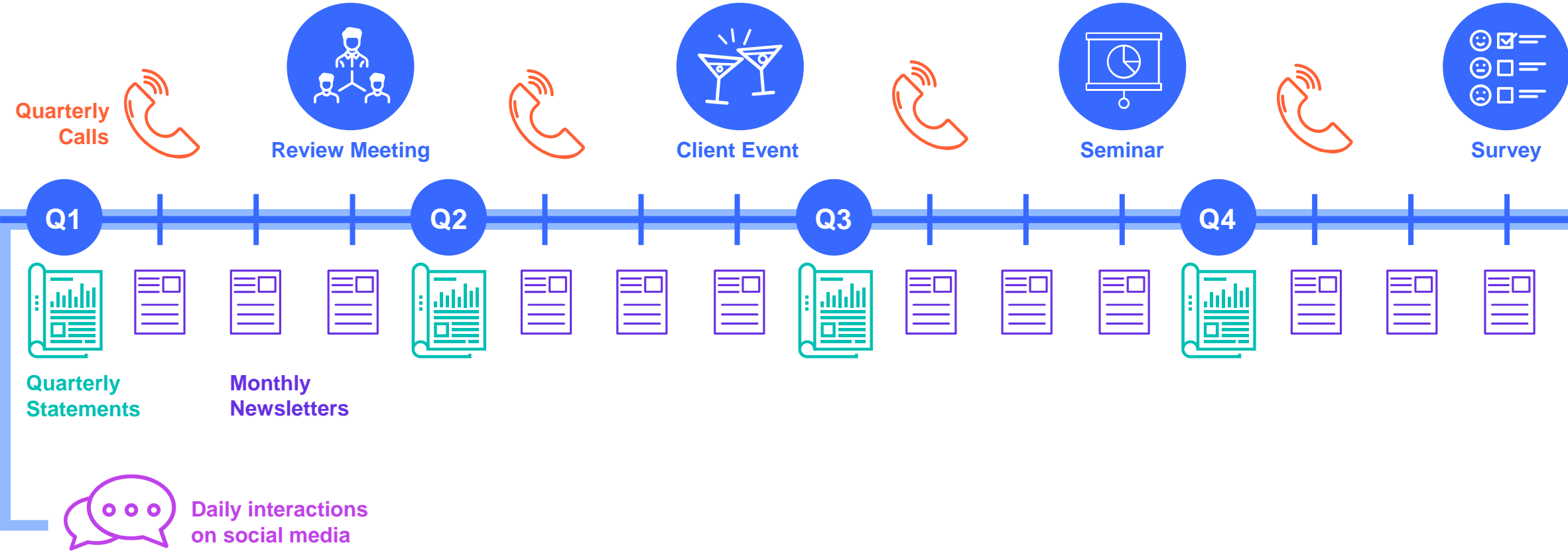
Which financial milestones have you helped clients achieve?

- a. First home purchase**
- b. Tuition for children**
- c. Second home purchase**
- d. First million**
- e. Retirement**



Which financial milestones have you helped clients achieve?

Delivering consistent communications



Use professional referrals to solve clients' other needs



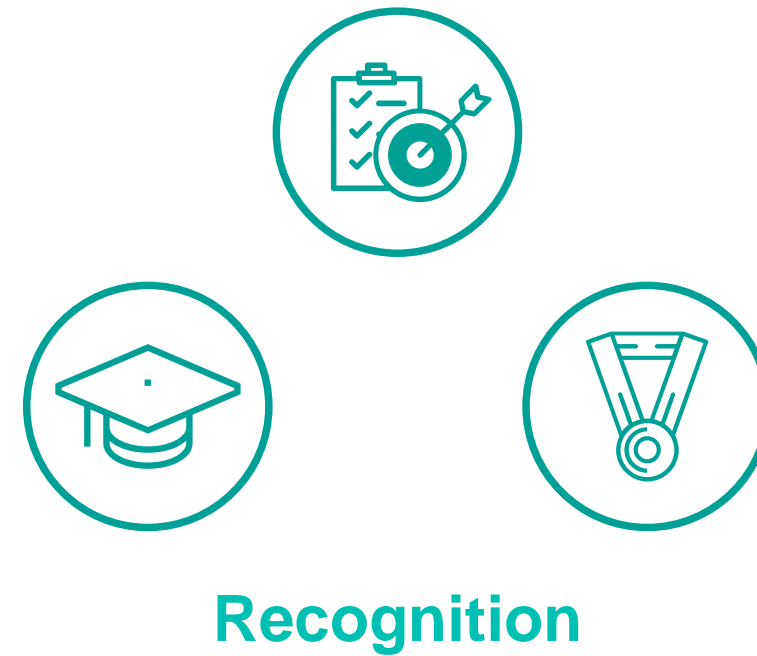
- Attorneys
- Event planners
- In-home healthcare
- Real estate agents
- Photographers

Remove obstacles to sharing your information



Creating an experience worthy of a remark

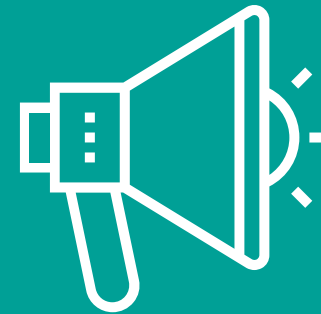
Psychological needs



Elevating the client experience



Personal



Remarkable



Poll

Which do you find more effective with clients?

