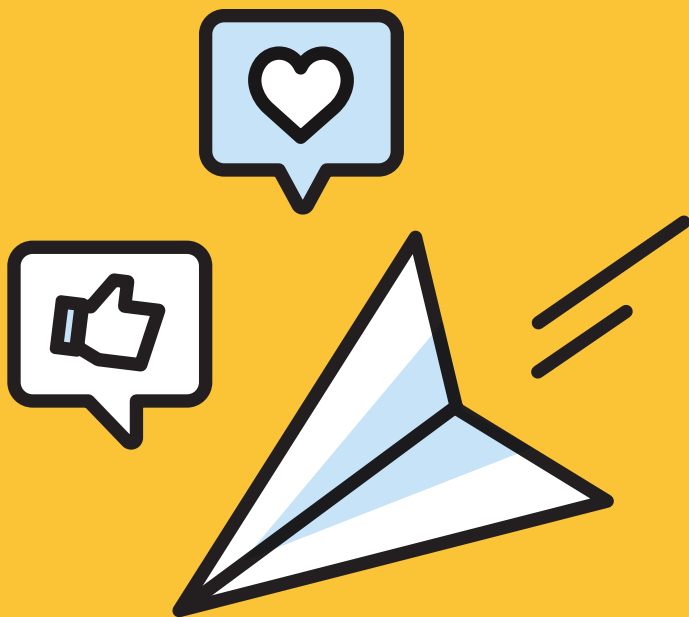


by smile.io

The ultimate guide to referral program strategy.



How do referral programs work?

There are two parties involved in making a referral:



Sender

The Sender is the person making the referral. They've shopped with you before and trust your brand, prompting them to want to share their experience with their friends and family.

Senders are only rewarded when the Receiver completes a purchase.



Receiver

The Receiver is the person being referred to your store. They're a new customer who could become a repeat customer if they can find value in your brand.

Receivers can redeem their reward when they make their first purchase at your store.



Should you reward both Senders and Receivers?

✔ Yes!

Rewarding both sides of a referral makes sure that both new and returning customers feel valued, regardless of their relationship with your brand.

Rewards also help make your brand feel relatable, personal, and valuable, making it desirable for new and returning customers to keep engaging.



How should you reward Senders and Receivers?

There are three primary ways you can reward your Senders and Receivers:



Points



Dollars off



Free Products

The type of rewards you offer will depend on the type of referral program you're running.

Points & referrals

If you're running a points program in tandem with your referral program, offering points as a Sender reward is a fantastic way to keep the two programs connected. You can build on the value your program members place on points by getting them closer to new rewards with every successful referral.

Referrals only

If you're only running a referral program, dollars off and free products are the best way to go for both Senders and Receivers. Both of these rewards have easy to understand value, making participating in your program an easy decision for both existing and new customers.



Pro tip:

No matter what kind of program you're running, Receivers should always be rewarded with dollars off.

This reward has the biggest return on investment which will prompt them to come back to your store in the future.

Types of sharing channels

Referral channels can be divided into two categories:



Private

Private referral channels operate on a one to one sharing scale, with small audiences and minimal reach.



Public

Public referral channels are defined by one to many sharing, allowing one user to communicate with a large audience with each message.

Knowing which types of channels to use comes down to understanding your target audience. When you know how your customers communicate with each other and how they like to receive information, you can build a referral program that encourages customers to promote your brand to similar minded people. This method of precision targeting is extremely effective for acquiring and keeping new customers.



Facebook

Type of sharing channel: public

With over 2 billion monthly users, Facebook sharing is a necessity for your referral program. With more users than any other platform, Facebook is popular with all demographics and is the most used social media channel in the world.

This gives it a number of incredible referral benefits. Since the average user has 338 different connections, each public message has the opportunity for lots of brand impressions. Facebook is also extremely visual, making industries like fashion, food, and cosmetics particularly well suited.



Key takeaway:

Facebook requires users to make lasting public commitments. People who share and engage with Facebook referrals are effectively announcing that they endorse your brand to their whole network, tying their social identity to your store.



Mobile messengers

Type of sharing channel: private

Almost 60% of all Shopify checkouts are happening on mobile. This increase in mcommerce means customers are interacting with referral programs on mobile more regularly because it's a natural extension of the device they're browsing on.

Mobile messengers provide an intimate, private, and trustworthy way to refer their friends to their favorite brands. With this type of one to one channels, referrals become a conversation as opposed to an announcement.



