CELLO

The Referral Atlas

Nine chapters on building referral, affiliate and influencer programs in B2B SaaS, written by the operators who have run them.

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Contents

Every referral program is a different machine

Stefan Bader, CEO & Co-Founder, Cello

TL;DR

There are three kinds of referral program, and they are not variations on one idea. User referrals ask your existing users to bring in peers: bottom of funnel, the highest conversion rate of the three, and they compound as your user base grows. Affiliates pay external creators for performance, which scales past your user base entirely. Influencers are paid upfront for reach, and buy awareness rather than conversions.

Which one you start with comes down to a single number. Above roughly 1,000 monthly active users, start with user referrals. Below it they have nothing to run on, and affiliates are the better first move.

Then five things have to happen in order: a product worth referring, discoverability, incentive design, launch and GTM, and the compliance work that survives scale. Each one is wasted effort if the one above it is not in place, which is why teams that start with incentive design end up rebuilding.

The rise of referral programs in B2B SaaS

“Share Dropbox with your friends, get 500MB of free storage.” This legendary referral loop is most likely very familiar to most of you. Between September 2008 and December 2009, roughly fifteen months, Dropbox grew its user numbers by 3900%. Now a few years in, Dropbox is one of Silicon Valley's most iconic digital SaaS brands. Referral programs have become a staple in the B2C sector, yet their full potential remains largely untapped in B2B.

B2B SaaS is witnessing a transformative era. Product-led growth (PLG) reshapes purchasing decisions and journeys, blending the once-clear lines between B2B and B2C channels. Gone are the days when software acquisition was a linear journey. Now, purchasing decisions are influenced by a wide spectrum of actors, from personal networks to professional partners.

Understanding and leveraging these dynamics is key. Nielsen's 2021 Trust in Advertising study found that 88% of respondents trust recommendations from people they know above any other advertising format. And word-of-mouth is still the biggest acquisition channel B2B SaaS companies report: 30% of respondents named it in BCG's Winning Strategies for B2B SaaS Companies (September 2024), a modest decline from 34% the year before.

In addition, rising CACs for legacy channels (Paid, SEO, etc.) and the challenging macro environment (e.g. energy crisis, inflation) require SaaS companies to look for more cost-efficient growth channels.

Why it matters: the power of referrals

Every SaaS company should have a referral strategy, but the upside and the risks both need to be understood before you pick a program.

It is more critical than ever to emphasize the need for a strategic approach to referrals, blending the power of different referral programs: user experiences with partner networks to amplify brand reach, credibility, and conversions.

This hybrid dynamic is gaining traction in B2B PLG, yet it’s hard to distinguish between user and partner referrals.

The difference is design: who you target, what you reward, and how much machinery it takes to run.

The same program, two outcomes (Source: Cello). The difference is design: who you target, what you reward, and how much machinery it takes to run.

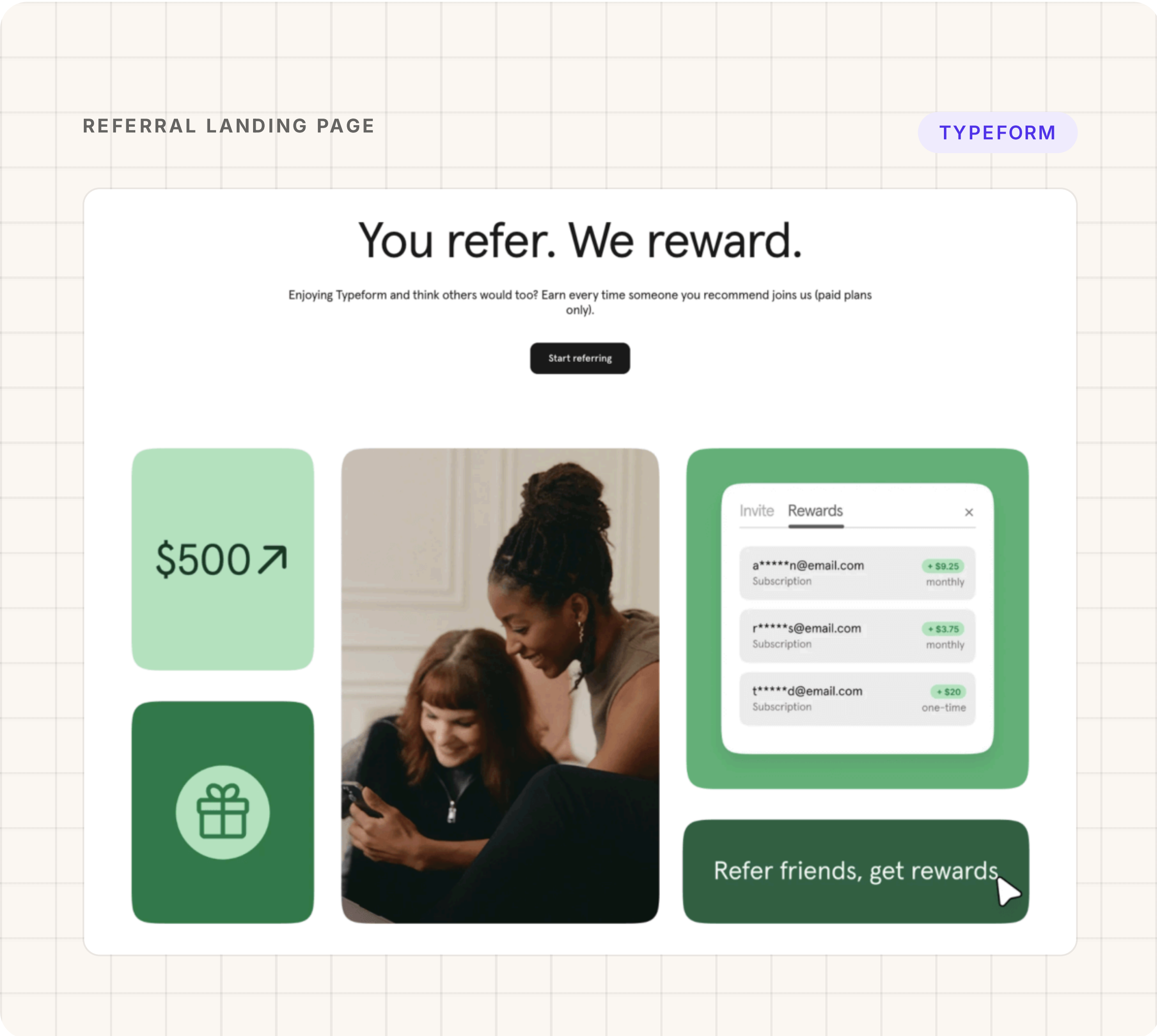
The different categories of B2B referral programs

B2B referral programs can have different shapes and forms. Generally, we differentiate between user and partner referrals. Partner referrals can be subcategorized by affiliate and influencer referral programs.

Both growth channels are targeted to amplify a product's word-of-mouth by using social proof psychology. For example, user referrals leverage a friend’s recommendation, whereas influencers build on personal brand equity to promote a product.

User referrals

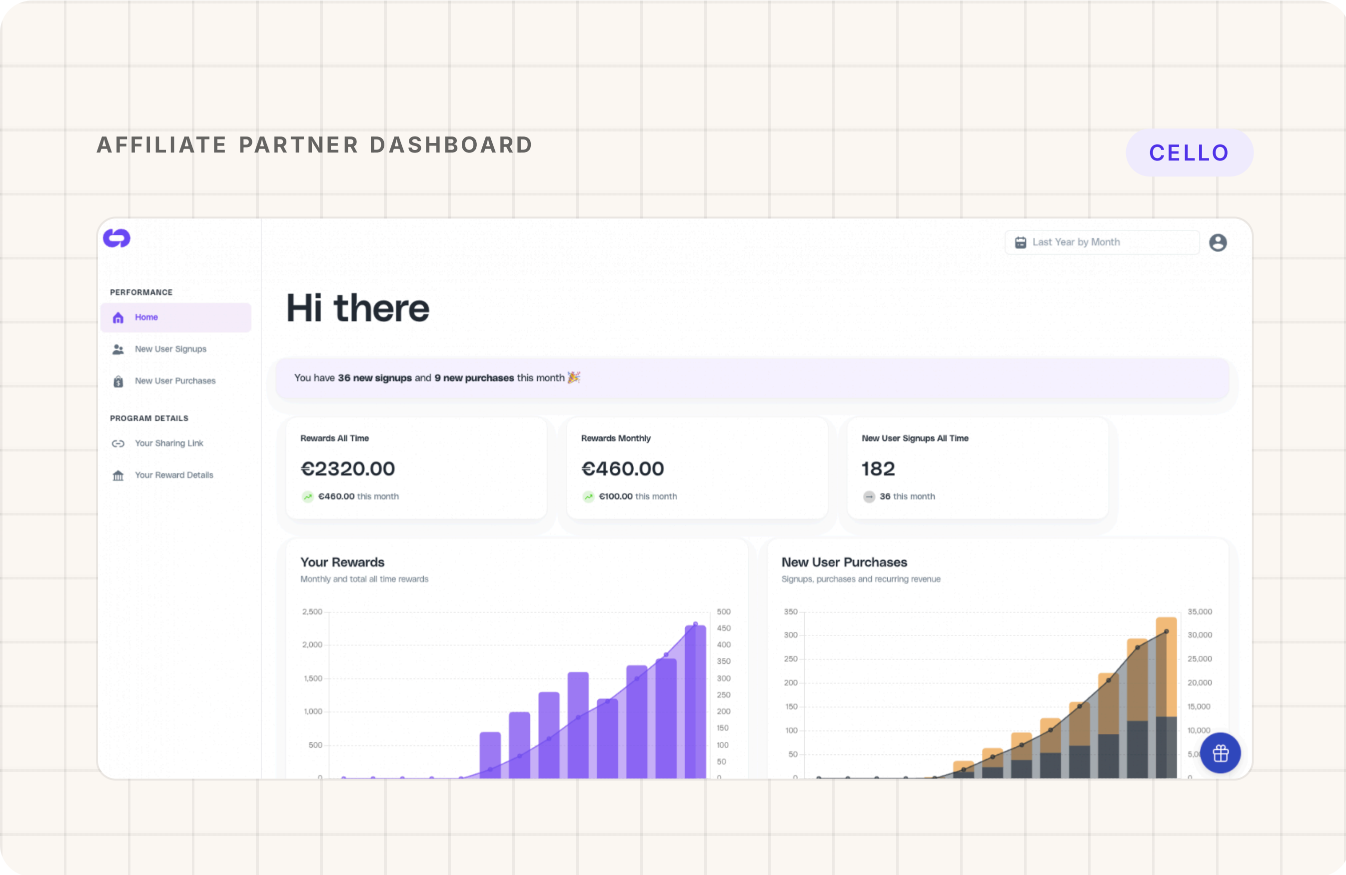
Existing users are incentivized to share the product with their network, mostly one to one. What the user actually meets is a referral page: the reward, the mechanic and the proof, on one screen.



Typeform's referral landing page (Source: Typeform). A user program is judged on how clearly it answers one question for someone who already uses the product: what do I get, and how.

Affiliate referrals

Affiliates are external creators, reviewers and integrators who promote the product for performance-based pay. Unlike a user, an affiliate works the program as a job, so the artifact of the category is the partner dashboard: tracked links, earnings and standing against other partners, all self-serve.



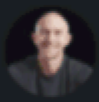
An affiliate partner dashboard (Source: Cello). A user program needs one clear page; an affiliate program needs an ongoing account, because the partner has to track and be paid for performance over time.

Influencer referrals

Influencers sit at the top end of affiliates: large creators with niche celebrity status, usually paid upfront rather than on performance. The artifact here is the post itself.

INFLUENCER POST

LINKEDIN



Dave Gerhardt · 1st

Brand partnership · Founder: ExitFive.com | Former startup CMO | N...

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Nobody likes to wait anymore.

Whether it's in traffic, to get your morning cup of coffee, waiting for your kids to put their shoes on to get outside -- and especially when you're evaluating that software for your B2B company.

Being asked to wait means, you're depriving me of a solution to a problem I need NOW. We all want the direct, fast lane.

For marketers like you and me, this means getting rid of that bland thank you page. It means no more "We'll reach out to you in 24 to 48 hours". It means getting prospects on your best sales reps' calendar instantly.

Prospects don't have the time or energy to wait a couple of days only to sift through their inbox and have multiple email threads. They want a solution like yours. And they want a good buying experience.

If you're looking for a recommendation for a tool that lets you do this, you should give RevenueHero a try.

RevenueHero turns days of follow ups between a prospect and a sales rep into seconds, so when your prospect requests a demo you're not just creating leads, you're driving more qualified sales meetings.

Once your prospect requests a demo, RevenueHero qualifies them in a milli-second, routes to the right sales rep, and books a meeting on your sales rep's calendar instantly.

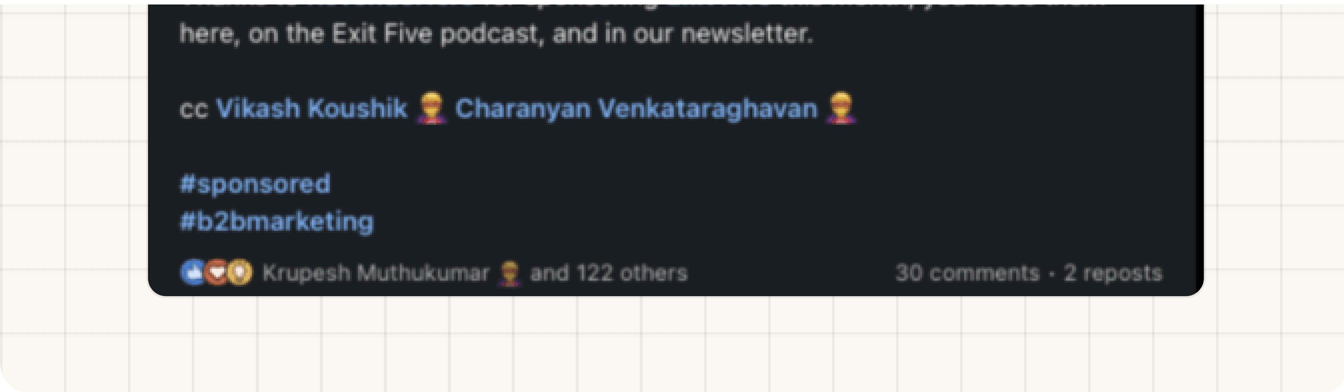
I don't know any sales reps that would complain about more qualified meetings without having to do all the manual follow ups. As long as they are qualified :) Sales reps don't want those content downloads, but that's a post for a different day...

Modern B2B marketers from Okendo, Inflection, Customer.io, and Appcues all use RevenueHero and drive upto 80% more qualified meetings.

RevenueHero drinks their own champagne, so you can see RevenueHero in action when you book a demo with them.

Check them out. Your sales reps will thank you for it.

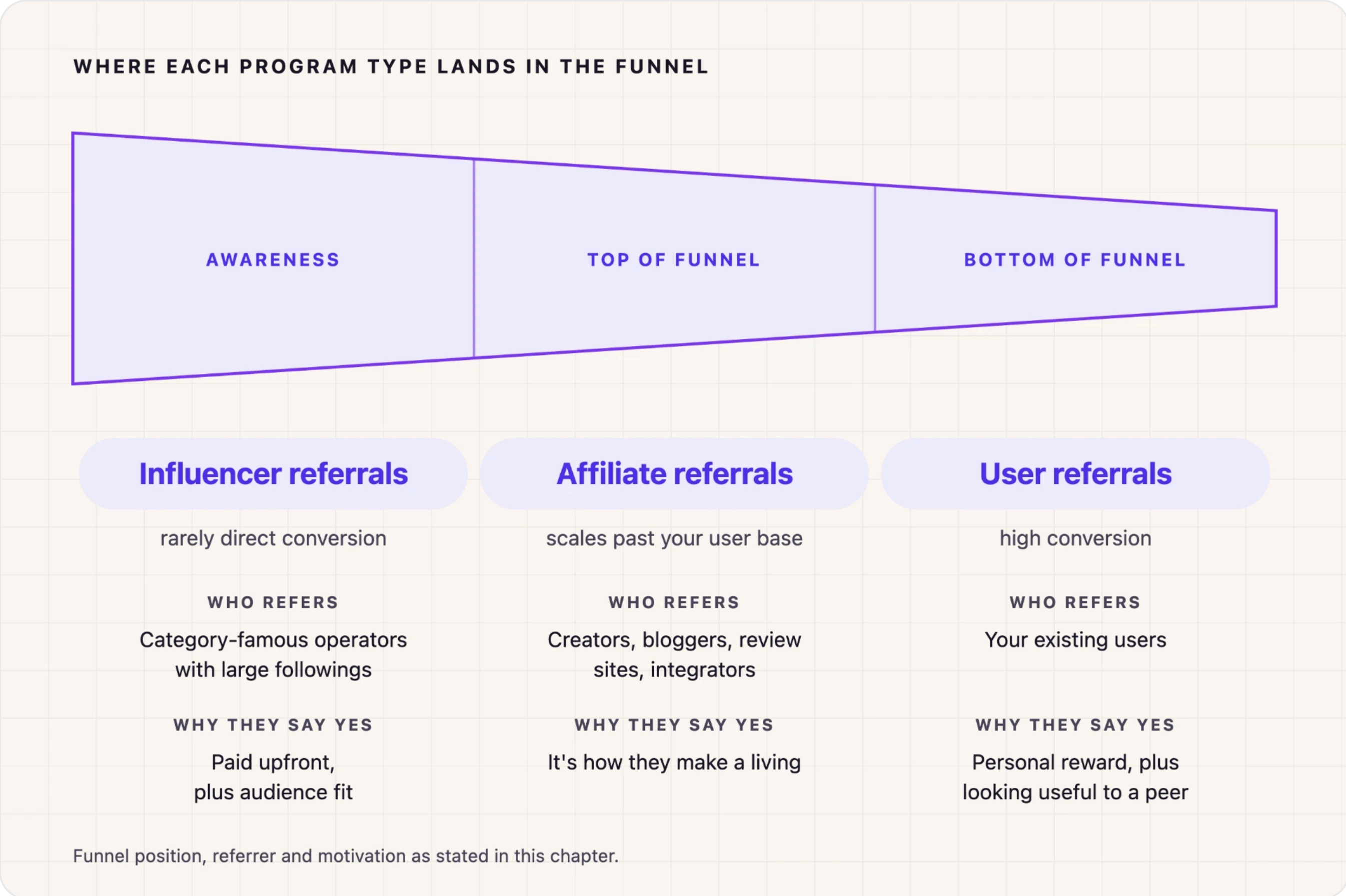
Thanks to RevenueHero for sponsoring Exit Five this month; you'll see them



Influencer example post (Source: Dave Gerhardt). RevenueHero buys the voice and the audience, not a tracked conversion. The post reads as the creator's own argument, with the sponsorship disclosed at the end.

PROGRAM TYPE	WHO REFERS	WHY THEY SAY YES	WHERE IT WORKS	IN PRACTICE	BEST FOR
User referrals	Your existing users	Personal reward, plus looking useful to a peer	Bottom of funnel, high conversion	Typeform: 15% monthly commission, up to $500 per referral	Established user bases (+1,000 MAUs); freemium and free-trial models
Affiliate referrals	Creators, bloggers, review sites, integrators	It is how they make a living	Top of funnel, scales past your user base	Fellow.app: one-off reward plus commission, up to $10,000 per customer	Any size, but strongest with freemium or free trial and products with real search volume
Influencer referrals	Category-famous operators with large followings	Paid upfront, plus audience fit	Awareness, rarely direct conversion	tl;dv: impression-based, up to $700 per post	Substantial marketing budgets; consumerized, horizontal products

How the three B2B referral program types compare.