- a. Personal**
- b. Remarkable**

Client expectations are high

LOW COST ≠ REFERRALS





**They'll be
comparing YOU
to elevated
experiences**

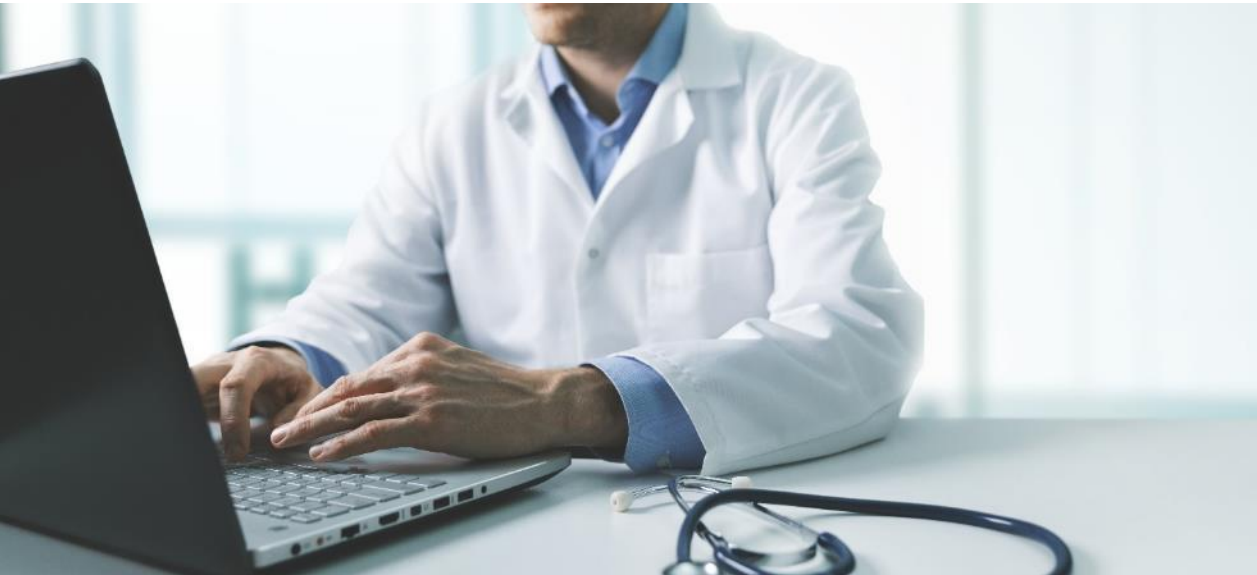
Redefining significant moments



The art of gift giving



Hosting unique events



Caveat: Nothing discussed or suggested should be construed as permission to supersede or circumvent your firm's policies, procedures, rules, and guidelines. Financial professionals must consider their firm's compliance guidelines around business entertainment.

For Financial Professional Use Only / Not for Distribution to the Public

Champion the causes that matter to clients



**Habitat
for Humanity**



**Beach
cleanup**



**Local
soup kitchen**



**5K
charitable run**

Involve clients in your improvement



Survey



Client Advisory
Council



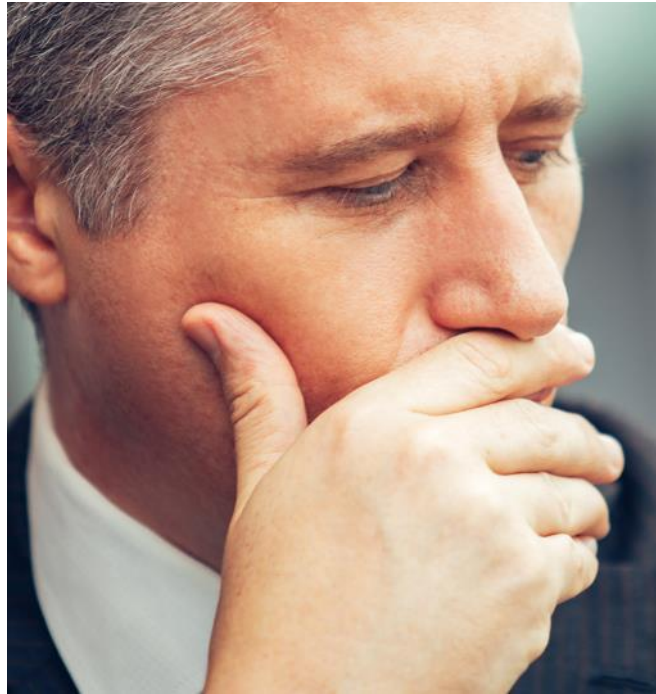
Review

How have you involved clients in your improvement in the last 12 months?