Key takeaway:

Mobile communication is the preferred method of communication for anyone under 40, making mobile messengers one of the best ways to encourage referrals in younger audiences.



Type of sharing channel: public

Even though Twitter isn't nearly as popular as Facebook, it still boasts over 330,000 monthly users. It also provides the unique advantage of hashtags, which allow you to see how many times your referral links have been shared. This ultra visible form of social proof can inspire a unique sense of community around your brand, drawing new customers towards it.



Key takeaway:

Twitter messages are most effective when they're visual. People are much more likely to stop scrolling for an image or video than text, making it the ideal platform for industries like cosmetics and lifestyle brands.



Email

Type of sharing channel: private

Email is the original form of referral marketing. Since it was first introduced, email has quickly become the preferred method of digital communication for Baby Boomers and Generation X. 92% of Baby Boomers click through to sites advertised via email, which is significantly higher than younger generations who have moved to mobile messengers for similar forms of communication.

Email's greatest strength, however, is its privacy. For industries that are not public, such as underwear, smoking accessories, and sex toys, email is the perfect channel for customers to make private recommendations that do not require public validation. This not only respects the customer's privacy, but also heightens the level of trust between the Sender and Receiver.



Key takeaway:

Email is an extremely personal communication channel that encourages customers to specifically engage with the friends and family most likely to benefit from your brand.

For the greatest success, we'd recommend enabling at least one private and one public referral sharing channel.

By giving your customers a choice of how to refer others to your brand, you encourage them to take action in the way that is most comfortable to them.

With the most users and highest rates of engagement, we'd recommend Facebook and a mobile messenger as your primary referral channels.



Take action:

Enable your public and private referral sharing channels to maximize the success of your referral program.

[CHOOSE YOUR CHANNELS](#)

Crafting referral share messages

When it comes to writing the best referral share messages, generic copy just won't cut it. You need to incorporate unique aspects of your brand into the messages you're encouraging customers to share. Otherwise, your referral messages will just get lost.

Here are five ways you can make your referral messages stand out from the crowd.



Communicate clear value

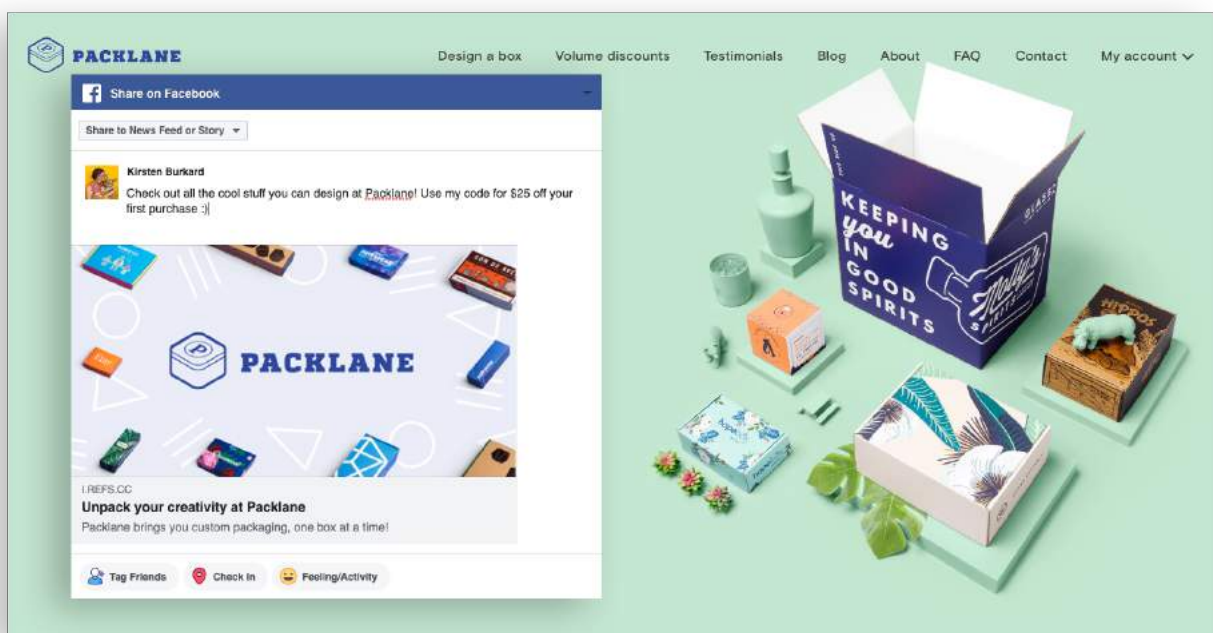
More than anything, new customers want to know what's what are they going to get from your brand if they choose to shop with your referral links. Putting your referral program's value upfront will help you cut through the noise on a referred customer's social channels.