Where each program type lands in the funnel, with who refers and why they say yes.

Key considerations of referral programs

Before choosing a program, it's worth knowing how you'd measure it.

KPIs differ meaningfully by program type: a user referral program lives or dies by activation and sharing rate, while an affiliate program is judged on click-through rate and earnings-per-click. Whichever you pick, the underlying economics still have to work: CAC, LTV, and payback period need to hold up against your company's overall growth strategy. Ultimately, the KPI that matters most is New Revenue Growth from referrals per month, since that's what lets you compare this channel against everything else in your marketing mix.

See the full KPI benchmark table by program type in Resources →

Selecting and sequencing the right referral program

Selecting the optimal referral program depends on various factors, such as a company's user base size, business model, and strategic growth goals, with each program offering unique advantages for scaling and market penetration.

The “best for” column in the comparison table above summarizes which model each program suits.

Which program you start with depends on whether you already have an active user base to draw on. If you do, start with user referrals. They convert better than anything else in this Atlas, because the referrer already trusts you and knows who to send, and they compound as your user base grows. If you do not, they have nothing to run on. Below roughly 1,000 monthly active users, a user referral program will not produce enough volume to read, and affiliates are the better first move, because you are recruiting people outside your product rather than inside it. Chapter 08, Affiliates are a channel, not a strategy covers that path.

Synergies between programs

User referral programs can effectively leverage the organic reach of existing users while expanding market presence through affiliates, optimizing both engagement and reach (Example: Fellow).

Pairing user referrals with influencer campaigns can significantly boost brand visibility and trust, using influencers' credibility alongside existing users' personal endorsements (Example: tldv).

Affiliate and influencer partner acquisition through a highly visible in-product user referral program can be especially cost-efficiently accelerated.

Partners that happen to be product users can be acquired and activated through an in-product user referral program. They can then be uplifted to a suitable partner program with oftentimes more attractive incentives and access to in-depth analytics.

The order these need to happen in

Once you have decided a user referral program is right for you, five things have to happen in order. These are not parallel workstreams. Each one is wasted effort if the one above it is not already in place, which is why teams that start with incentive design usually end up rebuilding. Chapters 03 to 07 follow this order.

1. **A product worth referring.** If your users are not already recommending you without being paid, no incentive will create that. This is the only step you cannot buy your way past. The program has to align with the product and resonate with potential referrers. Covered in Chapter 03, User referrals only work if you earn them first.
2. **Discoverability.** A program nobody can find cannot be tested, tuned or judged. Placement changes activation more than reward size does. Promote it prominently, including a dedicated landing page. Covered in Chapter 04, The referral button nobody clicks.
3. **Incentive design.** Only worth optimizing once people are reliably finding the program. Incentives should be attractive and relevant to the audience, reflect the product's value, and be two-sided, with a benefit for both referrer and referee. Covered in Chapter 05, Designing the incentive.

4. **Launch and GTM.** Referral programs do not announce themselves, and one-off campaigns do not work. Give referrers supportive assets like a media kit and examples, remove barriers to sharing, and keep communication regular enough to nurture and motivate them. Covered in Chapter 06, Referrals don't launch themselves.
5. **Scale, tax and compliance.** The work that decides whether this survives ten times the volume, including tax, legal and KYC compliance when paying your referrers. Covered in Chapter 07, The referral program that compounds.

Closing thoughts

B2B referral partner programs can be engines of scalable, cost-efficient growth, expanding your top-of-the-funnel. When these programs join forces with user referrals, which target existing users to grow the bottom-of-the-funnel virality, the result is a compounding, amplified viral flywheel.

Having the right strategy, incentives, GTM approach, and tooling to set up custom journeys that resonate with your unique value proposition and needs is key. As most folks in tech know, “Ideas are cheap, execution is what matters.” We hope this article is a good step forward in choosing the right referral programs for your company.

Growth is broken. Trust is the fix.

Elena Verna, Head of Growth, Lovable

TL;DR

Every classic acquisition channel is losing efficiency at once, and none of them are coming back. AI collapsed the cost of producing the content SEO depends on and moved answers into chatbots before anyone clicks. Paid search costs more each year for a fixed pool of queries. Social platforms have stopped paying out in external traffic.

What replaces them runs on trust rather than reach: founders and employees posting as themselves, creators who stake their own reputation on you, communities where users answer each other, and a product good enough to be the brand. All of them converge on word of mouth, which is the strongest signal available and the hardest to manufacture.

Trust decides retention too. Once AI commoditizes speed and cost, "faster than doing it manually" stops defending anything, and customers stay with the products and teams they believe will keep getting better.

WHAT WILL YOU LEARN?

01 Why are the classic acquisition channels breaking down at once?

02 What does trust-based acquisition look like in practice?

03 What does this mean operationally for your GTM team?

Trust-based acquisition

This chapter is a collaboration with Elena Verna, one of the sharpest voices in product-led and user-led growth. It was originally published on her newsletter Elena's Growth Scoop.

All of us are fighting a war on three fronts (thanks to AI). Customer product expectations are higher than ever. Distribution channels are collapsing. And everyone, big incumbents, new startups, even your own customers with vibecoding, are coming for your value prop.

How are you supposed to grow in this new landscape? It ain't easy. But there's a new playbook emerging, and it is built around one simple concept: Trust.

The classic distribution systems are falling apart. You may have been hearing this for a while: Andrew Chen pointed out that every marketing channel sucks right now, almost a year ago. But it's getting worse. You're probably starting to see all of your channels get more expensive or less efficient, or both. Unfortunately, I don't see them getting better any time soon.

What's not working anymore

SEO and organic search

The obvious thing is that AI slop has reduced the barrier-to-entry for creating the content that SEO depends on. Now anyone can churn out dozens of articles with just a few prompts. But it's deeper than that: SEO is all based on the assumption that people will primarily find information and access the Internet's vast knowledge through Google searches that send them to web pages. That's just not true anymore.

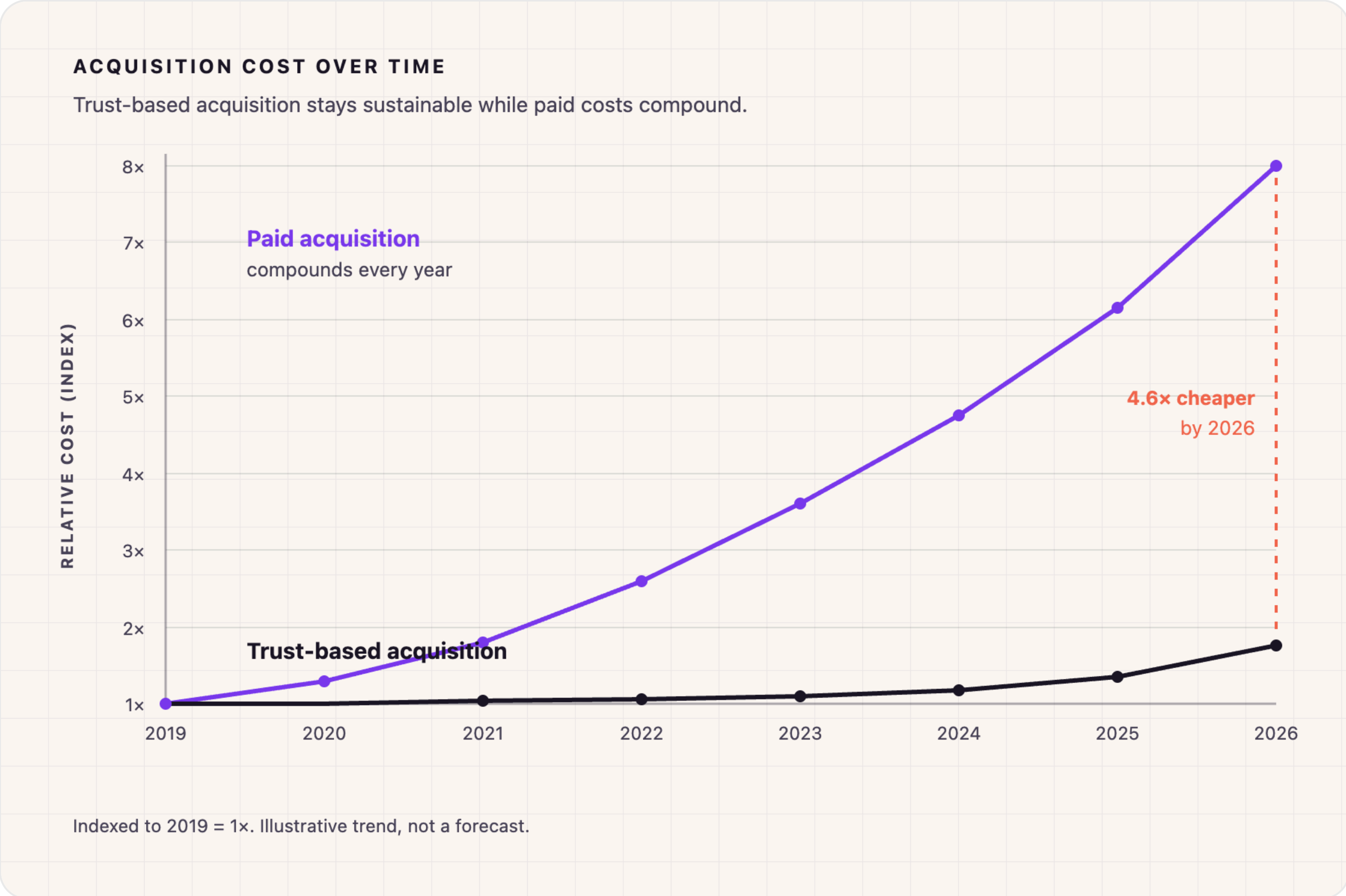
People are going to ChatGPT, Claude, and Perplexity to get answers. And even when they do Google, the AI-generated answers intercept traffic before people ever click a link. And soon? People will use LLMs to navigate to products they already talked to AI about, the same way they use Google as a navigation bar now.

Paid search (SEM)

This is the same thing as SEO, but the economics are more obvious: with the total number of searches not growing, the cost of placing your ads on those searches skyrockets as competition increases. Everyone's bidding on the same keywords, and it's getting harder and harder to maintain a positive ROAS. Plus, you're not just competing with other companies but with AI tools that solve the same problem for $20/month. Good luck with that.

Corporate social

Social platforms are increasingly hostile toward corporate accounts and external links, optimizing for on-platform engagement. You might be able to get attention, but try to convert that into external traffic? No more juice for you. The algo giveth, the algo taketh away. Plus, the creative treadmill required to maintain polished 'brand-aligned' assets is expensive and exhausting. All for posts that still feel like interruption marketing. Which they are.



Paid acquisition cost compounds every year while trust-based acquisition stays nearly flat. Indexed to 2019 = 1x. Illustrative trend, not a forecast.

What's working now

Employee-led social

When founders and employees share their thinking, their failures, their roadmap publicly, it demonstrates transparency and accountability. This isn't about posting motivational LinkedIn content (please, make the carousel posts stop). It's about sharing real expertise, examples, and demonstrating the humanity of your company. People buy from people they trust. Faces create that trust in ways corporate accounts never can.

Influencer and creator partnerships

When someone with an existing audience bets their reputation on recommending your product, it transfers trust. The key is finding partners whose audience genuinely matches your ICP and who will actually use and believe in what you've built. Not the ones who'll promote anything for a check.

Community-driven growth

Your users become your distribution channel, but only if you build the infrastructure for it. Your product has to create stories worth sharing. But also give them a place to show their work, staff it so questions actually get answered, and let users teach each other: the best content explaining your product never comes from marketing. And when it works, community creates trust that marketing budgets can't buy: users believe in your product because other people they respect believe in it. Features are easy to copy. Trust isn't.

Product-led brand

Brand used to come from marketing campaigns and logo recognition. Now it comes from product experience. Brand is a product job, now. Every interaction, every feature, every detail either builds or reduces trust. The product itself has to demonstrate that you care about the user's problem and will keep solving it better than anyone else.

You may have noticed that a lot of these channels feed into the same thing: building word of mouth. This isn't a channel you can control, but it's the ultimate trust signal. If someone hears about your product from someone they know, that's priceless.

But it's also super difficult to manufacture. It has to be woven into everything you're doing, how you're building, in your cultural values. And it's not something you can do with a clever viral marketing campaign: that might get people to talk about your ads or your content, but if you want people discussing your product, you need to WOW them. And that comes from product, which is also your retention engine.

Trust-based retention

Trust is not only an acquisition problem. The same shift is quietly wrecking retention for traditional SaaS, and for the same reason: the value proposition underneath it has stopped being defensible.

Every company has to answer one question: why you? Why should users start, and keep, using this product? The answer always lands on one of three options. You are cheaper, you are more efficient (faster at solving the problem than the alternatives), or you are more effective (able to produce a better outcome).

Most SaaS companies were built on the first two. In growth workshops with software companies, nine times out of ten the stated "why" is time to value versus the manual approach. That is now a problem. AI is faster than a hard-coded workflow tool, it answers questions better than a knowledge base, it generates content faster than a marketing platform, and it costs the customer about $20 a month. If your primary value proposition is efficiency or cost savings, you are competing with something that beats you on both dimensions and undercuts you on price.

Even landing in the "more effective" category is not safe if the functionality is not used enough.

Effectiveness only protects you in the top right. Everywhere else, the product is either too shallow to defend or too unused to notice when it is replaced.

Add the fact that AI is often better at understanding final intent, and all of the traditional value props weaken at once. Utility-based value is shaky ground. When capabilities get commoditized, users stay with the products they trust.

This is why brand is a product job now, not just a marketing job. The product itself has to demonstrate trustworthiness. You cannot market your way into trust-based retention. Marketing can tell the story, but the product has to be the story, and when those two do not match, customers see straight through it.

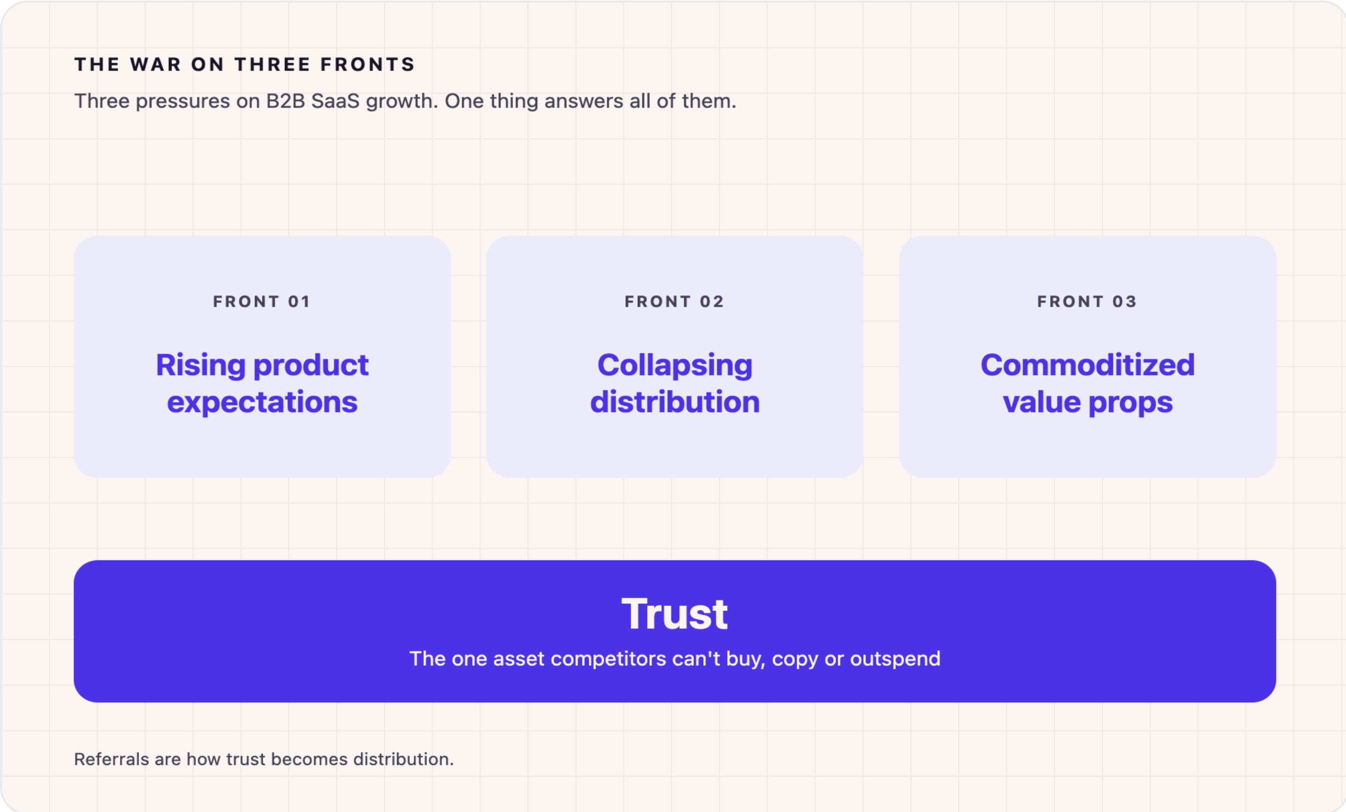
That trust is specific: it is confidence that this product and this team will keep delivering better outcomes over time. It rests on the belief that you genuinely care about the problem and will keep iterating on it harder than anyone else. Here is how it gets built.

TRUST BUILDER	WHAT IT LOOKS LIKE IN PRACTICE
Transparent roadmap sharing	Not the sanitized public roadmap that commits to nothing. Real visibility into what you are building and why. When customers see you thinking three steps ahead on their actual problems, they believe you will still be valuable as AI capabilities expand.
Responsive iteration on feedback	Speed matters, but only in the right direction. Are you listening to what customers need and building it, or working through a pre-made roadmap that ignores their reality? Tight feedback loops plus real shipped improvements earn ongoing trust.
Wow moments in the experience	Not looking pretty. Showing through the product that you understand how people actually work: the delightful details, the thoughtful interactions, the features that anticipate needs. These create an emotional connection beyond utility.
Thoughtful lifecycle comms	Every email, update and push notification either builds trust or spends it. Are your updates creating value, or just bombarding people?
Monetization aligned with outcomes	Getting paid only when the customer succeeds is a retention moat, not just a pricing strategy. It removes the pressure to justify spend and avoids sleeping bears: customers who pay, never use the product, and wake up just in time to churn.

Trust is the main lever behind growth

Acquire through trust. Retain through trust. These aren't separate strategies: they're the same system playing out at different moments in the user journey.

Honestly, there aren't that many products I actually trust. For me it's Lovable, Miro, Wispr, Spotify, Granola, Oura, Stripe, Tesla, Netflix, Arc, Superhuman, Substack, and ChatGPT, among a few others. They've never let me down. I found each one through referrals. They continuously evolve and solve my problems. I enjoy using them. I'm rooting for them to succeed. Which ones do you trust? And why?



The three fronts from the intro, and the single lever underneath all of them.

