



## Chapter 07: Marketing and Client Retention

# 08. Referral Program Administration

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Manage referral programs to leverage existing client relationships for new business development.

## Purpose

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This process establishes systematic methods for creating, implementing, and managing client referral programs that incentivize existing clients to recommend our Fixed Base Operator (FBO) services to other aviation professionals and aircraft owners.

## Roles and Responsibilities

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### Marketing Leader:

- Oversee market research and segmentation analysis
- Approve targeting strategies and budget allocation
- Monitor campaign performance and ROI
- Coordinate marketing initiatives and content creation
- Manage client retention and loyalty programs

### Business Leader:

- Approve marketing budget and resource allocation
- Review financial projections and business development strategies
- Provide strategic direction for market expansion
- Monitor competitive positioning and pricing strategies
- Oversee vendor contracts and supplier relationships

### Operations Leader:

- Oversee daily operations and coordinate between departments
- Authorize emergency response procedures and resource allocation
- Monitor safety compliance and operational excellence
- Coordinate scheduling across departments for operational coverage
- Review billing disputes and approve service adjustments
- Ensure regulatory compliance across all operations

# Process Steps

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## Program Design and Structure Phase

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- **Analyze referral potential** - Review client base to identify clients most likely to provide quality referrals based on network and influence
- **Research industry programs** - Study competitor referral programs and aviation industry best practices for structure and incentives
- **Define program objectives** - Establish specific goals including new client acquisition targets, program participation rates, and cost per acquisition
- **Design incentive structure** - Create reward systems that motivate referrals while maintaining program profitability
- **Develop program rules** - Create detailed terms including eligibility, referral validation, reward criteria, and program limitations
- **Plan tracking systems** - Identify technology and processes needed for referral tracking, validation, and reward management

## Program Launch and Enrollment Phase

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- **Create program materials** - Develop enrollment forms, program guides, marketing materials, and referral tracking tools
- **Train team members** - Educate all client-facing team members on program benefits, referral process, and reward systems
- **Launch enrollment campaign** - Promote program to existing clients through email, direct communication, and service interactions
- **Process initial enrollments** - Handle program signups, create participant accounts, and distribute referral materials
- **Monitor early participation** - Track enrollment rates, initial referral submissions, and participant engagement
- **Adjust launch strategy** - Modify promotional approach based on early results and participant feedback

## Referral Processing and Validation Phase

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- **Receive referral submissions** - Accept referrals through multiple channels including online forms, phone calls, and in-person submissions
- **Validate referral eligibility** - Verify that referred prospects meet program criteria and referrers are active participants
- **Contact referred prospects** - Reach out to referred clients with personalized communication

acknowledging the referral source

- **Track conversion progress** - Monitor referred prospects through sales process and service delivery
- **Validate successful conversions** - Confirm that referred prospects become active clients and meet program requirements
- **Process reward fulfillment** - Calculate and distribute rewards to referring clients based on program terms

## Program Management and Optimization Phase

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- **Monitor program performance** - Track referral rates, conversion percentages, and program return on investment
- **Analyze participant behavior** - Review which clients provide the most valuable referrals and adjust targeting accordingly
- **Evaluate referral quality** - Assess the long-term value and retention rates of referred clients
- **Gather participant feedback** - Collect input from referring clients on program satisfaction and improvement suggestions
- **Implement program improvements** - Make adjustments to incentives, processes, or communication based on performance data
- **Report program results** - Provide regular reports on program effectiveness, client acquisition impact, and financial outcomes

## Process Mapping

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Flowchart showing referral program lifecycle from design and launch through referral processing, validation, and optimization with feedback loops for continuous improvement.

## Tools and Resources

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### Program Management Systems:

- Customer relationship management (CRM) integration for referral tracking
- Referral program software platforms
- Reward tracking and fulfillment systems
- Participant communication and marketing automation tools

### Marketing and Communication Materials:

- Program enrollment and welcome kits
- Referral submission forms and tracking tools

- Email templates for referral communications
- Recognition materials and reward certificates

**Administrative Tools:**

- Referral validation and approval procedures
- Reward calculation and distribution systems
- Performance tracking and analytics dashboards
- Financial tracking and cost analysis tools

**Training Resources:**

- Team member training on referral program administration
- Client communication scripts for referral requests
- Best practices for referral relationship management
- Troubleshooting guides for program issues

## Success Metrics

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- **Completion Time:** Program design and launch completed within 6 weeks of concept approval.
- **Quality Standard:** Minimum 20% of active clients participate in referral program within 6 months of launch.
- **Performance Standard:** Referral program generates 15% of new client acquisitions within 12 months.
- **Client Satisfaction:** 90% of program participants report satisfaction with program benefits and reward fulfillment.

## Common Issues and Solutions

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- **Issue:** Low referral submission rates despite program enrollment
- **Solution:** Increase program awareness through regular communication, simplify referral submission process, and provide referral conversation training to participants

**Issue:** Poor quality referrals that don't convert to active clients

**Solution:** Improve referral qualification criteria, provide guidance on ideal referral characteristics, and implement referral quality scoring systems

**Issue:** Delays in reward processing and fulfillment affecting participant satisfaction

**Solution:** Streamline reward validation and approval processes, automate reward distribution where possible, and improve communication about reward timing

## Safety Considerations

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- **NOTE:** Ensure referral program doesn't create pressure to compromise service quality or safety standards for program participants
- **CAUTION:** Verify that referral rewards don't create conflicts of interest or inappropriate business relationships
- **BEST PRACTICE:** Include program terms that emphasize safety and quality as primary considerations over referral incentives
- **WARNING:** Never compromise Federal Aviation Administration (FAA) regulations or safety procedures to fulfill referral program commitments

## Regulatory References

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- **14 CFR Part 139:** Airport Operating Certificates (service standard compliance)
- **FTC Act Section 5:** Truth in Advertising for program benefit claims and referral incentives
- **Anti-Kickback Laws:** Compliance with regulations regarding referral incentives and business relationships
- **State Consumer Protection Laws:** Referral program legal compliance and disclosure requirements
- **GDPR/CCPA:** Data privacy compliance for referral participant and prospect information