



Increasing revenue with the 'Referral Effect'



OVERVIEW

CXC Global (CXC) is a worldwide leader in providing innovative management and payroll solutions for businesses and individuals. Through their 28 offices in 19 countries, CXC have helped over 50,000 contractors globally since 1992, making CXC the largest global provider in the industry.

In June 2009 CXC launched a Referral Rewards Program with the aim to drive the number of independent contractor referrals to the business by providing an incentive to recruiters.

Kirsty Erasmus, CXC NZ Country Manager said "I really love the concept of giving experiences as rewards rather than cash or travel vouchers. We had a referral program already in place however, it was outdated and boring so we were looking for something new and exciting that had variety and would really capture the imagination of our recruiters."

"We've had a 75% increase in enquiries resulting in a 25% revenue growth compared to last year"

Kirsty Erasmus, Country Manager, CXC Global NZ

THE RIGHT STRUCTURE PAYS

Verity Strudwick, RedBalloon Account Director stresses "running a successful referral program is a challenge because often the structure is overly complicated, hard to understand and with too many catches. CXC have proven that by creating a simple structure that incentivises the right audience, at the right time, they can drive additional value to their bottom line with the 'referral effect'."

So how did they structure their program? CXC provide payroll and tax services to independent contractors. When a contractor gets a new role, normally through a recruitment agency, the recruitment consultant tells the contractor about CXC's services. So the ultimate aim of the program is to reward and motivate recruitment consultants to refer as many contractors as possible.

STEP 1: The recruitment consultant registers the referral on CXC Global website. (Note: RedBalloon can also host this functionality with our Online Points Platform).

STEP 2: When the Contractor registers for CXC's services, each month CXC cross check with the referral list and orders the Gift Certificates accordingly.

STEP 3: For every successful referral the recruitment consultant receives a \$100 Gift Certificate.

This program enables CXC to market and influence their services to their target audience across NZ at a much lower cost, and in a more targeted way than to create marketing campaigns to reach contractors directly.



COMMUNICATIONS BUZZ

When it comes to referral programs communication is key. It's like a fire, you have to spark it into action and continually fuel it otherwise it can die out.

CXC recognised this as Kirsty explains, "We have used several methods to ensure our audience is engaged and constantly reminded of what they can receive and this has given our Account Managers a valuable new opportunity to meet and build relationships with our clients. It's all about creating buzz and getting them excited and keen to participate." Here's a summary of what has been implemented:

- ✓ The compliment Launched with a Postcard direct mail campaign designed by RedBalloon (see image)
- ✓ CXC Account Managers present the program to recruitment consultants and gave them new opportunities to meet with clients
- ✓ CXC Account Managers take out lolly boxes and balloons (Easter Eggs during Easter) to create interest and have some fun and get to a wider audience than usual
- ✓ Personal hand delivered the vouchers to the winners which created new bonds and strengthened existing relationships
- ✓ Implemented a regular call cycle to promote the program
- ✓ A program banner ad is included on all staff email signatures



Images: CXC Account Managers ready to celebrate with winners; postcard mailers and the email signature banner

THE RESULTS

Kirsty says "We have now been running the incentive for over a year and the results have been fantastic. We have increased the number of enquiries by 75% and the associated revenue has grown by 25% compared to the previous year.

The program has more than paid for itself 40 times over!

The feedback from our clients has been great with a lot of them are saving up their vouchers for big experiences like skydiving. This means they are focusing on trying to earn more and more RedBalloon Gift Certificates and hence more referrals for CXC."