What this means operationally

- **Build this into your org structure and values.** Product, marketing, and customer success can't operate in silos. Trust-building requires everyone running in the same direction, and your founders and executives need to be visible in public channels and keep it real.
- **Close the loop between teams.** Your product team needs to talk directly to customers and ship on what they hear. Fast. Your customer success team needs the access to influence product direction. If these teams only talk in quarterly planning meetings, you're already behind.
- **Optimize for velocity.** Trust-based growth requires speed: both in how fast you ship and how fast you respond. Tighten the feedback loop between customer input and shipped features, and minimize cross-functional dependencies so teams can move without waiting for approval chains.
- **Ship daily if you can.** Micro-releases trigger something traditional marketing can't: they make the product feel alive. Users signed up for version X but they keep getting version X+. It feels like a free upgrade, and it builds trust and loyalty without you having to ask.
- **Learn to build in public.** Share your work as you go: a steady rhythm of progress, ideas, wins (and fails!), over time. The product becomes the story. The shipping cadence becomes the engagement strategy.

- **Let the builders do the talking.** This can't be run by your corporate account. People don't want the company POV. They want your CEO, your engineers, your designers, the people who actually made the thing. That's what makes it feel real instead of manufactured.
- **Accept less polish.** It's scary, because you're giving up control. But when you're moving fast you don't have time for Apple-style keynotes anyway, and less polished is more effective. A glossy ad elevates the brand away from the people watching it. You want connection, not hype.

The companies that figure out trust-based growth will have a significant and lasting advantage. Trust is harder to build than features. It's harder to replicate than efficiency. It compounds over time in ways that performance marketing never could.

AI will keep commoditizing product capabilities, which is why trust is becoming the moat that actually matters. The question isn't whether to adopt this approach. The question is how quickly you can make the shift before your traditional channels and value propositions collapse completely.

And trust me: they're collapsing faster than you think.

User referrals only work if you earn them first

Kyle Poyar, Founder, Growth Unhinged · Akash Bajwa, Principal, Earlybird Venture Capital

TL;DR

User referrals convert better than any channel in this Atlas, and most companies cannot run them yet. The mechanic only works where users are already recommending you unpaid: a program removes friction from something that is happening anyway, and no incentive will create the impulse from nothing.

So the real question is whether your product qualifies. Three conditions decide it: high product lifetime value, fast time to value, and a high level of product engagement. Top performers clear all three, two is usually enough, and everything outside those ranges is the referral program death valley.

If you do not clear them, the honest answer is not yet, and the fix is in the product rather than the program. If you need reach before that work is done, affiliates are the channel that does not require an engaged user base.

WHAT WILL YOU LEARN?

01 Why are user referrals an unlock for companies hitting a wall?

02 Is a user referral program right for your company?

Just want the diagnostic? Jump to the fit test. →

User referrals

Paid and search channels are losing efficiency, while channels built on trust are gaining it. That is the case Chapter 02, Growth is broken, trust is the fix makes in full; this chapter is narrower, and asks whether user referrals are the right response for your company specifically.

"AI-generated copy and outreach is further diminishing the ROI of content marketing and outbound, with buyers increasingly unable to separate noise from signal." (Akash Bajwa)

Few companies are able to power growth through low-cost CAC channels like user referrals. Review sites like G2 remain a valuable input to buyer decision-making, but word-of-mouth remains the province of a minority that's capable of truly delivering product-led growth.

User referral programs target the product's **existing users** and incentivize them to share it with their network of friends and business contacts, mostly on a 1-to-1 basis. Several examples of **prosumer SaaS** (Dropbox, Evernote), **fintech** (PayPal, Robinhood), **and vertical SaaS** (Toast) have managed to scale this channel to great effect, but referrals as a channel for B2B SaaS remain heavily underutilized.

There are various reasons for this. A best-in-class referral experience requires significant engineering effort optimizing the flow, careful timing of the nudges, incentives gamified for a B2B context rather than a consumer one because the rewards are for the whole company rather than an individual, and the overhead associated with local tax and legal complexities removed.

However, as more prominent channels have become exhausted and inefficient, more companies will look to experiment with referral-led growth.

Done right, user referrals are effectively near-zero payback, and they work from SMB to enterprise.

Wharton research found that referred users churn 18% less and carry a 16% higher lifetime value. They are also worth more per head early on, but that margin advantage decays and has disappeared by roughly month 29.

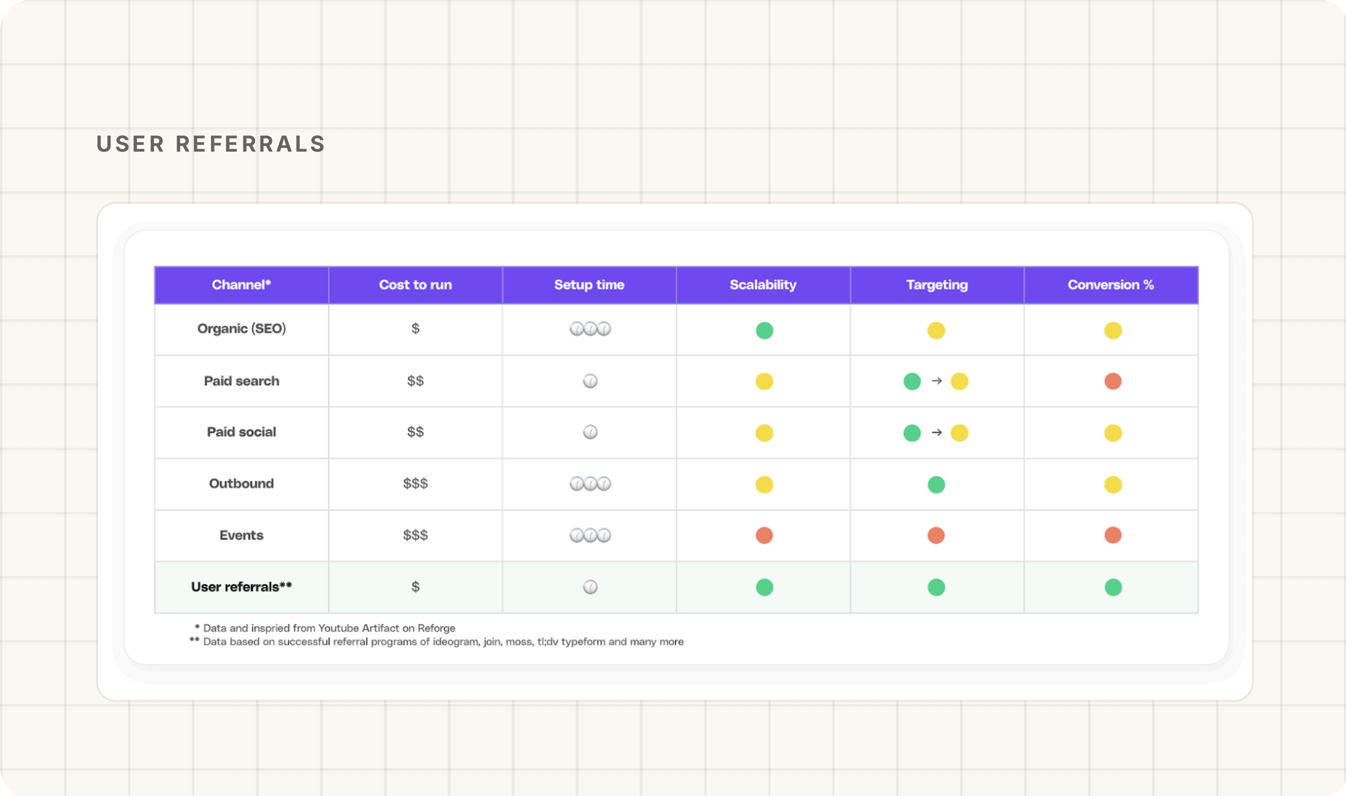
Here are some of the other variables to consider when you're assessing referral-led growth.

What user referrals actually give you

Those gains show up in the operating model too. Economics are better than you'd think: measuring activated users as a proxy for willingness to pay has aligned incentives with behaviors that predict recurring revenue. Done right, referrals sustain growth because your ICP is referring others in: you can trust customers to know who to refer, which produces more qualified leads and more conversions to signups and demos. The channel is also less sophisticated than most, so it merits experimentation as vendors look for capital-efficient growth.

There's never been a better time to invest in word-of-mouth

A growing volume of product recommendations is shared in **private, untrackable spaces**, a shift often called **"dark social"**: Slack groups, LinkedIn DMs, WhatsApp threads, and niche professional communities. Because those interactions are invisible to standard analytics, attribution stays difficult and the channel is routinely undervalued in B2B go-to-market models (Gartner, 2024).



USER REFERRALS

Channel*	Cost to run	Setup time	Scalability	Targeting	Conversion %
Organic (SEO)	$	🕒🕒🕒	🟢	🟡	🟡
Paid search	$$	🕒	🟡	🟢 → 🟡	🔴
Paid social	$$	🕒	🟡	🟢 → 🟡	🟡
Outbound	$$$	🕒🕒🕒	🟡	🟢	🟡
Events	$$$	🕒🕒🕒	🔴	🔴	🔴
User referrals**	$	🕒	🟢	🟢	🟢

* Data and inspried from Youtube Artifact on Reforge
** Data based on successful referral programs of ideogram, join, moss, tl;dv typeform and many more

User referrals compared with five other acquisition channels on cost, set-up time, scalability, targeting and conversion (Source: Cello, with channel data inspired by Reforge).

Is a referral program for your company?

Despite the obvious benefits when done right, referrals are not for everyone. What are the must-have prerequisites for making referral programs work in B2B?

Your users are already brand advocates

To generate buzz, it is crucial to have a product that is truly worth discussing. The growth of referrals serves as an indicator of product quality, as it indicates users who are genuinely enthusiastic about the problem you are addressing.

Additionally, it is important to note that if your existing users are not willing or able to promote your product organically, no amount of incentives will be able to rectify this underlying issue.

“Referral programs work very well for certain kinds of products, particularly ones that are already spreading via word-of-mouth." (Andrew Chen)

Your users already have a network worth sharing

Having a network of contacts is essential for your users to reach out and refer others. While some B2B products are as easy to refer as consumer products, many B2B products are more specialized and require extra effort.

Different from B2C, where almost everyone knows a handful of potential referrals, B2B sometimes offers a different advantage. In the B2B landscape, the pool of people who might want a new AI writer tool is usually far larger than the pool who need, say, an HR solution. Implementing incentives can encourage your users to expand their network and connect with relevant users beyond their immediate circle.

Your users care about the rewards

Users have to genuinely care about the incentive. In-product rewards and discounts may not hold much relevance to an individual when the company is footing the bill. To entice busy professionals to take time out of their hectic schedules, rewards should be personally meaningful and compelling.

Another factor to consider is the Annual Contract Value (ACV) of your product. Monetizing your product is crucial. While B2B referral programs may not generate high user numbers, they offer the advantage of higher Annual Recurring Revenue (ARR) per successful referral. Chapter 05, Designing the incentive, goes deeper on reward design.

Besides having a strong word-of-mouth presence and a remarkable product, the product's ACV and the speed of delivering its value (aka the aha-moment) play pivotal roles in determining the success of a B2B referral program.

You can position your company within the Referral Potential Venn diagram

Apart from the essential factors mentioned earlier, three additional dimensions, High Product Lifetime Value, Fast Time to Value and High Level of Product Engagement, define the "B2B referral program death valley" for anything outside their optimal ranges.

Death valley is not a warning to push through. If you are below roughly 1,000 monthly active users, your ACV is low enough that a meaningful reward would eat the margin, and your sales cycle runs long enough that a referrer waits months to see anything, a referral program will not fail loudly. It will produce a handful of signups a year, quietly absorb engineering and marketing attention, and give you no clean signal about whether the channel works.

The honest answer in that case is not yet. Grow the active user base, shorten time to value, or raise ACV first, and revisit this when two of the three conditions above hold. In the meantime, affiliates are the program that does not need a user base to run on, which is why Chapter 08 is the better place to start if you are not there yet. The programs in this Atlas that launched in days and compounded did so because the underlying conditions were already true, not because the program created them.

Here's a simple way to determine if user referrals can work for your B2B SaaS business:

The three signals to check before building a user referral program (Source: Cello).

Calculate your WoM potential

The key metric here is your word-of-mouth (WoM) coefficient: the number of new users each existing user brings in through organic referrals and recommendations. A coefficient above zero means some of your growth is coming for free. At or above 1, each existing user brings in at least one more, and growth compounds on its own without additional spend. Most B2B products sit well below 1, which is why the goal is usually to raise the coefficient rather than to cross it. Knowing roughly where you stand turns WoM from a vague “nice to have” into a number you can plan and invest against.

The easiest way to size the opportunity before you commit is Cello’s Referral ROI Calculator in Resources, which estimates your expected sign-ups, conversions, and revenue from just your product access model, ACV, and MAUs, drawing on Cello platform data (n = 4 million B2B SaaS referral users). And if you want to go deeper on the underlying growth loop, Reforge’s WoM Coefficient shows how to tie your word-of-mouth growth to your active-user base so you can track and forecast it over time.

Calculate your word-of-mouth coefficient →

Last but not least, let’s have a look at what good looks like.

What does good look like?

An effective program should be quick and cost-efficient while minimizing risks. For example, tl;dv could launch within a day, requiring only minimal development resources (around 4 hours of developer time) to create the first version. By streamlining the implementation process and keeping initial costs low, programs can reduce barriers to launch and quickly start delivering value.

On performance, one number carries the argument: on Cello platform data (n = 4 million B2B SaaS referral users) across free trial and freemium products, best-in-class B2B SaaS programs reach a 49% annualized user-to-customer conversion, meaning paid users grow by roughly half again over a year through referrals alone.

The full metric set, what each one means, and the participation and reach benchmarks worth tracking alongside it all live on one card in Resources.

Referral metrics and the AUCC benchmark →

REFERRAL BENCHMARKS BY PRODUCT MODEL

What average, great and best-in-class look like at each step of the referral funnel.

	Free trial			Freemium		
	AVERAGE	GREAT	BEST IN CLASS	AVERAGE	GREAT	BEST IN CLASS
Sharing rate	2.25%	>4.5%	**12.83%**	10.9%	>15%	**23.1%**
Unique clicks per shared link	1.1	1.5	**2.1**	2.8	4	**5.6**
Sign-up rate	21.6%	>30%	**32.4%**	9.6%	>12%	**14%**
Purchase rate	18.5%	>40%	**46.8%**	18.5%	>27%	**34.3%**
Annualized user to customer conversion	1.19%	>9.7%	**49.03%**	1.22%	>6%	**32.41%**

Best-in-class figures are the target — the gap to average is the size of the opportunity.

Referral benchmarks worth tracking; the full set lives on the Resources card. (Source: Cello.)

The referral button nobody clicks

Aakash Gupta, Product Growth, Independent

TL;DR

Referral programs fail at the product layer long before marketing gets near them, and the usual cause is placement. A program buried in a second-level menu produces the lowest activation rates of any setup, and where you put the entry point moves participation more than the size of the reward does.

Three things decide whether the mechanic works. Discoverability: several launchers across the journey rather than one, with the ask timed to a moment the product has just delivered. Ease of sharing: no separate login, no second sign-up, and a payout that takes one detail. Continuous engagement: status updates to the referrer, and nudges that keep the program alive after launch week.

The referee's side is half the program and usually the neglected half. A landing page that names the person who referred them converts far better than a generic sign-up page.

WHAT WILL YOU LEARN?

01 What are the challenges of current referral program implementations?

02 Where should you integrate your referral program?

03 How do you make sharing, and signing up, a breeze?

04 What does a great referral program UX look like?

Challenges of referral programs when it comes to UX

Designing an effective referral program requires overcoming several UX challenges hindering user engagement and participation. Here’s a brief overview of the key issues Cello sees throughout the market:

- **Buried programs**: Referral programs are often hidden, leading to low visibility and poor activation rates.
- **Separate logins**: Requiring users to log in outside the product disrupts the user flow and deters participation.
- **Lack of notifications**: Users may forget about the program without regular updates, reducing engagement and picking up rewards. Providing real-time feedback on referral

progress for the referrer lets the referrer follow up if things get stuck, ensuring consistent engagement.

- **Inconsistent branding**: A referral program that doesn't match the product's brand creates a disjointed user experience and can harm brand perception.
- **Missing external communication**: Not using emails or other external channels limits the program's reach and user engagement.
- **Missing mobile integration**: Not supporting sharing on mobile (where possible) limits where and when users can refer.

A common issue is that referral programs are often poorly designed from the user's perspective. This can stem from using third-party tools that aren't natively integrated or in-house solutions that don't receive the same attention as core product features.

This leads to low discoverability, low engagement, and eventually, low performance of the program.

Let's examine what this means for referral programs and how best-in-class UX can positively impact their performance. We will look at three crucial elements of successful referral programs:

- **Program discoverability**
- **Ease of sharing**
- **Continuous engagement**

Program discoverability

Embedding your referral program alongside your customer journey for maximum discoverability and ease of sharing is crucial.

Provide referral links across multiple touchpoints inside (e.g. sidebar navigation, end of core flows, user profile) and outside your UI (e.g. emails).

Usually, a first-level integration in a menu or a floating action button (FAB) results in significantly higher activation rates. For example, Blockpit added first-level actions alongside a second-level menu integration and its weekly referrer activation rate rose 253% against its own second-level-only baseline (Cello platform data, n = 4 million B2B SaaS referral users).

Let's have a deep dive.

Various referral program launchers

How do companies embed their referral program?

Before we dive into impact metrics of the various launchers, let's have a look where companies generally place their referral program.

LAUNCHER TYPE	HOW IT WORKS
First-Level menu integration launcher	Companies place the referral program directly in the main navigation menu for easy access and visibility. Best implementations are in the vertical sidebar with (1) text (e.g. "referral program") and (2) indication about the referral reward.
Dashboard banner	A prominent banner within the app (at the home screen) promotes the referral program, encouraging user interaction. The banner can be either always visible or pop up at moments of delight (we touch on this further below).
In-App Launcher	The referral program is embedded within the app's user interface and is accessible during regular user activities.
Second-Level Menu Launcher	The referral program is nested within a sub-menu, making it accessible but less prominent than first-level placements.
Floating Action Button (FAB)	The referral program is nested within a floating action button. Similar to the helpdesk/ chat button (e.g. Intercom), a simple gift icon can prominently promote the referral program.

