

Education Slot

Leads vs. Referrals



Leads vs. Referrals

What is a lead?

A lead is a contact that may come from any number of sources. This contact is generally not expecting your call. For example, if someone gave an insurance broker a list of people who just bought new homes, that might be considered a good set of leads. Unfortunately, because the prospects are not expecting a call from the agent, it's basically not much better than a cold-call.



What is a referral?

A referral is the opportunity to do business with someone in the market to buy your product or service who's been told about you by a mutual friend or associate. In other words, when you contact them, they already know who you are and what you do. It is stronger than just a lead because the prospect has talked to your mutual acquaintance and is generally expecting the call.

Hence, they are referred.

Once a referral source has given you the name of a person to call, it's up to you to do the rest.

Ultimately...

A referral has more chance in resulting in a 'thank you for the business'. When writing a referral consider if a TYFTB is likely. If it isn't, it's most likely a lead.

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