Customers see thousands of ads a day that don't promise anything worthwhile, so focusing on what's in it for them will make your program's reward the focus of your messages. This makes it much easier for referred shoppers to decide to engage.



Include logos in share images

You're wasting free marketing if customers can't see your logo. How will new or browsing customers know where your program's value is coming from if you don't tell them? Including your logo is the perfect way to make a positive, lasting brand impression at a glance.



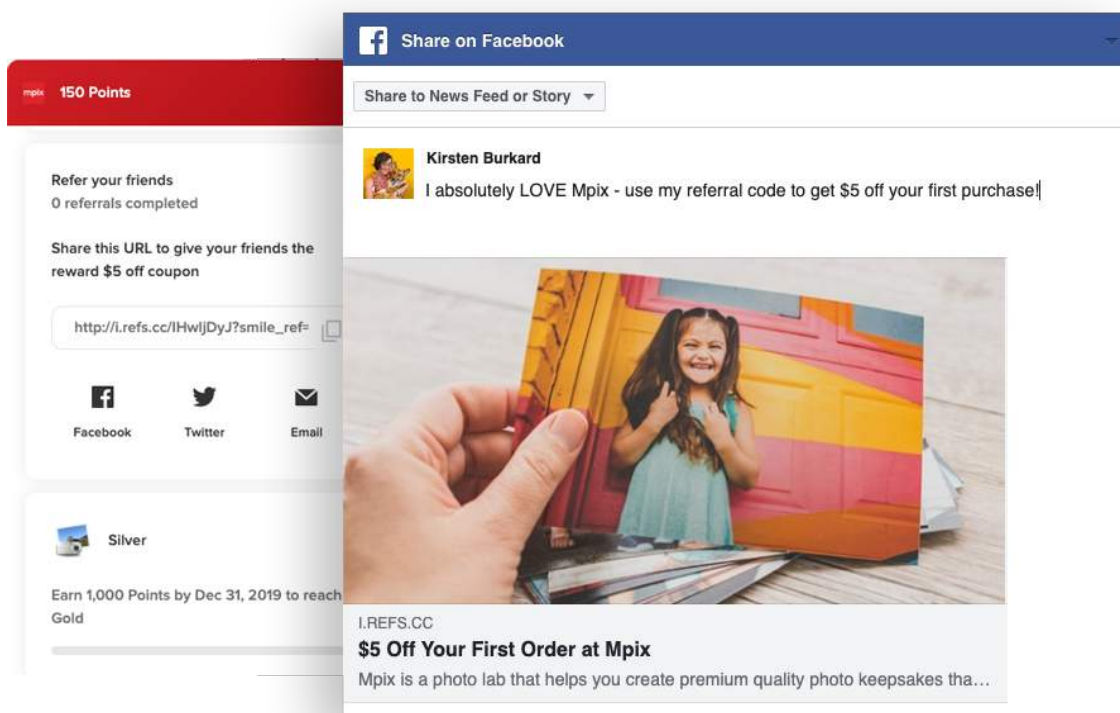
Packlane has done this extremely well. Every single referral link is boldly branded with their bright blue logo, making it impossible for customers to miss. This clear connection between the program's value and the brand offering it makes it easy for new customers to recognize the value and, ultimately, decide to make a purchase.



Use images that show what you sell

Referral messages are your first and potentially only opportunity to create demand in new customers, which means you need to make your brand look desirable! Showcasing your product or service is a great way to create demand in prospective customers. This is especially true if you're able to show what sets you apart from your competitors.

One of our favorite examples of this is Mpix. They use their referral messages to show customers the high quality of their custom print. In this way, Mpix is able to emphasize the personalized experience they offer.