- a. Survey**
- b. Client Advisory Council**
- c. Review**

Reframing referrals with confidence

Does this look familiar?



**Stumbling over
your words**



Awkward



Passive

A hand is shown in the foreground, with fingers spread to frame a landscape. The landscape features a long, straight gravel road that leads from the foreground towards a large body of water in the distance. The sky is overcast and grey. The text 'FRAMING MATTERS' is centered within a blue rectangular border that is part of the hand's frame.

FRAMING MATTERS

New way: Benefit for clients to enjoy and share with others.

Old way: You benefit. Client does the work, for free.
Unclear how client benefits.

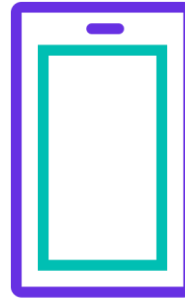
“One of the privileges I’ve enjoyed over the years, is when one of my clients’ friends calls me seeking a second opinion. I want you to know if one of your friends called me seeking a second opinion, I would immediately pause what I was doing and see if I could help. Most likely, all I’d do is confirm the path they’re on can help to get them to their destination. But, I’ve always been amazed how some minor corrections can lead to very major improvements down the road.”

Perfecting your delivery



Write

Script, edit and refine each word



Record

Practice it and record yourself



Repeat

Repeat and practice until polished

Expressing appreciation




- How psychology can complicate the referral process
- Making it safe to give you a referral
- Creating an experience worthy of a remark
- Reframing referrals with confidence

FRANKLIN TEMPLETON | The Academy



The Psychology of Referrals

What the client sees when asked for a referral



Why don't you get more referrals?

Being a great financial professional is merely the first step in receiving referrals from clients. Ultimately, you need to make clients feel safe and important to your business through your actions to overcome the thoughts, objections or questions that may come up for them. How can you do that? By creating a referral-worthy client experience and ensuring these four elements are represented:

Structure: humans feel safe when boundaries or processes are clear		Repetition: we take comfort in consistency and correctly anticipating what's coming
Personal: everyone wants to feel understood and unique		Remarkable: the best experiences are worth talking about

Use the following checklists and exercises to create a client experience that sets the stage for referrals.

SET CLEAR EXPECTATIONS

In every client interaction, consistently answer the questions below to reiterate your value and your impact on their lives. Use the open space to write questions of your own.

What benefit will they gain by working with you?


What process will you use?

How will you communicate with them?

What will you do to ensure the value you provide will exceed the cost?

ENSURE CONSISTENT COMMUNICATION

It's important to stay top of mind with clients throughout the year. Plot client contact points including statements, email newsletters, regular phone calls, seminars and events, review meetings and/or client surveys on the diagram below. Note any gaps or clusters of communications that could be spaced out.



For Financial Professional Use Only / Not for Distribution to the Public

Not FDIC Insured | May Lose Value | No Bank Guarantee

The psychology of referrals checklist
POR LIST

Important Legal Information

This material is intended to be of general interest only and should not be construed as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy. It does not constitute legal or tax advice. This material may not be reproduced, distributed or published without prior written permission from Franklin Templeton.

All investments involve risks, including possible loss of principal.

Any research and analysis contained in this material has been procured by Franklin Templeton for its own purposes and may be acted upon in that connection and, as such, is provided to you incidentally. Data from third party sources may have been used in the preparation of this material and Franklin Templeton ("FT") has not independently verified, validated or audited such data. Although information has been obtained from sources that Franklin Templeton believes to be reliable, no guarantee can be given as to its accuracy and such information may be incomplete or condensed and may be subject to change at any time without notice. The mention of any individual securities should neither constitute nor be construed as a recommendation to purchase, hold or sell any securities, and the information provided regarding such individual securities (if any) is not a sufficient basis upon which to make an investment decision. FT accepts no liability whatsoever for any loss arising from use of this information and reliance upon the comments, opinions and analyses in the material is at the sole discretion of the user.

Products, services and information may not be available in all jurisdictions and are offered outside the U.S. by other FT affiliates and/or their distributors as local laws and regulation permits. Please consult your own financial professional or Franklin Templeton institutional contact for further information on availability of products and services in your jurisdiction.

Issued in the U.S. by Franklin Distributors, LLC, One Franklin Parkway, San Mateo, California 94403-1906, (800) DIAL BEN/342-5236, franklintempleton.com - Franklin Distributors, LLC, member FINRA/SIPC, is the principal distributor of Franklin Templeton U.S. registered products, which are not FDIC insured; may lose value; and are not bank guaranteed and are available only in jurisdictions where an offer or solicitation of such products is permitted under applicable laws and regulation.



The Academy