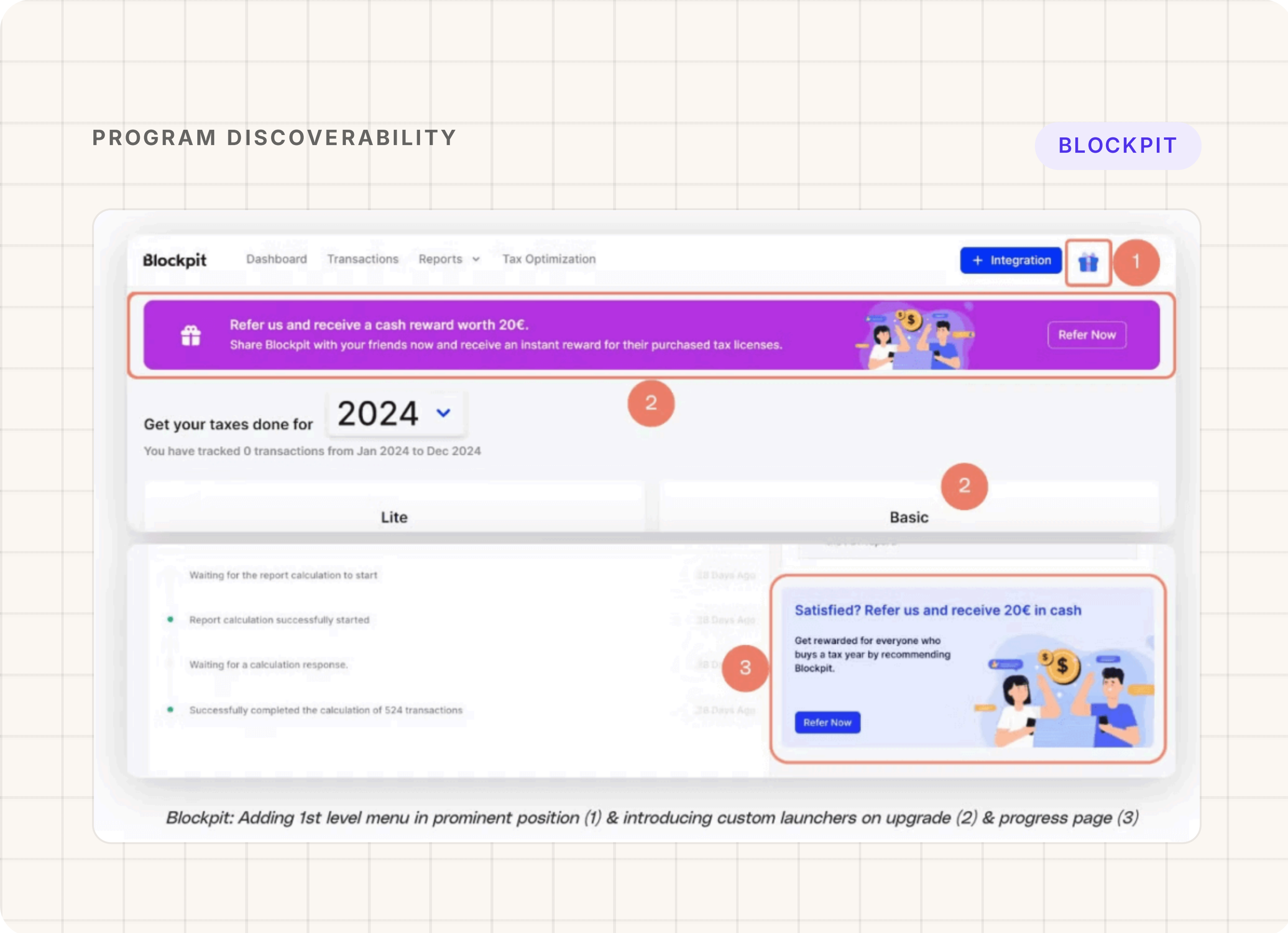
Let's now look at Cello platform data (n = 4 million B2B SaaS referral users), see what launcher performs best, and identify some more key drivers to increase discoverability.

Key drivers to increase discoverability

The below graphic shows the impact on referral program discoverability with various different launchers, and placements.

Don't limit your referral program to a second-level menu, which typically results in the lowest activation rates. Instead, prioritize first-level menu integration and strategically place access points throughout the user journey.

DRIVER	WHAT	HOW	IMPACT
Multi-launcher integration	Increase the visibility and discoverability of your referral program by strategically placing multiple launchers across key touchpoints in the user journey.	Integrate the referral program into the first-level menu and incorporate custom launchers at various stages, ensuring users encounter the program naturally and frequently as they navigate your product.	The largest activation lift of any placement change in our data, measured against programs reachable only from a second-level menu.
Mobile app integration	Enable seamless sharing within your **mobile apps** by integrating your referral program directly into the app experience.	Embed the referral program into your mobile apps, ensuring that users always have their sharing link at their fingertips and are ready to share with others.	Up to a 200% higher signup rate than web-only sharing in the same programs, because users are more likely to share when the link is already in their hand (Cello platform data, n = 4 million B2B SaaS referral users).
Moments of delight	Ask for a referral during moments of delight, those times when users experience significant satisfaction or value from your product.	Trigger the ask at key milestones: **Individual AHA moments** (first project shared, first cost saving, first meeting recorded), **customer upgrades** to a higher plan, **high NPS scores** of 8 or above, and **team member invitations**.	Up to 341% higher than the same program's average sharing rate outside those moments (Cello platform data, n = 4 million B2B SaaS referral users).



Blockpit: Adding 1st level menu in prominent position (1) & introducing custom launchers on upgrade (2) & progress page (3)

Program discoverability.

Why UX is the mechanism, not the decoration

The placement data above has a reason behind it, and it is not a preference for one menu over another. UX is not how a referral program looks. It is whether it is useful, usable and valuable.

Don Norman's human-centered design holds that a product should be intuitive and should minimize friction, which is precisely what decides whether a referrer completes a share or abandons it halfway.

Norman's four principles: the referral flow is part of the product system, not a bolt-on.

Jakob Nielsen's usability heuristics name the specifics: visibility of system status, consistency and standards, error prevention, recognition rather than recall. A referral flow that hides its own status or invents patterns the product uses nowhere else fails on all four at once.

Nielsen's ten heuristics: the checklist every screen should pass before it ships.

And UX is wider than UI. Peter Morville's honeycomb adds findable, credible, desirable and accessible to useful and usable, which is why a buried, off-brand referral widget can be competently designed and still not work.

Morville's honeycomb: findable and credible are where referral programs usually lose.

Ease of sharing & signing up

The easier it is for your users to share your tool with peers, the more likely they will recommend your product.

The easier it is for new users to understand your value proposition and test your product, the more likely they will start using your solution.

Simplicity for referrers & referees

Reducing friction in the referral process is crucial for both referrers and referees. The easier it is to share and accept referrals, the higher the activation and sign-up rates. A seamless experience with minimal steps ensures users can quickly and effortlessly share your product.

FRICTION REDUCER	WHAT IT MEANS IN PRACTICE
Clear Value Proposition	Ensure users can quickly grasp the benefits of participating.
Multiple Channel Support	Allow users to share via various channels, such as mobile, social media, or QR codes.
Seamless Experience	Users should be able to share without leaving the program or needing an extra sign-up.
Simple Payment Process	Make it easy to get paid, such as by just entering PayPal details.
Incentivized casual contact loop (ICCL)	The ultimate way to make life easy for the referrer. Just make sharing the referral program part of their normal work routines of e.g. sharing meeting minutes with customers becomes referral actions.
AI identification of recipients (bonus)	Suggesting persons from the user's network to share the tool with, taking different data points into account (title, company, etc.).

If sharing is easy and people still do not share, the reward is usually not what is holding them back. Chapter 05, Designing the incentive covers what actually moves them.

By decreasing friction and making the process as smooth as possible, you increase the likelihood that users will engage with and promote your referral program, ultimately driving more successful referrals.

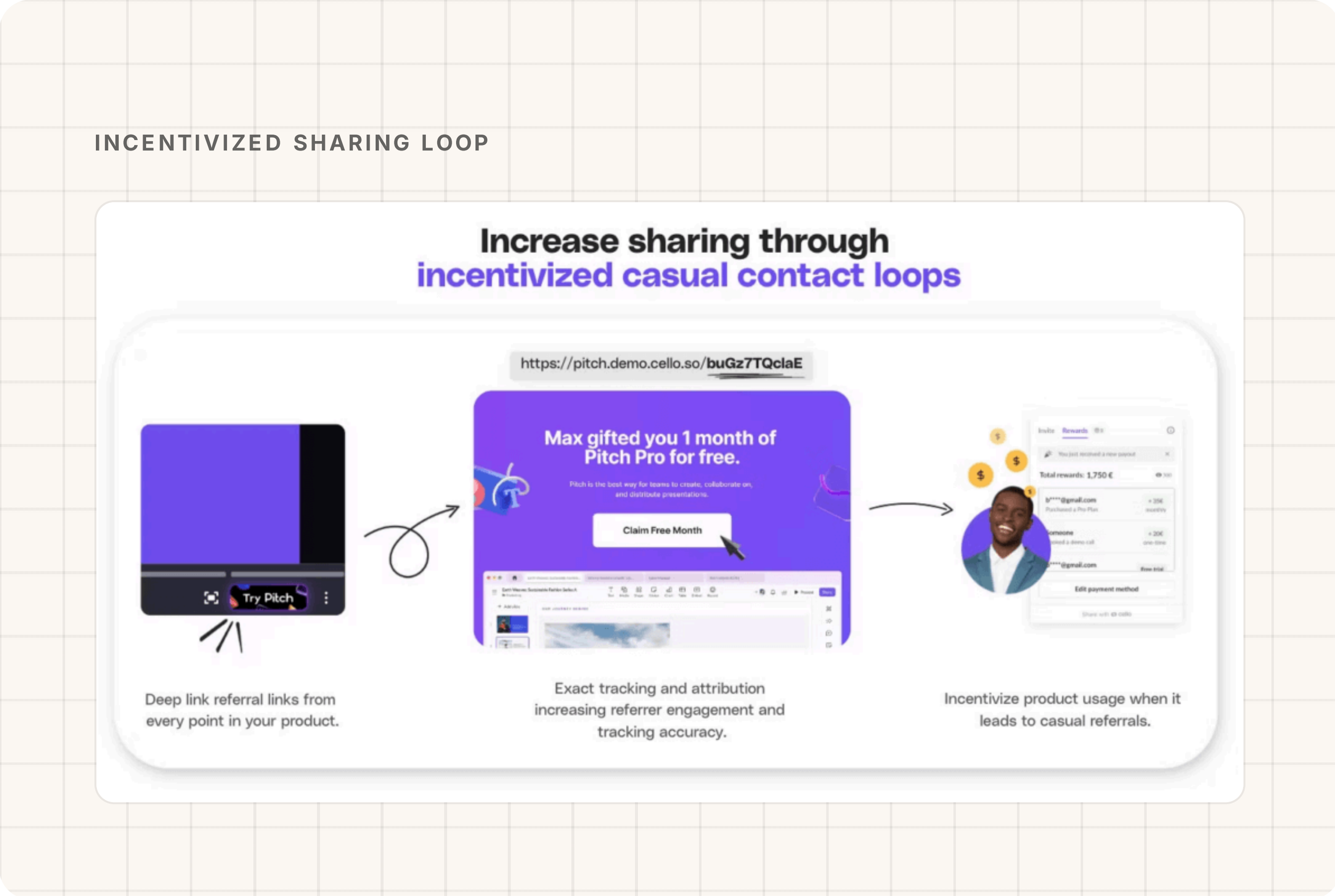
Provision of Templates and Resources

Offering resources like copy templates, GIFs, and video explainers can significantly simplify the sharing process. These assets make it easy for users to spread the word without needing to create their own content. Many successful referral programs even feature dedicated landing pages with FAQs and resource libraries to support users. For example, some platforms, like Gusto, go a step further by scanning contacts and recommending leads that match the ideal customer profile (ICP), which enhances the relevance of referrals.

Key drivers to increase sharing

Enhance signup conversions by creating a personalized referral landing page tailored to the needs and expectations of new users, leveraging social proof. Referee pages that name the referrer see up to 214% higher signup rates than a generic sign-up page (Cello platform data, n = 4 million B2B SaaS referral users).

LANDING PAGE ELEMENT	WHAT TO INCLUDE
Personalize the experience	Display the referrer’s name on the landing page to create a sense of trust and connection.
Clear new user discount	Clearly state any discounts available for new users to encourage quicker conversions.
Hero message	Communicate the key value proposition of your tool prominently to capture the interest of referred users.
Product visuals	Use visuals to highlight and explain your product's core benefits, making it easier for new users to understand its value.
Strong CTA	Include a direct signup call-to-action for referred users to facilitate a smooth transition into your product.
Social proof	Add credibility with badges from G2, Capterra, Trustpilot, customer logos, and quotes to build trust.
FAQs	Provide answers to common questions that new leads might have, reducing uncertainty and barriers to signup.



Increase sharing through incentivized casual contact loops: deep links, exact attribution, and usage-triggered rewards.

Continuous engagement

Effectively timing and engaging users in your referral program is key to maximizing its success and creating exponential growth loops. Here's how to optimize this process:

- **Capitalize on positive psychology**: Surface the referral link immediately after users complete valuable actions to leverage positive experiences and encourage sharing.
- **Timely nudges for continued engagement**: Pair in-product referral prompts with well-timed email or push notifications to keep the referral process top of mind.
- **Balance discoverability and core experience**: Ensure referral options are easy to find without distracting users from the main purpose of your product.
- **Use gamification to drive conversions**: Incorporate elements like leaderboards and competitive messaging to boost user motivation for sharing.
- **Provide real-time feedback**: Offer real-time updates on the status of sent-out referral links, both within the product and externally.
- **Nudge referrers for follow-up**: Send reminders to referrers if their invitee hasn't signed up after a set period, encouraging them to follow up and complete the referral.

DRIVER	WHAT	HOW	IMPACT
Notification enablement	Enable essential notifications during the referral funnel lifecycle to keep users engaged and informed.	Share referral links via email, update referrers on the performance of their links outside the product, and celebrate successful referrals with them.	Up to a 227% higher activation rate than the same programs with notifications switched off (Cello platform data, n = 4 million B2B SaaS referral users).
Activation campaign (+7/+14/+21 days)	Implement activation campaigns that use pop-up notifications at key intervals (+7, +14, +21 days) to remind users of the referral program.	Integrate these notifications strategically across the user journey to maintain visibility and awareness without disrupting the user experience.	Up to a 164% higher activation rate than users who receive no activation campaign (Cello platform data, n = 4 million B2B SaaS referral users).
7-day welcome email	Enable a welcome email as part of your user onboarding process.	Send a welcome email to new users 7 days after their first login, reinforcing their decision to use your tool and introducing them to key features.	Up to a 141% higher activation rate than users who receive no welcome email (Cello platform data, n = 4 million B2B SaaS referral users).

What good looks like

The graphic below summarizes the impact of various UX key drivers. It's best to implement a combination of these strategies for optimal results.

The strongest programs combine several of these rather than betting on one. In practice that means multiple launchers so the program is easy to find, a personalized referee landing page, clear in-app and email status updates for the referrer, and a payout process that handles tax, legal and KYC without the referrer having to think about it.

UX drivers of referral programme success

What each change costs you to build, and what it returns.

EFFORT SCALE LOW MEDIUM HIGH Filled purple is the easy build — same scale used for impact.

KEY DRIVER	WHAT IT MEANS	EFFORT	IMPACT	UPLIFT
DISCOVERABILITY **Multiple launchers**	Put the program in the first-level menu and add custom launchers at key moments	High	Highest	882% activation
DISCOVERABILITY **Mobile app integration**	Embed the program in your mobile apps, where users have their sharing link to hand	Medium	High	200% signups
DISCOVERABILITY **Moments of delight**	Place the prompt at moments of delight — aha moments, upgrades, high NPS scores	Medium	Very high	341% sharing
EASE OF SHARING **Personalized landing page**	Personalise the referral landing page: product visuals, hero message, strong call to action	Medium	High	213% signups
ENGAGEMENT **Notifications**	Keep users engaged through the funnel with in-app and email notifications	Medium	High	227% activation
QUICK WIN · ENGAGEMENT **Activation campaign**	Pop-up reminders at +7, +14 and +21 days for users who never engaged	Low	Solid	164% activation
QUICK WIN · ENGAGEMENT **Welcome emails**	Include the referral program in your welcome email sequence	Low	Solid	141% activation

Coral marks the quick wins: low effort to ship, measurable lift on activation.

UX drivers for referral program success, with effort, impact and Cello data (Source: Cello).

Designing the incentive

Kate Syuma, Founder, Growthmates

TL;DR

The dollar amount is rarely what is holding your referrers back. What decides whether a B2B program works is who the reward actually benefits, how it is framed, and when it pays.

Most B2B programs inherit a B2C mechanic: account credits and in-product perks. That works when the referrer controls the budget and fails when they do not, which in B2B is almost always. Personal, monetary rewards outperform credit, because the individual benefits rather than their employer.

Four things move the number after that. Set the cap from your own ACV, not from a competitor's page. Pay recurring where contract values and sales cycles support it, one-time where they do not. Reward both sides: dual-sided rewards lift sign-ups 140% and purchases 270% against single-sided programs in Cello platform data. And lead with the maximum a referrer can earn, in the headline, in a format people can scan rather than read.

WHAT WILL YOU LEARN?

01 What are the psychological drivers of referral behaviors?

02 Why do some B2B user referral programs perform and others don’t?

03 Which incentive scheme works best for you?

04 What are incentive best practices and pitfalls?

Different incentive types and schemes in referral programs

Incentives in B2B SaaS split into monetary and non-monetary, and the two work very differently on a referrer's motivation.

Tiered, one-time, recurring incentive schemes

The structure and distribution of incentives, whether monetary or non-monetary, can vary. Currently, **four incentive schemes** dominate the market.

SCHEME	HOW IT PAYS	EXAMPLE	BEST WHEN
Tiered	Progressively greater rewards based on the number of referrals	Trello offers free premium months that increase with more referrals; Pipedrive offers tiered benefits like swag, in-product credits and vouchers	You want to motivate users to make multiple referrals to unlock higher rewards
One-time	The reward is paid immediately and in full	Zoom's $20 Amazon gift card for each new paid sign-up	You want the whole reward to land at once, on the referral itself
Recurring	A monthly % of the referred-in users' subscriptions	Typeform's reward	You want sustained engagement, rewarding users as long as referred customers remain subscribed
Hybrid	Combines monetary and non-monetary rewards	Dropbox offered extra storage (non-monetary) and discounts (monetary); Evernote blends one-time rewards with tiered benefits	You want to appeal to diverse users and maximize engagement across different segments, pairing immediate gratification with long-term incentives

Okay, now we know more about incentive types and schemes, but do they all work? Let's step back and try to understand the underlying psychological concepts.

Choosing your reward type

Cash motivates people with no stake in the product. Everything else motivates people who have one.

	PERSONAL MONETARY INCENTIVES	NON-MONETARY INCENTIVES
Form	Direct financial rewards — e.g. cash payouts	Exclusive access, recognition or privileges: badges, credits, donations
Best suited (psychological)	**Extrinsic referrers**	**Intrinsic, social referrers**
Best suited (market)	**B2B & B2C**	**B2C**
Rationale	• Referrers do not pay the bill in B2B — cash motivates where product credit cannot • Higher ACV means you can pay more	• Referrers benefit directly from in-product rewards • ACV is lower in B2C — balance against LTV/CAC
Consider	• Cash payouts bring tax and legal work: tax advice, KYC	• Understand what actually motivates your users, then A/B test it
Examples	Typeform: 20% upfront, then 15% of the monthly subscription of each referred user, capped at $500	HubSpot: Early and exclusive course access Free storage

Pick the reward your referrer would want even if they never told a friend.

Cash motivates people with no stake in the product; everything else motivates people who have one.

Psychological drivers of referral behaviors

“The most credible advertising comes straight from the people we know and trust. More than eight-in-ten global respondents (88%) say they completely or somewhat trust the recommendations of friends and family. Source: Nielsen Global Trust in Advertising report, 2021.”

Referrals have two important qualities that advertising does not possess: trustworthiness and relevancy.

But why do people recommend a product? What are the psychological and social motivations for getting people to invest their precious time and social capital in making these recommendations?

Cello's research identified three fundamental psychological drivers behind incentives: **extrinsic**, **intrinsic**, and **social**. At their core, incentives promise a future reward in exchange for a specific action. In the context of software products, these incentives typically fall into three categories.

The 3 incentive cycles

DRIVER	WHAT MOTIVATES	EXAMPLE
Extrinsic	External rewards. Based on B.F. Skinner's (1953) operant conditioning, these incentives influence behavior by offering clear and immediate benefits for actions	Wise's "Give $ and Get $"; Dropbox's discounts
Intrinsic	Internal motivations, such as learning new skills or achieving personal goals. This aligns with Deci and Ryan's (1985) Self-Determination Theory, which emphasizes autonomy, competence, and relatedness as intrinsic motivators	Ledgy plants a tree for each referral, appealing to users' desire to make a positive impact
Social	Recognition from others. Based on Festinger's (1954) Social Comparison Theory, people value social approval and compare their success to that of others	LinkedIn's "Top Voice" badge

These three incentives highlight why people might engage in certain behaviors, such as making referrals. Yet, any referral comes with an effort, which we symbolized in the graphic below: the purple team represents the benefits, and the orange team represents the efforts and downsides. The more you can increase the strength of the purple team, the more likely your users are to refer your product or brand.