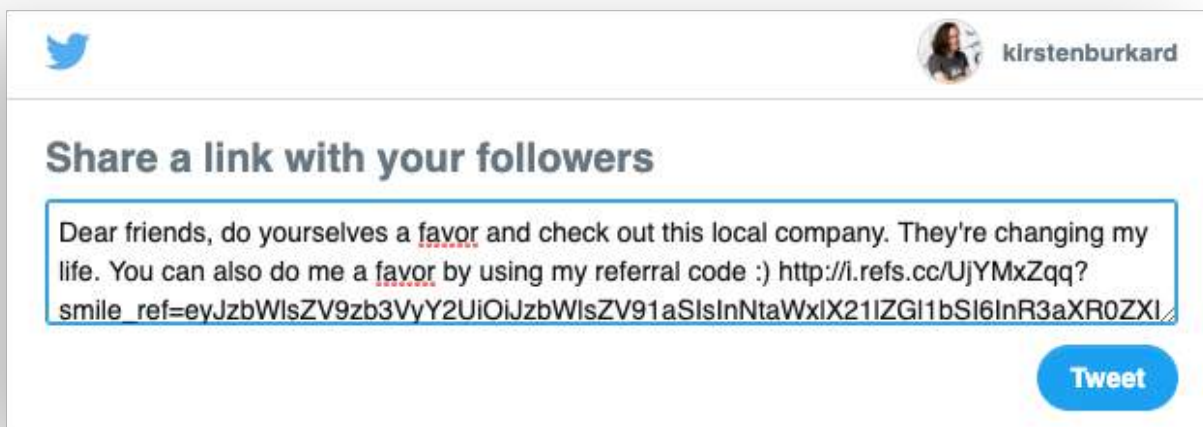
Using product photography provides context for your brand, which will help referred customers understand why they should choose to shop with you.



Make it personal

Since referrals are so deeply rooted in trust, using words like “I” and “my” will help establish a personal relationship between the Sender and the Receiver. As a Receiver, it’s a lot more appealing to use a referral link personally endorsed by a friend than a generic discount code.

Vegetable + Butcher puts this strategy to good use with their Twitter share messages. With the phrase “They’re changing my life”, they’re connecting their customer experience to the customer making the referral. This creates a positive endorsement that members of the customer’s social network will trust.



Personal referral messages also tie the reputation of your brand directly to each Sender’s persona. Customers want to appear truthful and consistent to their networks. This means that shoppers who make public endorsements on channels like Facebook and Twitter will be more likely to spread positive messages about your brand in order to preserve their own association with it in the future.



Update messages regularly

There are few things more frustrating to new customers than out-of-date promotions. If a customer clicks on a referral link only to find that the promotion has ended, they'll be very unlikely to make a purchase, and might even start telling others about their poor experience with your brand.

Keep your message relevant by modifying it to reflect what your brand has been up to. This could include:

- Product launches
- Rebrand
- Holiday promotions
- Customer appreciation events

No matter what you choose to update your message with, keeping an eye on it and assessing it regularly will help your referral program deliver consistent value to every customer.

Referral landing pages

Referral landing pages are where all referrals are sent, making them the ultimate conversion tool.

Your **homepage** is a great place to start. Not only does it introduce new customers to your brand and what you sell, but it also gives them a feel for your brand as a whole.

However, there are a number of other strategic landing pages that do a better job of communicating value up front.



Product Page

Shows customers what they want to see and bridges the gap between the referral offer and your products. Makes it easy to sell to new customers and increases brand recognition.



Catalog Page

Focuses customers on a particular or popular product to help increase purchase intent. Great for brands with a diverse range of products.

Learn More Page



Provides customers with more details about products, making the brand easier to understand. Helps customers feel more comfortable accepting a referral offer.



Custom Referral Page

100% custom page designed to say whatever you want about your brand or products!



Take action:

Get more expert advice on where customer referrals should land on our blog.

