

9 Compelling Referral Marketing Statistics You Need To Know



[Image Source](#)

According to the *Word of Mouth Marketing Association (WOMMA)*, there are more than 2.4 billion brand-related conversations everyday in the United States. Sharing is an innate human trait, and people are always interested in talking about their favorite products/services.

[Leveraging word-of-mouth is one of the best marketing decisions](#) you can make. Referred customers are more loyal, less likely to churn, and are a cost-effective way to sustainably grow your business.

TO WHAT EXTENT DO YOU TRUST THE FOLLOWING FORMS OF ADVERTISING?

Global Average - Percent of Completely/Somewhat Trust

FORM OF ADVERTISING	2013	2007	DIFFERENCE 2013 VS. 2007
 Recommendations from people I know	84%	78%	6%
 Branded websites	69%	60%	9%
 Consumer opinions posted online	68%	61%	7%
 Editorial content such as newspaper articles	67%	*	*
 Ads on TV	62%	56%	6%
 Brand sponsorships	61%	49%	12%
 Ads in newspapers	61%	63%	-2%
 Ads in magazines	60%	56%	4%
 Billboards and other outdoor advertising	57%	*	*
 Ads on radio	57%	54%	3%
 Emails I signed up for	56%	49%	7%
 Ads before movies	56%	38%	18%
 TV program product placements	55%	*	*
 Ads served in search engine results	48%	34%	14%
 Online video ads	48%	*	*
 Ads on social networks	48%	*	*
 Display ads on mobile devices	45%	*	*
 Online banner ads	42%	26%	16%
 Text ads on mobile phones	37%	18%	19%

*Not included in Nielsen 2007 Global Survey.

Source: Nielsen Global Survey of Trust in Advertising, Q3 2007 and Q1 2013

 AN UNCOMMON SENSE OF THE CONSUMER™

Here are some incredible numbers that show the power of referral marketing:

1. People who were referred by their friends are 4x more likely to make a purchase ([Nielson](#))
2. 84% of consumers trust the recommendations of others over other forms of marketing ([Nielson](#))
3. The lifetime value of a referred customer is 16% higher compared to a customer who wasn't referred ([Wharton](#))
4. The churn rate of referred customers is 18% lower than other channels ([Wharton](#))
5. Referred customers generate 16% more in profit than non-referred customers ([Harvard Business Review](#))
6. 92% of consumers trust referrals from people they know ([Nielson](#))
7. People are 2-10x more likely to rely on word-of-mouth than paid media ([Boston Consulting Group](#))
8. Referred customers have a 37% higher retention rate ([Deloitte](#))
9. Word of mouth generates more than twice the sales of paid advertising in some industries ([McKinsey & Co](#))

**Are you
activating your
advocates?**



Consumers mention **56 brands in conversation** a week.

1 in 3 people come to a brand through a recommendation.

Customers referred by loyal customers have **37% higher retention rate**. *Image via [Deloitte](#)*

If you aren't currently leveraging word-of-mouth marketing, you could just be sitting atop a large potential of missed growth opportunity.

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