The purple team consists of two kinds of referrers: The **transactional and** the **social referrer (in which we also include the intrinsically driven referrer)**.

To learn more about these two types of referrers and understand what reward and incentive schemes work best in B2B SaaS, Cello conducted empirical research and analyzed Cello platform data (n = 4 million B2B SaaS referral users) to develop best practices and pitfalls.

Every share is decided by four forces. A program only works when the left side wins: raise the reward, or lower the effort and the risk (Source: Cello).

Best practices & pitfalls

How two products word the offer

Cello conducted three different types of user research:

Research I: Cello conducted qualitative interviews with B2B SaaS users (n=20) to understand different types of referrers and incentives (referred to below as research I).

Research II: Cello administered a quantitative survey to B2B SaaS users (n=100) to determine the optimal reward amount for product referrals (referred to below as research II).

Research III: Cello analyzed its own platform data (n = 4 million B2B SaaS referral users) on various incentive structures (referred to below as research III).

#1 Rewards should be relevant (and monetary)

In B2B, personalizing incentives is key. In-product rewards, like Dropbox's extra storage, work well in B2C because the referrer benefits directly. However, in B2B, where referrers lack budget control, these rewards hold less appeal.

Monetary incentives or personally beneficial rewards are typically more effective because the individual user benefits from them, not the company. For example, Airtable’s account credits may not entice B2B users as much as direct cash rewards. In contrast, tl;dv combines a social incentive (discount for friends) with an extrinsic incentive (cash reward), creating a more compelling offer for the individual user.

Cello's research (Research I) highlights these psychological drivers, and while user bases vary, B2B SaaS users are primarily transactional rather than social referrers.

Incentives need to be **relevant to your users**. The majority of transactional referrers are driven by financial rewards, while social capital referrers value social incentives, like offering friends a discount. Combine both of them.

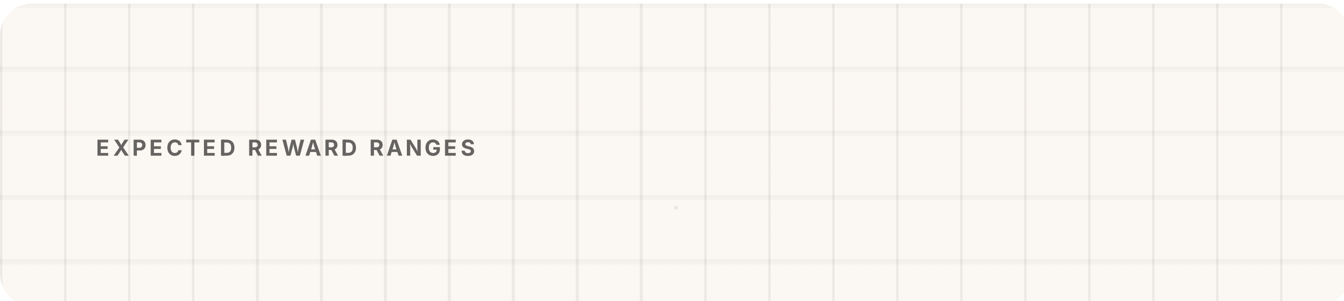
#2 Ensure the reward is meaningful but achievable

In B2B, larger Annual Contract Values (ACVs) allow for higher rewards, but incentives must be tailored to your product specifics.

Start by calculating a "reward cap" based on your ACV, for example, setting a percentage of Monthly Recurring Revenue (MRR) you pay out with a cap of $2,000 (see Research II, elaboration in #3 below).

The key takeaway from research II: Higher ACV products are associated with higher reward expectations from referrers.

The figure below outlines expected reward ranges based on product ACV.



Study on expected reward ranges (Source: Cello)

Rewards must be **attractive to encourage sharing.** Excessively high caps risk appearing unrealistic. Balance compelling incentives with attainability (see Research I).

Now let’s take one step further and analyze different set-ups to find the best one for you.

#3 Tie rewards to referred revenue, and make them recurring where you can

B2B products typically have smaller user bases than B2C products, making it harder for referral programs to go viral. To overcome this, focus on strategies that encourage repeated engagement. One effective method is offering ongoing revenue sharing from referred subscriptions.

B2B products have higher contract values, enabling extended reward distribution. Offering rewards as a percentage of monthly subscriptions over time creates recurring payouts, serving as ongoing reminders and motivating users to refer more frequently. This approach helps build a steady revenue stream.

Recurring rewards keep referrers engaged, make fraud far less profitable, and make a near-zero payback period and an **LTV:CAC ratio above 3** much easier to hold, because every payout comes out of revenue the referral has already generated.

There is an exception, though. A recurring model is not always the right scenario, and rewarding intermediate milestones before revenue is generated can boost engagement and accelerate referral activity. The right reward model depends on two key factors:

- **Annual Contract Value (ACV):** A recurring reward model with small monthly rewards (e.g., under €5) may feel insignificant when ACVs are low. In these cases, one-time rewards create lasting impact and motivate referrers more effectively.
- **Time to Revenue:** Maintaining referrer motivation can be challenging for companies with long sales cycles. Offering one-time rewards upfront helps sustain engagement until revenue is realized.

The figure below highlights these dimensions. High-ACV products with short sales cycles suit recurring rewards (e.g., a percentage of MRR). For longer sales cycles, intermediate one-time rewards are recommended to keep referrers engaged.

Reward structure matrix: one-time rewards versus percentage of MRR by ACV and time to revenue (Source: Cello)

Below are potential reward setups for companies across different ACV ranges.

Tuning your reward parameters: percentage of MRR, reward cap, one-time rewards, example companies and new-user discount by low, medium and high ACV (Source: Cello)

For referee discounts (new users), ensure the discount is substantial enough to stand out from other campaigns.

In Cello's data, a **new-user discount of around 30%** for a limited period (e.g. 6 months) improves both the sharing and the sign-up rate. Cello has not published the underlying test, so treat the specific combination as a starting point rather than a benchmark.

#4 Rewards should be multisided

A common pitfall in referral programs is focusing solely on rewards for referrers while neglecting incentives for new users. It's equally important to provide tangible benefits for new users to drive sharing and conversions.

Research I and III, along with insights from Andrew Chen, emphasize the importance of appealing incentives to attract new users. Discounts are simple, appealing, and work well, especially for products with fast value delivery and free trials.

“I’ve also seen B2B contexts where, in a professional setting, people are more likely to invite others if they are perceived as altruistic, such as giving out a large discount to new users.” Source: Andrew Chen.

Cello's user research shows symmetric rewards (e.g., €500 for both referrer and referee as a discount) deliver the best results.

Cello platform data (n = 4 million B2B SaaS referral users) shows **dual-sided rewards lifting sign-up rates by 140% and purchase rates by 270%** against single-sided programs on the platform.

#5 The way you communicate and visualize your reward matters

Keep the message clear and focus on the key details of the referral program. Users should quickly grasp how much they can earn and understand the benefits for their peers, leveraging the program's social incentives.

Uber demonstrated this well by combining two metrics: initial signup conversion and first-month earnings (for completing a set number of trips). This approach allowed them to advertise a headline reward of over $3,000, significantly outperforming the earlier $200 figures in A/B tests. Larger numbers consistently drive better results as confirmed by Research I.

Highlight the maximum reward cap in the headline

Numbers and presentation play a crucial role in influencing user behavior. Take inspiration from Amazon by crafting a compelling, attention-grabbing message that motivates users to share.

In Research I, Cello tested different referral screens with randomized orders to reduce 'Primacy Bias.' One group saw a high-cap reward headline first (Prototype 2), while the other saw a standard "Share and Earn" heading (Prototype 3). The results underscore the importance of prominently showcasing maximum rewards.

Display a realistic maximum reward target prominently, ideally in the headline, to set clear and achievable expectations for users.

Provide metrics on rewards earned throughout the referral funnel

Cello also tested various screens highlighting different metrics (e.g., referrals made, rewards earned, savings for referees):

- Social referrers responded positively to information about the benefits for others.
- Transactional referrers found this feature appealing as it displayed their earnings.

Share an overview of conversion **funnel metrics to encourage users** to continuously share the referral link. Gamify it! This will increase the activity of both social and transactional referrers.

Break information into smaller, digestible chunks to make it easier to understand

Chunking breaks information into smaller, digestible sections (e.g., "You Get" and "Your Friends Get"). This approach makes reading and understanding faster and easier.

Cello's research showed that many users skimmed for numbers and headings rather than reading the full text. Chunking caters to these users by helping them quickly grasp key details and complete tasks efficiently.

We recommend using a **chunked, easy-to-scan format** on both mobile and web. If possible, A/B test this format across different customer types and products to compare conversion rates against your current design.

#6 A/B test incentive types and reward communication

This is the most important advice. As suggested throughout this piece, there is no one-size-fits-all solution; instead, there are general guidelines and recommendations.

Cello's internal research and data indicate that you should follow these best practices to identify the most suitable reward setup. However, the final choice largely depends on understanding your product and users.

Ideally, you have the capacity to **run A/B tests on different reward types, caps, and ways of presenting** them to your users to find out the perfect mix.

Referrals don't launch themselves

Kevin Indig, Growth advisor, Growth Memo

TL;DR

A referral program does not announce itself, and a single announcement is not a launch. Getting to your first hundred referrers takes product-led, sales-led, marketing-led and user-led plays sequenced across pre-launch, launch day and the weeks after.

Nearly all of the work sits before go-live: picking the channels and the budget, drafting the in-product and email messages, and building the landing pages and asset kit that referrers and referees actually arrive on. Launch day is executing what already exists, everywhere at once, with the founder's voice on it.

Then the part most teams skip. The launch spike decays without status notifications to the referrer, activation nudges at seven, fourteen and twenty-one days, a welcome email a week in, and your best referrers made visible to everyone else.

WHAT WILL YOU LEARN?

01 How do you sequence a launch across pre-launch, launch day and the weeks after?

02 How do you prepare the channels, budget and internal teams before launch?

03 What should launch day itself look like?

04 How do you keep engagement high after the launch spike?

Pre-launch: preparation is everything

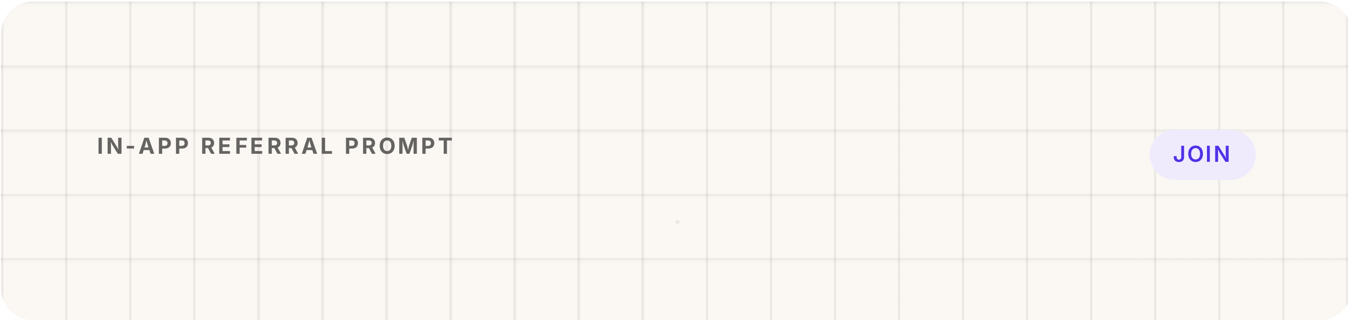
Everything that makes launch day work is decided before it. This section covers the pre-launch groundwork: choosing the channels you will announce on and budgeting for them, drafting the in-product and email messages, and building the landing pages and shareable assets your referrers and referees will land on.

Plan the right channels and budget for referral GTM.

Plan the right channels and budget

In-product messages

Utilize in-product messages and banners to seamlessly integrate the referral program into the user experience. Targeting users directly within your product can drive awareness and encourage participation at critical engagement points, such as after a successful transaction or achieving a milestone.



JOIN keeps its referral prompt at the edge of the dashboard, visible during normal work rather than interrupting it.

New users onboarding

Incorporate the referral program into your new user onboarding flow as a final step. This ensures every new user is aware of the opportunity to earn rewards. By introducing the program at the end of the onboarding process, you can seamlessly highlight its benefits and encourage immediate participation, setting users up for success from the start.

Incorporate your sales & customer success team

Empower your sales and customer success teams to introduce the referral program during client interactions, ensuring they are well-equipped with key messaging and incentives. This approach allows for personalized outreach, tapping into the team's relationships to boost program participation and build trust.

Updating profiles and signatures

Adding referral messages to bios and email signatures is an easy way to amplify visibility. It leverages existing channels like LinkedIn and email to passively promote the program, reaching professional networks with minimal effort.

Prepare email campaigns

Leverage email outreach to address existing users with personalized invitations to join the referral program. Highlight the benefits and rewards clearly while maintaining a sense of urgency to boost participation rates and keep the program top of mind.

Run newsletters

Incorporate the referral program launch into your newsletter strategy (for existing and potential new customers). You can even include it as a continuous call-to-action to inform users of the program's benefits. This keeps awareness high.

Prepare website landing page

Enhance visibility by creating a dedicated landing page for your referral program (see details below). This will not only attract attention from potential leads but could also appeal to affiliates and influencers, making it easier for them to engage with and promote your program.

Promote your program on social media (e.g. X / LinkedIn)

Promote the referral program on social platforms like X, LinkedIn, Instagram, Facebook, TikTok or Snapchat. It really depends on where you can locate your target audience (e.g., vertical SaaS for hairdressers who would rather use Instagram or TikTok) to reach the right audience and tap into your users' networks. Create compelling content that showcases success stories, user testimonials, and clear calls to action to amplify the program's visibility and appeal.

Depending on your company size and stage, **$5-10k ad spend** is reasonable to promote and kick-start the go-live of your referral program.

Communities and forums (Slack / Reddit)

Engage with relevant communities and forums, such as Slack groups or Reddit threads, to foster organic conversations about the referral program. Encourage users to share their experiences and benefits, leveraging community trust to drive program credibility and adoption.

Influencers and partners

Partner with influencers and partners who resonate with your target audience to amplify the reach of your referral program. Leverage their credibility and established trust within their communities to create authentic content highlighting the benefits and rewards of participating in the program.

Plan and draft the right messages

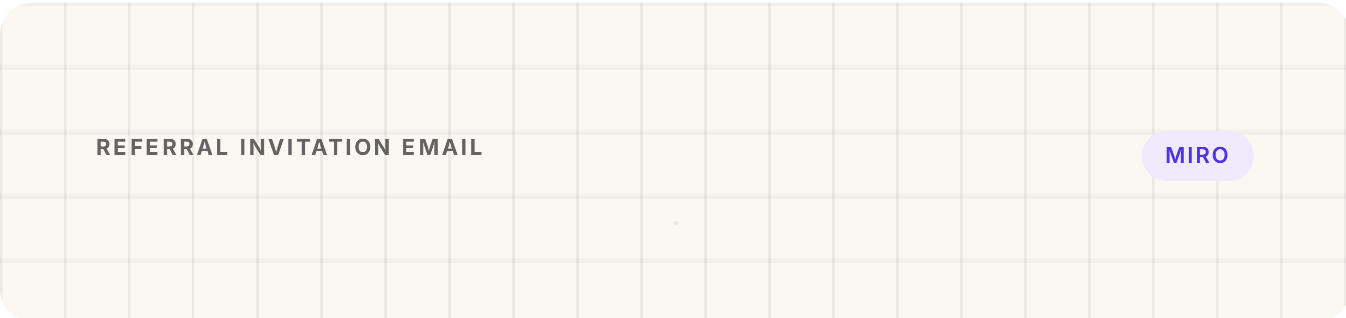
In-app messages are used to build trust in the referral program, create fear of missing out and provide social proof.

Make them short and crisp with a concise headline that clearly explains the reward to the referrer. Briefly describe the reward details in the smaller text. Make them appear when a new user logs-in or after crucial moments of delight (first transaction, upgraded to a higher paid plan, high NPS score).

Add email notifications to nudge referrals and increase engagement outside your product. A well-written referral email should be clear, concise, and personalized. It should directly address the recipient and explain the benefits of the referral program. Include a strong call to action, a unique referral link, and visual elements to grab attention.

There are several types of referral email templates you could choose from:

EMAIL TYPE	PURPOSE
Invitation Emails	Introduce the referral program to customers and invite them to participate.
Notification Emails	Inform customers when someone they referred has taken an action, such as signing up or making a purchase.
Thank You/Re-engagement Emails	Show appreciation to customers for their referrals and encourage them to continue participating.
Reminder Emails	Remind customers about the referral program and any pending rewards they can earn.
Mass Emails	Reach a larger audience quickly, offering a compelling reason to join the referral program.



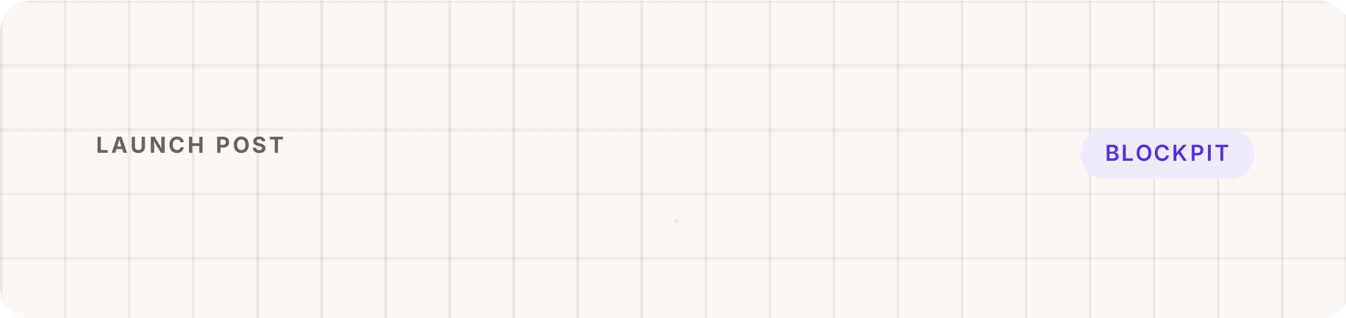
An invitation email in practice: Miro leads with the reward, then spells out the three steps to share a code.

To create an engaging go-live post for X and LinkedIn announcing your user referral program, start with a compelling hook that grabs attention, such as "Exciting news! Our Referral Program is now LIVE!"

Clearly outline the steps for participating and highlight the reward, whether it's discounts, monetary payouts, or exclusive perks.

Use a carousel or a cheatsheet visual to detail each step and showcase the benefits. This makes it easy for users to understand how to join and what they can gain. Encourage followers to refer today and amplify your message with a strong call to action.

Don’t forget to make your employees spread the news as well.