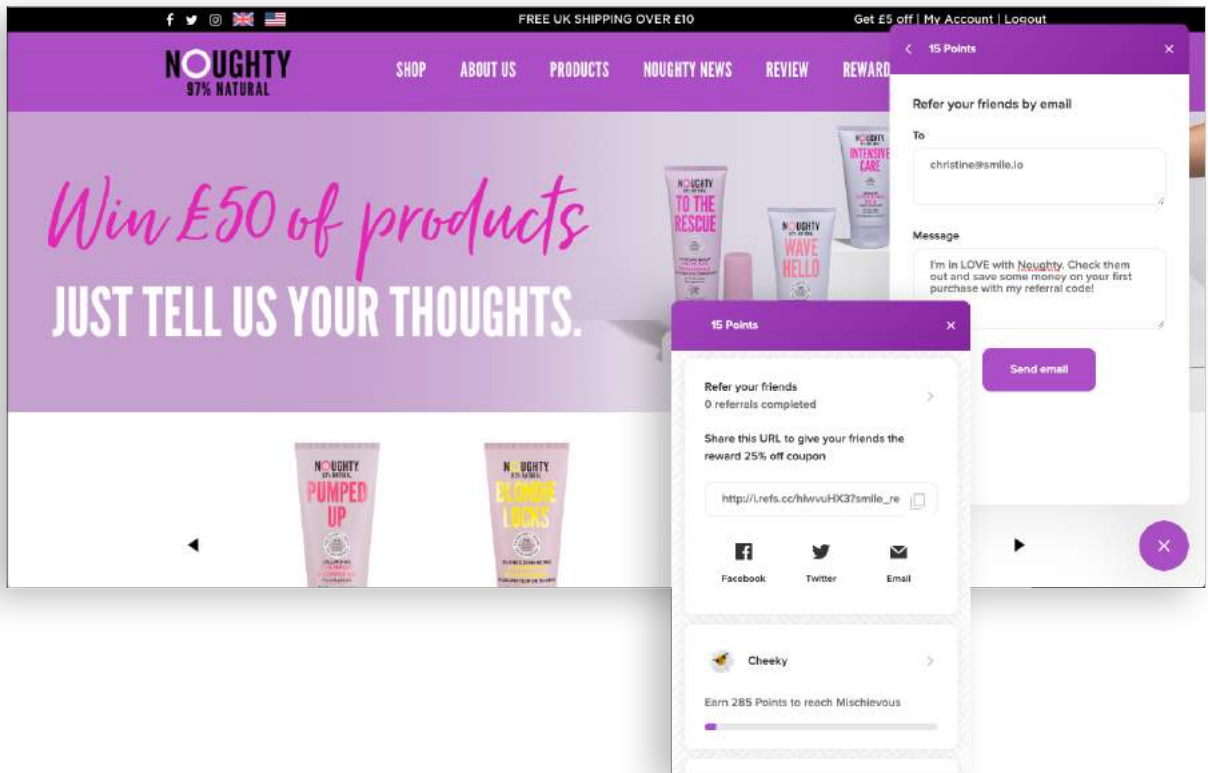
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Marketing

Customer panel on-site

Having a dedicated customer panel on-site is a fantastic way to not only heighten your referral program experience. As the most visible place customers will interact with your referral program, it has the power to set the tone for the rest of their interaction with your store.

That means a consistent look and feel is key. From the colors you use to the background images you choose, your panel can make a big difference in how customers perceive your referral program.



Noughty Haircare has done an amazing job with their customer panel. With colors that perfectly match the rest of their website, they've designed a referral card that seamlessly integrates with the rest of their store experience.

On top of that, their launcher is visible on every page, making their referral program as easy to find as it is easy to use.

Call-to-action on-site

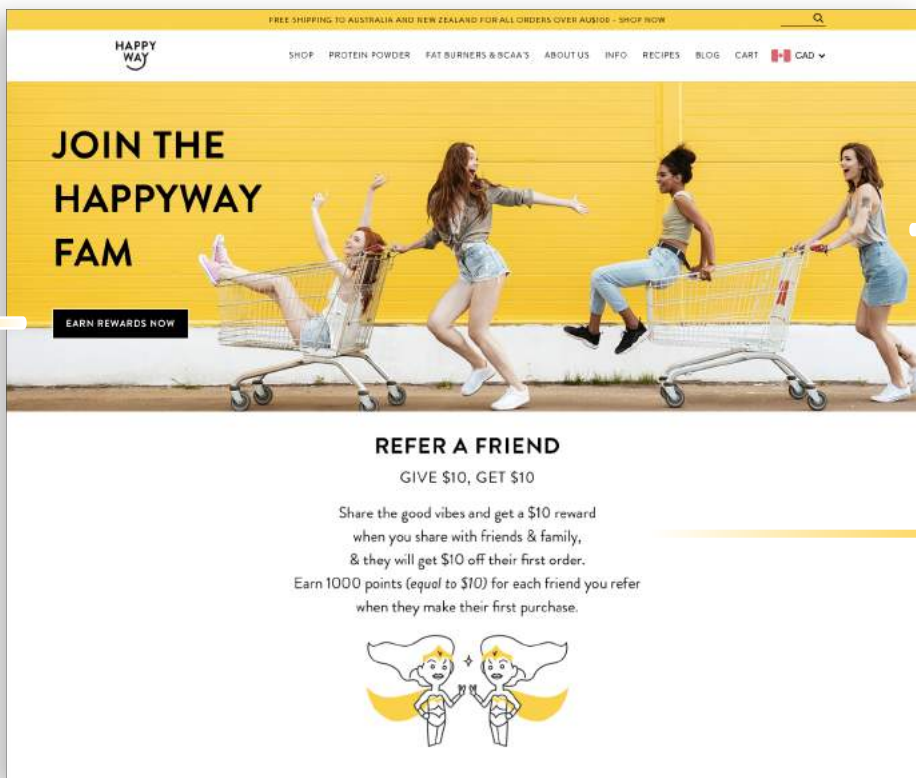
A customer panel isn't the only way you can advertise your referral program on-site. You can also include links in your navigation bar, or advertisements for your new program on your homepage.