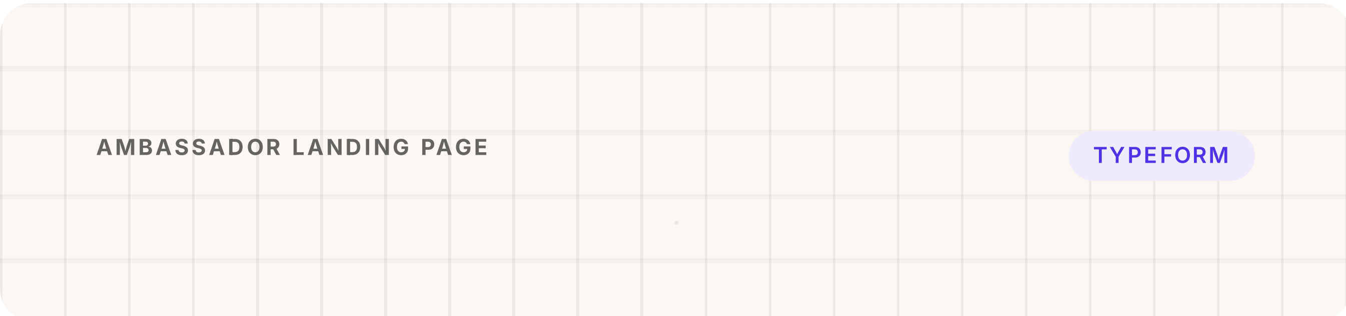


Blockpit's go-live post states both sides of the reward in the first line, which is what makes a launch post scannable in a feed.

Prepare the landing page of your new program for ambassadors

A dedicated landing page on your website is crucial for any referral program. This page should clearly outline the program's benefits, structure, reward system, and payout terms (such as referral-based, one-time, or lifetime rewards). An excellent example of this is Fellow's ambassador program page. Make sure your landing page includes:

- An easy-to-understand value proposition.
- Visualize what's in it for the referrer.
- Describe the referral process.
- Include a clear CTA to get started.
- Maintain a FAQ.
- Provide assets for sharing (message templates, media kit), see below.



Typeform's referral page covers the value proposition, the reward and the CTA above the fold, which is the minimum a landing page has to do.

Prepare assets for referrers and influencers

Empower your referrers with user-friendly resources: Provide customizable templates that highlight your product's key benefits, focusing on how it solves specific problems. Incorporate compelling social proof, such as user testimonials or case studies, to showcase the real-world impact. Don't forget to include a strong, clear call to action to guide potential customers.

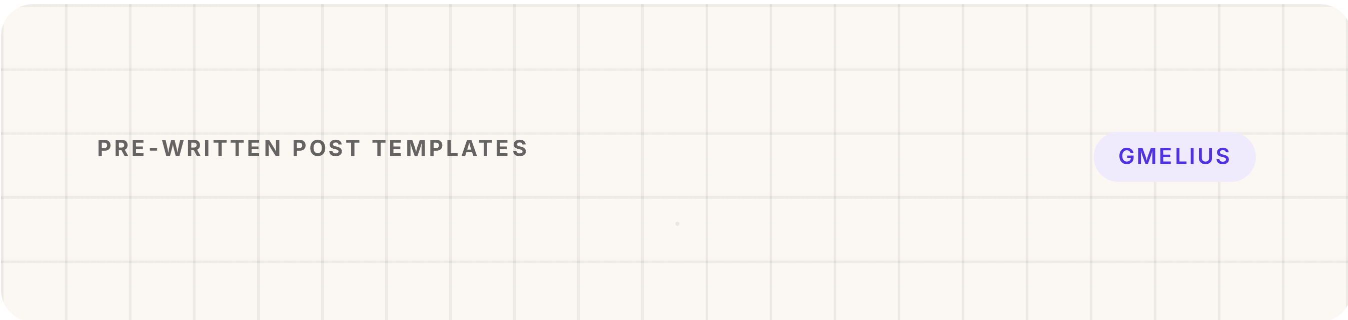
Referral resource example (inspired by tl;dv):

- Customizable email templates.
- Social media post suggestions.
- Shareable infographics showcasing product benefits.
- Short video tutorials for quick demonstrations.
- FAQ document addressing common prospect questions.

Equip your users with clear, concise messaging that effectively communicates your product's value proposition. Provide them with easy-to-use templates highlighting key benefits and unique selling points. For example, Butter offers a template for users to easily share the product's value.

Utilize your product's features to create organic referral opportunities. When users generate shareable content through your platform, such as presentations in Pitch or AI-generated meeting summaries with tl;dv, it naturally showcases your product's capabilities to potential new users.

Offer pre-written social media posts for effortless sharing. Here's an example from Gmelius:

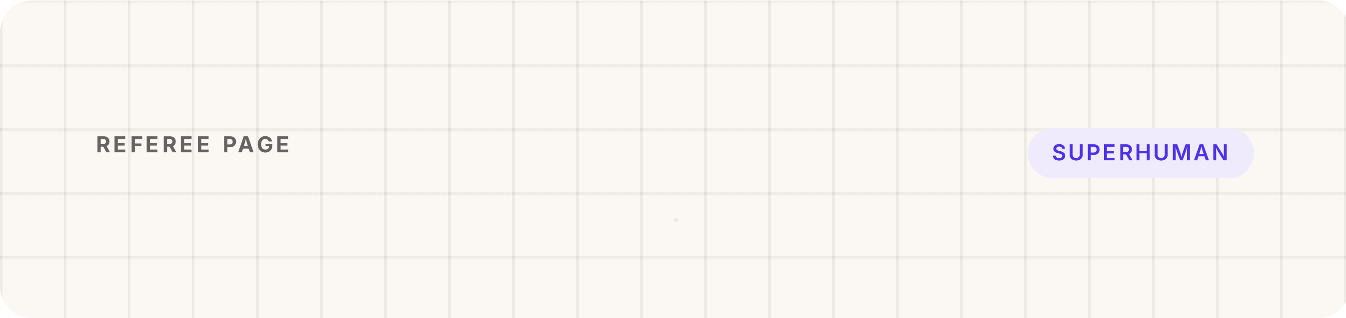


Pre-written posts remove the hardest part of referring: Gmelius gives referrers the words and leaves only the link to drop in.

To ensure you attract the right leads, provide clear guidelines on your ideal user profile. This helps potential referrers understand who would benefit most from your product. Some companies take this a step further by implementing smart referral systems. For example, certain platforms can analyze your contacts and suggest potential leads based on factors like email domains, ensuring a higher likelihood of finding well-matched customers.

Prepare the landing page for referees

The principles that apply to referrers also hold true for referees. Boost signup conversions by designing a personalized referral landing page that caters to the specific needs and expectations of new users, while leveraging social proof.



Superhuman names the person who referred you on the page itself, which is the personalization that moves referee conversion.

Naming the referrer on that page is what makes it work. The seven elements a referee landing page needs, and the conversion lift behind them, sit in Chapter 04, The referral button nobody clicks.

Plan a gradual roll-out

Consider an initial rollout with power users or influencers first. These users are often more forgiving and provide valuable feedback to help improve subsequent launches.

When implementing your referral program, consider a phased rollout approach. Start by identifying your target audience: this could be all users, a specific segment, or influential customers. A gradual launch strategy is often beneficial. Begin with your power users: they're typically more understanding and can provide invaluable insights to refine the program before a wider release. This approach allows you to gather feedback, make necessary adjustments, and ensure a smoother full-scale launch.

Power user targeting leads to **higher activation of 16%** per message, which lets you get valuable feedback on your program before rolling it out across your user base. You can simply target them with in-app messages.

Activate internal teams for success

To ensure the success of your referral program, activate internal teams by aligning with your sales and customer success teams. Provide them with key messaging, program details, and incentives to share with customers during their regular interactions. Empower these teams to become program advocates by equipping them with training and resources, like scripts and email templates, so they can confidently promote the referral program and encourage participation.

Ideally, you also set referral lead generation goals for the sales team, which they will be measured against. Incorporating these goals into their compensation plans is recommended.

Identify key metrics to track

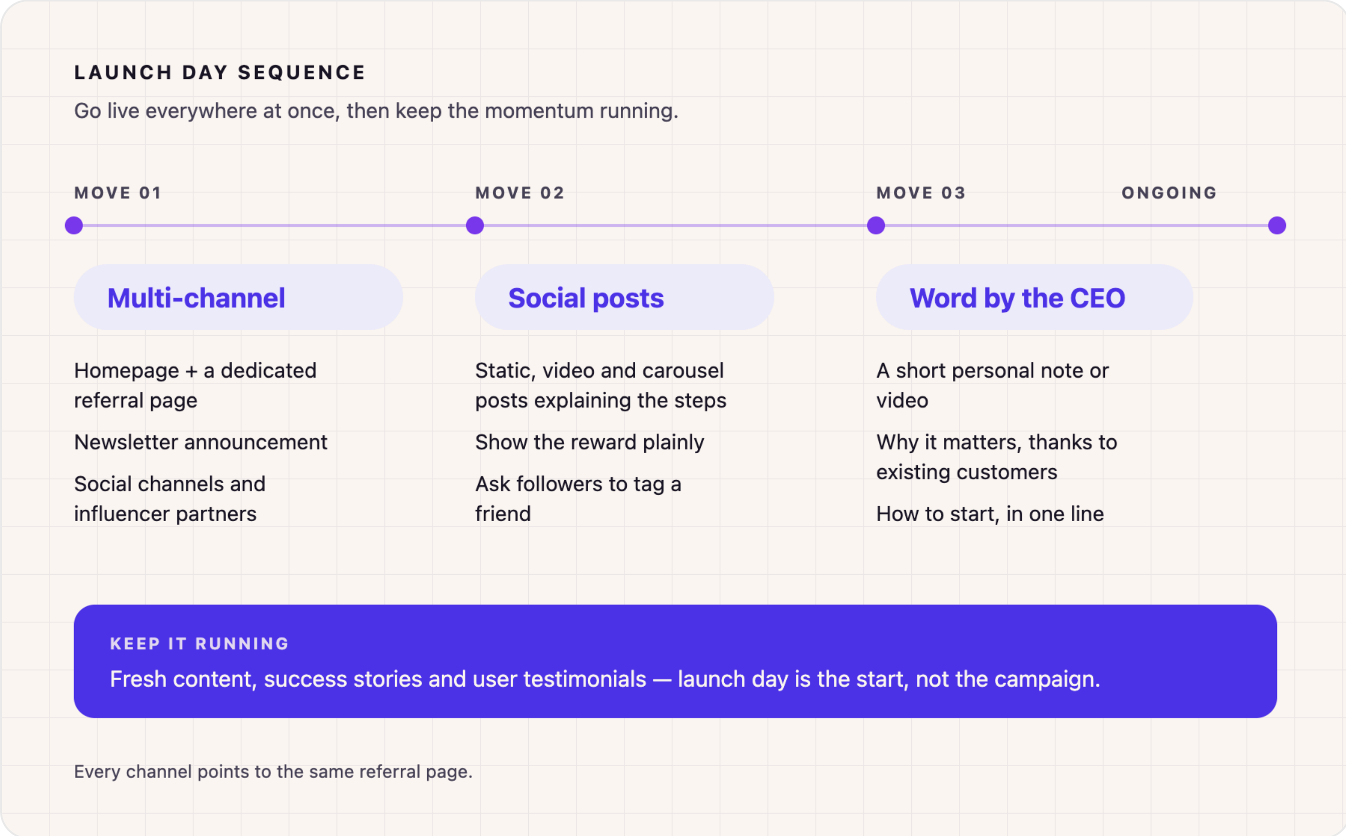
Be prepared to track key performance indicators (KPIs) from the start to measure your program's impact and enable continuous improvement.

There are various approaches to optimizing your referral program. While you can focus on increasing activation and sharing rates at the top of the funnel, we recommend starting with the bottom. Try to optimize conversion at the end of the funnel before pushing hard on activation. This strategy often yields better results.

Launch day promotion: go live with a big bang

The day has come! Go live with a big bang and apply the above mentioned tactics.

1. **Multi-channel promotion**: Boost your referral program's visibility by promoting it across all key channels. Feature it prominently on your website's homepage and dedicated referral page. Include a compelling announcement in your newsletters to engage your existing customer base. Leverage social media platforms, and collaborate with influencers to reach new audiences. This multi-channel approach ensures maximum reach and drives user participation from various touchpoints.
2. **Social postings**: Create engaging social media content that highlights the benefits of your referral program. Use a mix of static images, videos, and carousel posts to explain the steps involved and showcase rewards. Encourage followers to share their experiences and tag friends, boosting organic reach and engagement. Regularly update with fresh content, success stories, and user testimonials to keep the momentum going.
3. **A word from the CEO**: Add a personal touch with a CEO message or video, similar to Plancraft's example. The CEO can share why this referral program is an exciting opportunity for the community, express gratitude to existing customers, and outline the program's benefits and simple steps to get started. A direct, heartfelt message can build trust, encourage participation, and create a shared purpose among customers.



Launch day sequence: multi-channel, social posts, word by the CEO, then ongoing momentum.

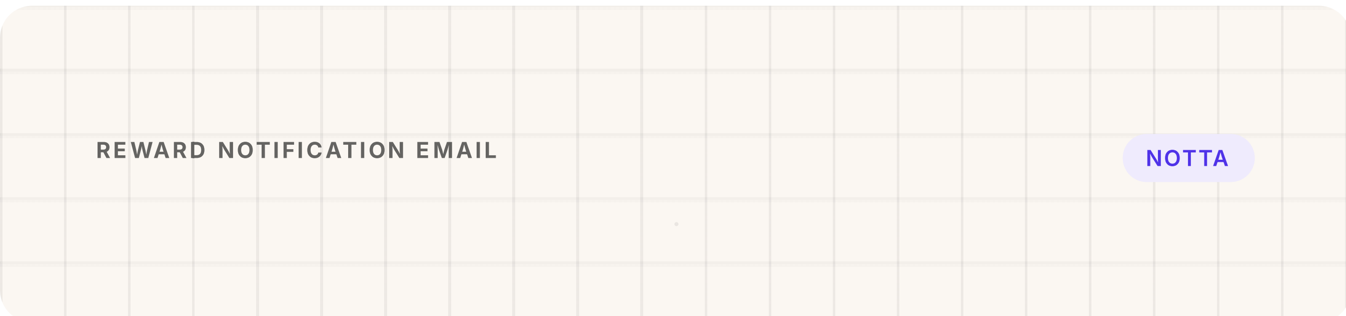
Post-launch day: keep engagement high

Launch week is the easy part. What keeps activation and sharing rates up afterwards is a set of continuous nudges, some of them inside the product and some of them outside it.

In-product

The in-product half of post-launch engagement, referral notifications, timed activation campaigns and the A/B tests that tune them, is covered in [Chapter 04, The referral button nobody clicks](), where we explored UX and in-product integration with [Aakash Gupta]().

Outside app promotion



A payout notification doubles as a nudge: Notta tells the referrer the reward is real before asking for payment details.

Welcome email

Incorporate a welcome email into your user onboarding process to boost engagement and activation. Send this email to new users 7 days after their first login, reinforcing their decision to use your tool and introducing them to the referral program.

This timely communication reinforces the decision to sign up and is the third of the three engagement drivers measured in Chapter 04.

Highlight top ambassadors

You likely have a group of power users who are also your most successful referrers. Celebrate these top ambassadors by creating short success stories that showcase their achievements. Encourage them to share their experiences on social media, recognizing them as top ambassadors. Their stories not only spread the word but also inspire others to engage with your referral program.

The referral program that compounds

Linus Hallberg, Senior Product Manager, Typeform

TL;DR

Scaling a referral program is not about generating more referrals. It is about building something that does not break when they arrive.

The first decision is buy or build, and it is really a question of what you are willing to own permanently: attribution, fraud detection, tax and KYC, and multi-currency payouts. Buying removes most of the automation but not those gaps: referral tooling is almost never end-to-end, so find out which gaps your vendor leaves before you sign rather than after your first thousand referrals.

After that, three things break, in order. Operations, once tracking and payouts outgrow manual handling. Compliance, the moment money crosses a border. And optimization, which decays quietly while the dashboard still looks fine. Reward design covers the first two at once: a capped recurring share of revenue with a two-week claw-back window prevents more fraud than any detection rule.

WHAT WILL YOU LEARN?

01 Should you build referral infrastructure in-house or buy it?

02 Why does referral software stop scaling?

03 How does reward design double as fraud prevention?

04 What tax and KYC obligations come with monetary payouts?

05 What belongs in your referral Terms of Service?

Buy or build: the decision behind everything else

Before any of the mechanics matter, there is a decision to make: do you build the referral infrastructure yourself, or do you buy it?

Building in-house gives you full flexibility. You control the reward logic, the attribution model, the payout timing, and how deeply referrals sit inside the product. What you also own is the cost: tracking and attribution, fraud detection, tax and KYC compliance, multi-currency payouts, and the engineering time to keep all of it correct as volume grows. That is not a one-off build. It is a system somebody has to maintain permanently, and it competes for roadmap with the product your customers actually pay for.

Buying a third-party tool takes most of the automation off your plate. It also comes with an honest caveat, and it is worth saying plainly even from a vendor: referral tooling is almost never end-to-end. Most tools handle tracking, attribution and reward distribution well, and leave gaps around fraud detection, tax compliance and payout handling. Those gaps do not disappear because you bought software. They become your responsibility to close, whether by process, by a second vendor, or by legal review. Know which gaps your tool leaves before you sign, not after your first thousand referrals.

Either way you land in the same place, which is why this chapter is organized the way it is. Scaling a referral program comes down to three areas, and they tend to break in this order:

1. **Operational complexity.** Tracking, verification and reward distribution stop being manageable by hand.
2. **Regulatory compliance.** Monetary payouts pull in tax documentation, KYC, AML and cross-border rules.
3. **Continuous optimization.** A program that is never tested or refined decays quietly while the dashboard still looks fine.

The rest of this chapter takes them in that order.

Why does referral software stop scaling?

Even well-structured referral programs face challenges when scaling. High referral volumes introduce operational inefficiencies, compliance risks, and reward-tracking issues that can negatively impact user trust.

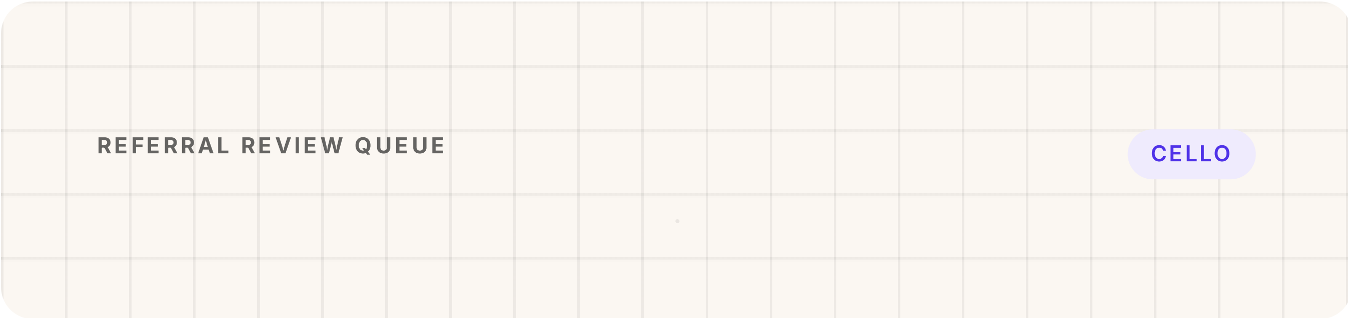
Loopholes that complicate scaling B2B referral programs: tracking issues, fraud, payout management, compliance challenges and legal considerations.

One of the biggest obstacles is the high maintenance required to keep the program running smoothly. Without automation, teams struggle with **tracking referrals** accurately, verifying eligibility, and ensuring rewards are distributed on time. Manually processing referrals is not only time-consuming but also prone to human error. As a result, discrepancies in tracking and attribution can lead to missed payouts, referrer dissatisfaction, and even churn.

Fraud is another common issue that grows with scale. Self-referrals, usage of stolen credit card credentials, and duplicate sign-ups can dilute the effectiveness of the program. Without proper fraud detection mechanisms, businesses may find themselves rewarding users who manipulate the system.

A well-structured referral reward system can serve as a natural fraud prevention mechanism while ensuring a positive ROI. Instead of offering a high one-time payout (e.g., €500), implementing a recurring reward model, such as a percentage of the referred customer's monthly subscription fee (e.g., 25%, capped at €500), ensures that the company consistently generates more revenue than it distributes in rewards. This keeps the referral program profitable at all times.

Moreover, in cases of detected fraud, payouts can simply be halted, minimizing risk. An additional safeguard is introducing a **claw-back period** of 14 to 30 days before processing payouts, allowing time to identify fraudulent activity before any rewards are issued.



What a claw-back period buys you: a window in which flagged referrals can still be rejected before any money leaves.

Managing reward **payouts** also becomes increasingly complex. For monetary incentives, businesses must handle tax compliance, process payments in multiple currencies, and ensure transactions are secure and legally compliant. Relying on manual reward distribution is cumbersome and error-prone, making it a major bottleneck when scaling.

Tax & KYC compliance

Tax and legal sections contributed by Dr. Martin Friedberg, LL.M., partner for tax law at CMS Germany. Threshold figures have been updated since his contribution and are current as of August 2026.

Monetary payouts introduce significant financial and regulatory challenges that businesses must address. Many countries require **proper tax documentation, business registration, and KYC (Know Your Customer) compliance** for monetary rewards. Failure to comply can result in legal issues, tax penalties, and increased operational risks.

The same obligations apply, and get heavier, once you are paying external partners rather than your own users: see Chapter 08, Affiliates are a channel, not a strategy for how affiliate payout terms and commission structures are set up.

To manage compliance, businesses often rely on **payout intermediaries** such as PayPal, Stripe, or Venmo. These platforms handle transactions while ensuring legal compliance (e.g., providing IRS Forms (1099-K) in the US), reducing the burden on internal teams.

However, businesses should still educate referrers about **how to handle referral income** from a tax perspective. The revenue generated through referrals must generally be considered as taxable income for either a private individual or a business.

Each country has specific **tax thresholds** that determine whether referrers must register as a business and report taxes. A few examples:

- In the **United States**, non-corporate referrers earning $2,000 or more in a calendar year generally receive a Form 1099-NEC or 1099-MISC. Payouts routed through a third-party platform such as PayPal or Stripe are reported on Form 1099-K instead, which has a separate and much higher threshold of $20,000 and 200 transactions. (This threshold rose from $600 under the One Big Beautiful Bill Act and applies to payments made from 1 January 2026 onward; it will be indexed for inflation from 2027.)
- In **Germany**, individuals can use the small business exemption (Kleinunternehmerregelung, §19 UStG) only if their net turnover stayed at or below €25,000 in the previous calendar year and does not exceed €100,000 in the current year. Exceeding either figure ends the exemption and triggers VAT registration and returns, with the €100,000 limit taking effect immediately from the transaction that breaches it.
- In **India**, service providers with an annual turnover above Rs. 20 lakh (Rs. 10 lakh in the special category states of Manipur, Mizoram, Nagaland and Tripura) must register for Goods and Services Tax.
- In **Israel**, you can register as an exempt business (Osek Patur) if your annual turnover does not exceed NIS 122,833 (2026 figure, re-indexed to inflation each January). Above that, registration as an Osek Murshe is mandatory. Certain professions are excluded from exempt status regardless of turnover.
- In the **Philippines**, if your gross sales exceeded PHP 3,000,000 in the past twelve months, or are reasonably expected to in the next twelve, you are also required to register as a VAT taxpayer.

These are examples only, and the figures above were last verified in August 2026. Thresholds change, and two of these are re-indexed annually, so confirm the current figure for your referrers' jurisdictions before relying on any of them.

Handling payouts also involves compliance with **AML (Anti-Money Laundering) laws**. KYC verification is necessary to ensure users are legitimate and not engaging in fraudulent activities. If a business processes payments internally, it must verify referrers' identities, track large transactions, and prevent suspicious activity. Partnering with **KYC-compliant payment gateways as above** can streamline this process and reduce legal risks.

Another major challenge is ensuring referrers receive their payouts in **their local currency**. While this improves user experience, it introduces **foreign exchange rate fluctuations** and additional processing fees. Automated systems should be in place to manage these complexities, ensuring smooth and timely payouts.

Finally, businesses must provide the **correct tax documents** to referrers, including credit notes, earnings statements, and withholding tax deductions if applicable. Without these safeguards, compliance becomes a significant barrier to scaling.

Legal considerations

As referral programs scale, legal coverage must be robust enough to protect against fraud, disputes, and regulatory risks. A **comprehensive** [Terms of Service] is essential to ensure clarity around participation, reward eligibility, and payout conditions.

Enforcing the right policies is crucial to maintaining the integrity of a referral program. One key rule is the **strict prohibition of self-referrals**: referrers should not be allowed to create multiple accounts or falsely claim to represent the company. Additionally, referrers should be restricted from **running paid ads on search or social media platforms** using branded terms and using stolen credit cards to retrieve referral payouts, as this can create market confusion and drive up acquisition costs.

Fraud prevention mechanisms must be in place to detect **duplicate accounts, suspicious patterns, and system manipulation**. This requires a combination of **automated detection and manual verification** to ensure that rewards are only distributed to genuine referrers.

Cross-border payouts add another layer of complexity, as **legal and compliance requirements vary by jurisdiction**. Businesses must ensure:

- Referral incentives comply with local marketing regulations.
- Data protection laws, such as **GDPR**, are followed when processing referral data.
- Payouts align with **international tax and compliance requirements** to avoid legal risks.

A scalable referral program isn't just about growth, it's about preventing fraud, ensuring compliance, and maintaining trust.

Scaling strategies: how to optimize and grow your program

Scaling strategies: key drivers, definitions, effort and impact ratings, and Cello data.

Successfully scaling a referral program requires a **data-driven and iterative** approach. Simply increasing payout amounts or promoting the program more aggressively won't guarantee long-term success. Instead, businesses must focus on **continuous optimization** based on referral performance data.

One of the most effective strategies is **A/B testing**. Testing different referral landing pages, email notifications, and reward structures can significantly impact conversion rates.

For example, companies like **Typeform** have seen dramatic improvements by refining their referral funnel. They initially sent referral invitations at **moments of delight** (e.g., after a successful form submission).

Later, they added a **referral widget in settings**, optimized their referral landing page (leading to a **12.7% signup conversion rate**), and finally introduced a **menu launcher** that resulted in a **512% increase in referral activity within three weeks**.

Increase in referral activity

Roll out iteratively, not all at once. A/B testing tells you what works on a sample, not what survives contact with your whole user base. Ship changes as small controlled experiments, measure them against the metrics below, and only then roll out at scale. A reward change that looks like a 20% lift on 5% of users can be an expensive mistake at 100%, and the cost of finding that out late is paid in payouts you have already promised.

Scaling also requires leveraging **data-driven decision-making**. Businesses should track key metrics such as:

METRIC	DEFINITION
Sharing rate	% of users sharing a link with potential new users
Unique clicks per shared link	# of potential new users who click the referral link
Sign-up rate	% of potential new users clicking on the signup link for the referred tool
Purchase rate	% of new users converting to a paid plan
Annualized user to customer conversion (AUCC)	Number of new paying customers generated via referrals per 1,000 existing users over a year, expressed as a percentage of that user base. AUCC is Cello's own term rather than an industry standard.

The core scaling metrics and how each one is defined.

Closing thoughts

Volume is the test, and it arrives faster than most teams plan for. What follows is the checklist that decides whether a program survives it.

Six things need to be true before volume stops being a threat:

1. **Automate tracking, validation and reward distribution.** Manual processing is the first thing to fail, and it fails as missed payouts and lost referrer trust.
2. **Handle tax and KYC in every region you pay into.** Thresholds, documentation and identity checks differ by country, and the obligation is yours regardless of who processes the payment.
3. **A/B test the funnel continuously.** Landing pages, notification timing and reward structure all move conversion, and none of them are set-and-forget.
4. **Detect fraud before it is paid out.** Recurring rewards, caps and a claw-back window do more work here than any single detection rule.
5. **Write Terms of Service that hold up.** Eligibility, prohibited behavior and payout conditions, in writing, before the first dispute rather than after.
6. **Refine with data, not instinct.** The metrics above are the input, and the program should look different in six months than it does today.

Get those right and referrals stop being a campaign you run and become a channel you operate.

Affiliates are a channel, not a strategy

Alexander Estner, GTM Advisor, Independent

TL;DR

Affiliates scale past your user base, which is the one thing user referrals cannot do. It works as a paid growth loop: revenue funds the partners who distribute the product, and their distribution brings in the next cohort. Because payment is performance-based, reach and credibility in niche audiences cost very little upfront.

Whether it fits depends on your product rather than your ambition. Low-friction products with a free trial, a category people genuinely search, and a market with enough credible affiliates in it. High-friction or very narrow products can still work, but only with real upfront investment in educating partners.

The rest is unglamorous. Commission lands at 15 to 30 percent in practice, well below the published ranges. Start outbound and productize inbound later. And the partner kit, assets, post ideas, a changelog, examples of what good looks like, is what separates affiliates who publish once from affiliates who keep going.

WHAT WILL YOU LEARN?

01 What exactly are affiliate referrals, and how does the loop work?

02 Why should you invest in an affiliate program?

03 Which type of affiliate program suits your company?

04 What are the steps to launching one that works?

What are affiliate referrals?

We generally distinguish between user referrals and partner referrals. Affiliate referrals are a subcategory of partner referrals.

If we take one step back and look at the theoretical foundation of growth loops, Casey Winters and Kevin Kwok defined affiliate referral programs as a subtype of paid growth loops.

New sign-ups generate revenue, that revenue is reinvested into paying the partners and creators who distribute the product, and their distribution generates the next wave of sign-ups. Revenue is the fuel of the loop.

Affiliate programs are a paid growth loop: revenue funds the partners whose distribution brings in the next cohort.

Based on this theoretical foundation, we can define affiliate referral programs as a growth channel where businesses incentivize external partners (affiliates) to promote their products or services to a broader audience.

These affiliates, from individuals to companies, earn a commission or other rewards for each customer or sale they generate through their referral links.

The affiliate loop: each turn pays for the next, so distribution scales with the revenue it generates.

Now that you understand what affiliate referral programs are, let’s have a closer look at what’s in it for you.

Why should I invest in an affiliate referral program?

Affiliate referrals aim to leverage **cost-effective, scalable growth**.

This approach taps into the networks of trusted affiliates to **increase product visibility** and **credibility**, driving **targeted leads** and **conversions**.

Because affiliates are generally paid on a performance basis, spend follows proven results, which keeps payback short and makes a positive ROI far easier to hold than in channels you pay for upfront.

Moreover, it **enhances brand reach within niche markets** through partners with established audiences, facilitating efficient market penetration and customer acquisition with minimal upfront costs.

Before we try to understand if affiliate referral programs are for you, let’s have a deep dive into the most prominent types of affiliates and see which type of company is most suited for them.

The six types of affiliate program

We generally see the following 2 emerging forms of affiliate referral programs.

- **Affiliate content creators**: Online content creators who place affiliate links into their copy, visuals, or podcasts.
- **Affiliate hubs**: Specialized websites that provide access to affiliates or enable affiliate link listings.

Between them they cover six types (the list is non-exhaustive).

TYPE	WHAT IT IS
Newsletter publisher	Placement of an affiliate link in a newsletter (e.g. newsletter sponsorship)
Blogger collaboration	Placement of an affiliate link in a blog post (e.g. Top 10 AI tools)
Podcast hosts	Short ad placements plus an affiliate link in the podcast bio
Social media creators	Link placements in posts (LinkedIn, X, YouTube)
Coupon and deal websites	Place affiliate links on coupon websites
Affiliate marketplaces	Access a wide range of affiliates

The full comparison, with pros and cons, reach, cost, effort and a live example for each type, sits in the Resources page under [The full affiliate type comparison](#).

Let's move on and see whether an affiliate program is right for you.

Is an affiliate program right for me?

Deciding if an affiliate referral program is right for your B2B SaaS company hinges on the product's nature, complexity, and market fit.

Five conditions. The more of them are true, the better the fit.

Low to Medium Friction Products: These products are easily accessible (freemium or free trial product access), making them ideal for affiliate marketing. Affiliates can effectively communicate the product's benefits, appealing to a broad audience.

High-Friction Products or Narrow Audiences: These products face challenges due to their complexity or niche target market. Achieving success through affiliate marketing requires more effort, including significant upfront investment in affiliate education and a more time-consuming go-to-market strategy, relying heavily on the affiliates' influence and expertise. Choosing the right affiliate (see Sourcing & Acquiring section) could still result in program success.

Natural limitation: Be aware that growth and scalability through affiliates might be naturally limited due to a shortage of suitable affiliates for your product.

In essence, while affiliate programs can significantly boost growth, their effectiveness varies based on product accessibility and audience specificity.

We've covered the theoretical foundation; let's get more tactical and learn how to set up an affiliate program in 6 steps.

6 steps to a successful affiliate referral program

The six steps that take an affiliate program from setup to a running channel.

Setting the right incentives & budget

Incentives can have different structures to encourage partners to create high-quality content and build long-term relationships. Affiliates are typically rewarded with cash compensation, and generally have three different forms:

PAYOUT MODEL	HOW THE AFFILIATE EARNS
Pay-per-click	The affiliate gets a reward for every successful unique click on a referral link
Pay-per-lead	The affiliates get a reward for an inbound lead or a specific event
Pay-per-sale	The affiliates get a percentage of the revenue generated by new paying customers

Affiliates often receive a percentage of the sale (pay-per-sale) or a pay-per-click, but how high should the percentage be?

SaaS-based products tend to pay the highest commission fees for affiliates. The rate we see at Cello typically ranges from **15% to 30%**. Remember that the higher your CLV, the higher the max payout can be, but the commission fee is lower:

Calculate the right affiliate budget

The method is the same one you would use for any paid channel: start from what a customer is worth to you over their lifetime, subtract the margin you need to keep, and pay affiliates out of what is left. Two inputs set the order of magnitude before anything else does.

INPUT	WHY IT MATTERS
Average Customer Lifetime Value (CLV)	Understand how much revenue the average customer brings in over their lifetime. This is the ceiling every other number sits under.
Profit margins	Consider your profit margins on the products or services being promoted. You'll want to ensure that you're still maintaining a healthy profit after paying out commissions.

Everything after those two is calibration: what competitors already offer, what the program costs you to run, how many customers you realistically expect it to bring in, and how much you are willing to change once real data arrives. Treat the first number you pick as a hypothesis, not a policy, and run two variants against each other before you commit.

Structure matters as much as size. A two-sided reward pays the referee as well as the affiliate, so both parties have a reason to act. A recurring revenue share fits a subscription model better than a one-off bounty and doubles as fraud protection, because a fraudulent deal that churns after a month stops paying. Payout thresholds and reward tiers keep affiliates publishing after the first post.

The full set, every budget input, the structural variables, the commission ranges and the worked examples, lives in Resources.

Affiliate budget: rates, ranges and worked examples

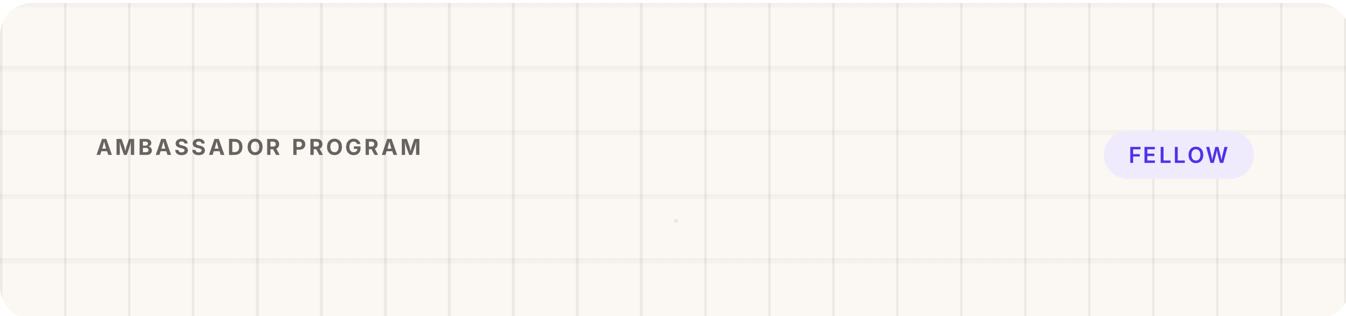
You have defined your incentive scheme and affiliate budget. Great, now it's time to build out your affiliate referral landing page.

Preparing your affiliate program landing page

Creating a **landing page** on your website is key for any affiliate program. It should describe the benefits and structure of your program, your reward model, and payout terms (e.g. referral-based, one-off, lifetime). For example, Fellow does a great job. Consider including:

An easy-to-understand value proposition

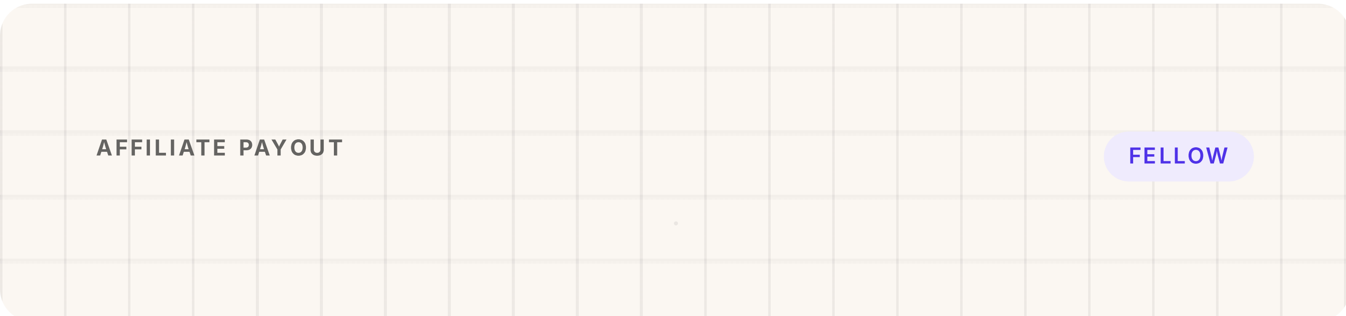
Point out what your product is about and include visuals and trust elements (e.g. customer logos, G2 rating).



Fellow leads with what the product does, then borrows credibility from named customers. An affiliate has to be able to explain you in one sentence before they will promote you.

Visualize what's in it for them

Let affiliates know how much they can earn with your program and provide some example calculations. Publishing the arithmetic, rather than a commission percentage, is what makes the offer legible to someone who does this for a living.