However, the most effective on-site CTA is an explainer page. As the home for any and all information regarding your referral program, an explainer page gives you the freedom to explain how your program works in detail. This gives you the chance to explain why your program's valuable and why your customers should get involved.

Example: Happy Way

Why we love it:

"Start Earning Now" button at top of page encourages customers to engage immediately



FREE SHIPPING TO AUSTRALIA AND NEW ZEALAND FOR ALL ORDERS OVER AUD\$100 - SHOP NOW

HAPPY WAY


SHOP PROTEIN POWDER FAT BURNERS & BCAAS ABOUT US INFO RECIPES BLOG CART CAD

JOIN THE HAPPYWAY FAM

EARN REWARDS NOW

REFER A FRIEND
GIVE \$10, GET \$10

Share the good vibes and get a \$10 reward when you share with friends & family, & they will get \$10 off their first order.
Earn 1000 points (equal to \$10) for each friend you refer when they make their first purchase.



Photography strengthens concept of trust by using people and faces

Referral process reduced to two easy steps: share and earn



Use program nudges

When customers get caught up in the excitement of exploring and purchasing your products, they might forget that they can earn more points for referring their friends. That's what makes Smile Nudges the perfect tool for keeping your program top-of-mind! These on-site reminders make it easy for your to boost engagement in the moments that matter, encouraging customers to refer their friends when they're most likely to.

Adding a referral nudge to your thank you page is especially effective. Members will see a nudge message that lets them know what they could earn for referring a friend, and will be prompted to share their referral link in your program panel. By nudging customers to share your brand when they are most excited about it (aka when they just made a purchase), you will be able to get your brand in front of more new customers while retaining more program members in the process.



Take action:

Discover everything Smile Nudges can do to boost your program engagement.

[LEARN MORE](#)



Email marketing

Email marketing is the undisputed champion of marketing tools. With mobile devices making it easier than ever to get your messages in front of new and returning customers, email is the perfect vehicle for launching and promoting your program.

A successful email campaign is built on four things:



Consistent branding & messaging

Customers should be able to easily recognize that the email was sent by your brand!



Simplicity

Keep it easy to understand in order to prompt higher engagement.



Timing

Avoid spamming your customers by spacing out the emails in your referral campaign.



Value

Make it obvious what customers stand to gain by participating in your program.

One Love Organics have quickly become referral email marketing experts. Through a number of different campaigns, they've been able to communicate the value of joining their program in succinct, bite-sized chunks that all look and feel like the rest of their brand. OLO keeps their brand top of mind and makes value visible with bold titles, clear messaging, and multiple calls to action that invite shoppers to click through to their site.

ONE LOVE
ORGANICS®

Love One Love Organics?
LET US RETURN THE FAVOR.

Earn 100 points today only when you share the OLO cyber sale code with friends via Facebook or Twitter.

MY REWARDS	MY REFERRAL CODE	MY POINTS BALANCE
Love Club Member	http://i.refs.cc/Q1sNycze	250

GO TO MY REWARDS TO START SHARING »

They've also done a wonderful job of cross-promoting their points program. By rewarding referral program members with rewards points, they have expertly tied the two value offerings together, getting new customers engaged and keeping their most loyal customers happy.

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