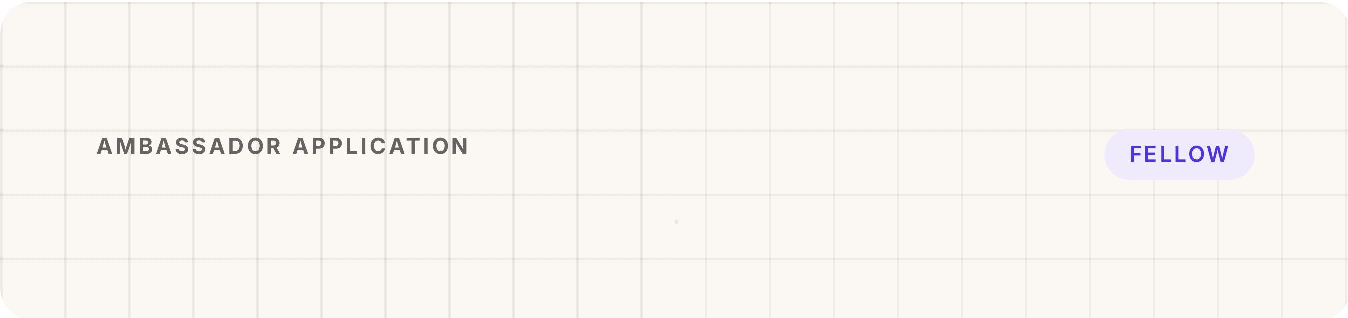
Fellow's affiliate payout calculation (Source: Fellow). Three worked deal sizes, so an affiliate can price the opportunity before applying.

Describe the application process

Make sure to describe the application process in an easy, straightforward way and highlight its benefits.

Create a dedicated sign-up/ application form

You need to **create a signup form** where affiliates can apply. Each field in the signup form should be a criterion that helps you segment affiliates into relevance buckets (e.g. by audience size, vertical, posting frequency, and geolocation).



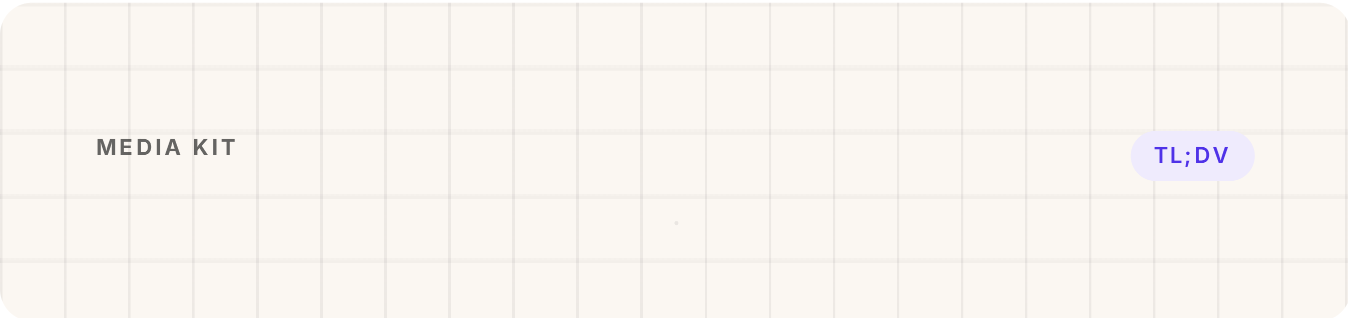
Every field on Fellow's form is a filter. Asking for audience and channels up front is what lets you sort applicants into tiers later.

Provide an affiliate partner kit

Create an affiliate partner kit (see tl;dv) to reduce affiliates’ referral effort. Don’t give them simply a plain copy and visual assets, but go beyond that including also post theme ideas, posting frequency to vary their content, and specific dos/don'ts guidelines.

Some must-have assets to include in the kit are:

- Logos, brand colors, and fonts.
- Product screenshots and UI.
- Marketing infographics, one-pagers, or decks



tl;dv publishes its kit as a living document, so partners pull assets and post ideas themselves instead of emailing for them.

When you see your affiliates as de facto members of your external marketing & sales team, you’ll realize you need to approach this as if you were empowering them with the tools to make great content for your brand.

[Typefully](#) does a great job at this by giving their affiliate partners not just writing prompts and branded assets for each product use case, but also a changelog listing ongoing product updates, so they can generate constant content ideas as well as examples of successful affiliate content to educate them on what good and great content look like.

Sourcing and acquiring affiliates: outbound first

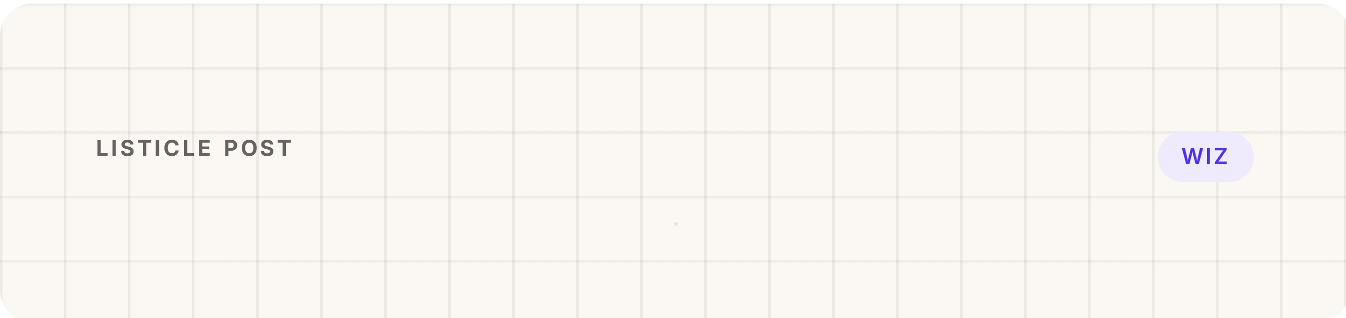
Identifying the right affiliates for your product is crucial. Even though you end up running inbound and outbound in parallel, always start with outbound.

If you're just starting and you (or your brand) don't have an audience yet, you can search for your affiliates on dedicated discovery platforms. Tools like Passionfroot, Modash or Upfluence can help bootstrap an initial affiliate base.

You can filter by audience size, vertical of interest, and social channel they use, and keep track of all your outreach communications, from the first touch to follow-up, proposal, and spend, all in one neat dashboard.

Tools like Kleo, Taplio, or TweetHunter are also helpful for discovering new, larger affiliates with high engagement on LinkedIn and X beyond the aforementioned discovery platforms.

When you identify these affiliates, a great tactic to attract their attention is to create a listicle as an X or a LinkedIn post praising them for their work; this is a great tactic to grab their attention while showing that you're also part of their niche, showcasing your thought leadership.



Wiz gets on the radar of the people it wants as affiliates by praising them in public first. The outreach that follows is a reply, not a cold email.

If they do engage, reach out to them directly on the channels where they publish (LinkedIn, X, YouTube, TikTok) to ask if they'd be interested in a collaboration; keep it casual and aim to discuss in more detail on a call.

What's next? Do I need a contract?

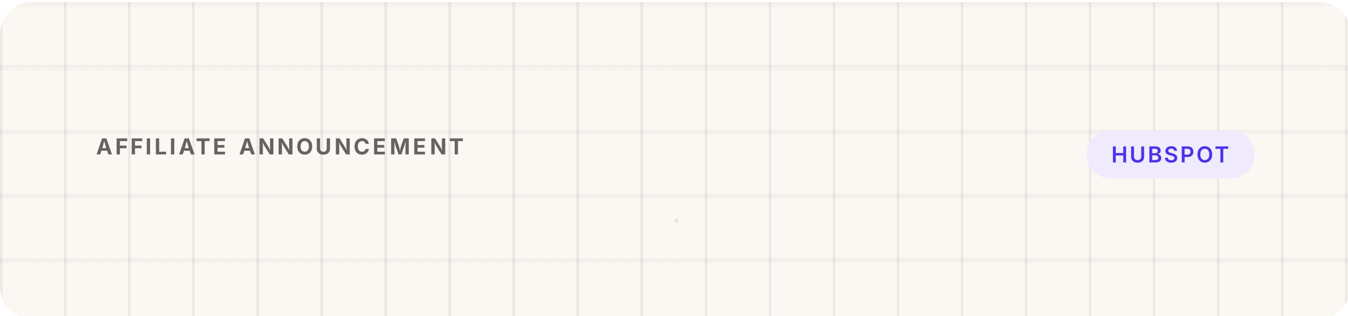
This highly depends on whether you run the program yourself or via a professional affiliate platform. Some of the larger affiliates might ask you to forward them a standard contract. If you do it yourself, it's helpful to [start from a template] and customize based on your needs with your legal team. If you use a platform (like Cello), they usually take care of it.

Once you have bootstrapped your initial affiliate partners with outbound approaches and the initial traffic is kicking in, you can start productizing your inbound motion in parallel, which we will dive into more in the next section.

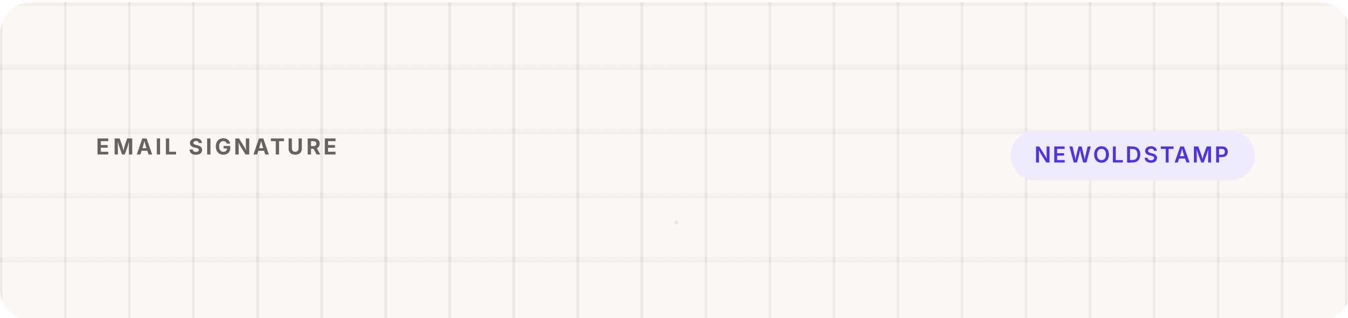
Constantly promote your affiliate program: inbound

First affiliates have been acquired. Now it's time to start your inbound motion. A few recommended tactics are:

- Run organic **social**, **blog**, and **community announcements (e.g. Slack communities)**
- Embed website **top-of-the-page banner** highlighting your new partner program
- **Main navigation** and footer backlinks should lead to your partner page
- Have some of your **existing partners share** their participation in your program on social media. Reward them for adding more affiliates to the program.
- Dedicated **newsletter** and/or inclusion in your nurture emails about the program
- Inclusion of your program in your user profiles (LinkedIn) and/or email signature



HubSpot treats the program launch as a campaign asset. One clear offer, sized for a social feed.



Newoldstamp puts the program in every email it already sends. Zero incremental reach cost, and it runs continuously.

As you usually nurture and engage with leads on an ongoing basis, don't forget to keep your affiliates engaged in the program and regularly create content for them.

Scale and maintain

Managing multiple affiliates, incentive schemes and campaigns

When you set up your program, it's key to add, manage, and incentivize partners with granular controls, and at scale. Whether you set up the affiliate referral program yourself or choose a third-party solution to support, take the following key considerations into account:

- **Dedicated Affiliate Dashboard**. When you find an affiliate, give them access to a dedicated, individual partner portal to track their payouts, earnings, affiliate links, and activity, and even have leaderboards to compare themselves to other affiliates. Create automated monthly activity update newsletters. This will help affiliates create a habit around sharing your product, access your partner kit for new content ideas, and encourage healthy competition within their community. See what a partner dashboard has to answer without a support ticket in Chapter 01, Not all referral programs are equal.
- **Multi-Campaign Support.** Seek to create multiple campaigns for different affiliates, depending on their category, vertical of interest, or even audience size, each with a different reward structure and type, so you can best tailor the reward structure to appeal to different partners.
- **Seamless, Multi-Currency Payouts.** Offer various payout options (e.g. PayPal, bank transfer) in various currencies.

Legal, tax, and compliance

Affiliates must disclose their relationship with you clearly, and their promotions have to meet advertising standards: that disclosure obligation sits with the partner, not just with you.

Everything else here (tax documentation and reporting thresholds, KYC, payout intermediaries and Terms of Service) is covered in Chapter 07, The referral program that compounds.

KPIs and benchmarks

Finally, you should always look at the right KPIs to measure and continuously improve your affiliate referral program. Tracking and analyzing these metrics allows you to decide if affiliate programs are a good fit for your GTM strategy (Free GTM Workbook).

Which affiliate metrics actually tell you something. Dots show how predictable and how actionable each metric is: more filled means more.

Closing thoughts

Affiliate referral programs have the potential to be a significant growth channel for B2B SaaS companies. They are scalable and cost-effective.

Whether affiliate programs succeed for you depends on multiple criteria:

- Product complexity & market fit
- Structure of the affiliate program
- Availability of suited potential affiliates
- Your ability to enable & engage your affiliates
- Your ability to scale the program

Finally, don’t forget the synergies between user and affiliate referrals. If you started here because you were below scale, layer user referrals on top once you pass roughly 1,000 monthly active users.

Influencers refer. Most companies don't make it easy.

Filip Mark, Vice President, Creandum

TL;DR

Influencer referrals differ from influencer marketing in what you are paying for. Marketing buys posts and counts impressions; a referral program pays on conversions through a tracked link, so the influencer stakes their own reputation on the outcome. In B2B, where buyers are mostly looking for reasons not to be wrong, that endorsement is the product.

The economics are counterintuitive. Larger creators want a flat fee regardless of performance, so the structure that works is a flat fee plus commission rather than either on its own. And reach rises far faster than relevance: the partners worth having in B2B sit in the micro band rather than the macro one, and a budget goes further across at least five of them than on one large deal.

Treat the good ones as long-term partners. Tier the reward by standing so your best partners earn more than a first-timer, and read the quality of the comments rather than the follower count before you sign anyone.

WHAT WILL YOU LEARN?

01 How do influencer referral programs differ from influencer marketing?

02 How does the mechanism actually work?

03 How do you launch a B2B influencer referral program step by step?

04 Which real campaigns are worth learning from?

Understanding influencer referral programs

What is an influencer referral program?

Basically, an influencer referral program is a strategic collaboration between a brand and influential figures in its relevant industry, designed to leverage these relationships to drive targeted leads and sales through word-of-mouth.

In the B2B sector, where purchase decisions are scrutinized and deliberated upon, the trust and relevance imparted by influencers are invaluable. When making big software decisions, buyers use all forms of signal to validate their choice. Bain and Google's 2022 survey of 1,208

B2B buyers found that buyers overwhelmingly end up with a vendor they already knew before research began, so fear of messing up pushes them toward familiar brands. Influencers are one of the few ways to be on that list early.

These referral programs involve influencers in a proactive and personalized role: sharing products directly with their followers, often with incentivized links that track and reward based on conversions.

How are influencer referral programs different from influencer marketing?

Although influencer referral programs, affiliate marketing, and influencer marketing may look similar, their strategies, objectives, and compensation models differ significantly. For how affiliate programs work on their own terms, see
Chapter 08, Affiliates are a channel, not a strategy.

CRITERIA	INFLUENCER REFERRAL PROGRAM	INFLUENCER MARKETING
Core objective	Convert influence into direct sales through trust	Build brand awareness and loyalty
Compensation	Based on conversions from a personal endorsement. The influencer shares a unique link or code, and every purchase through it earns a share of the revenue	Usually paid per post or per campaign, regardless of what it converts
Relationship	Personal and deep with the audience	Personal, but centered on content production
Engagement	High, because the messaging is trusted and targeted	High in visibility, variable in conversion
How success is measured	Sales and conversion rates traced to specific referrals	Impressions, likes, shares and other engagement metrics
Best suited to	High-value products that need trust to convert	Launches and awareness campaigns

In general, influencers will require a flat fee for the promotion they do. This is especially true for larger influencers with stronger brand power. Therefore, doing a mix of flat-fee and commission-based compensation is a killer combo to get the best influencers and have both parties win in the long term.

What are the benefits of an influencer referral program?

By now, it’s clear that influencer referral programs can be a game-changer for your B2B product. But how exactly? Let’s take a look at four of the biggest benefits.

The four benefits, and the numbers behind each one.

Reach and visibility: When a trusted influencer advocates for your product, their endorsement acts as a beacon, drawing their followers to your brand. This doesn’t just increase eyeballs; it engages potential customers in a meaningful way. A single post from the right creator puts you in front of an audience that has already opted in to hearing about your category, which is reach you cannot buy at the same price or with the same attention.

Borrowed trust: Influencers build their reputations on trust and authenticity, qualities that transfer to your brand when they endorse your product. People tend not to trust LinkedIn ads, but they do trust the operators they follow, and an endorsement carries the creator's own reputation with it. That is the part a paid placement cannot replicate.

Efficient acquisition: Influencer marketing can seem costly upfront, but a referral structure changes what you are paying for: commission is owed on conversions rather than on impressions. Once you are working with creators whose audiences genuinely match your ICP, the cost per acquired customer falls as the relationship matures, because the same partner keeps converting against a fee you have already negotiated.

Customers who stay: Influencer referrals bring in customers who are more likely to stick around, because they trust the source of the recommendation. Referred customers churn

18% less than non-referred ones and carry a **16% higher lifetime value** (Wharton). They are also worth more per head in their first two years, though that margin advantage decays rather than lasting.

How does the influencer referral program work?

Influencer referral programs operate on a simple yet powerful mechanism: leveraging the networks of trusted influencers for targeted recommendations and conversions.

Here's a breakdown of how an influencer program typically functions.

The influencer referral process.

Mechanism of an influencer referral program

A business **partners with influencers** who have a relevant audience in their market.

The influencer promotes the brand's products or services through their channels, often accompanied by personal endorsements. And, when the audience engages with their unique referral link or code, their actions are tracked back to the influencer.

Both the influencer and the referred new customers typically receive rewards based on the engagements or sales generated.

Types of influencer referral programs

Now that you know the basics of how an influencer referral program works, let's explore in detail the kinds of influencer referral programs your business can set up:

There are two independent ways to classify these programs: by the market you sell into, and by how commission is structured. The two axes are orthogonal, so a B2B program can be single-tier, perpetual, or multi-tier.

Two markets, two influencer programs. B2C converts on the spot; B2B converts a pipeline. Pick the reward that matches the outcome you are buying.

COMMISSION STRUCTURE	HOW IT WORKS
Single-tier programs	Influencers earn rewards for each customer they directly refer. Example: An influencer earns a commission for every follower who makes a purchase using their unique link.
Perpetual commission programs	Influencers earn recurring commissions for as long as the referred customer remains subscribed to the service. This setup is fit for subscription-based SaaS companies, where influencers can generate steady, long-term income. Many creators prefer this model over flat fees, as it can lead to substantial earnings, potentially reaching five to six figures annually from ongoing referral kickbacks.
Multi-tier programs	Influencers earn rewards not only for direct referrals but also for referrals made by their network. Example: Influencers earn a commission for direct referrals and a smaller commission for referrals made by those customers.

How to launch a B2B influencer referral program?

Now that you are clear about which influencer program would be the best for your business, let’s move on to actually creating one.

Launching a successful influencer referral program requires strategic planning and execution. We have broken down the entire process into four easy steps for you.

1. Structure your influencer referral program
2. Find & choose the right influencers
3. Launch your influencer referral campaign
4. Keep optimizing the referral campaign

Step 1: Structure your influencer referral program

Start by preparing a detailed influencer referral program plan that handles all the pre-requirements.

Here's how you can go about it:

Define specific, measurable objectives (e.g., increase sales by 20%, gain 1,000 new customers). Communicate goals clearly to all participating influencers.

Also, make sure to convey this across your teams so everyone is on the same page.

Select the type of social referral program that will best appeal to your audience. Also, decide how the influencers will refer their audience. It can be through unique links or discount codes.

Incentive structures

- **Commission-based referral programs**: Influencers receive a percentage of sales generated from their referrals. This pay-for-performance model motivates influencers to actively promote your products, aligning their efforts with your sales objectives.
- **Discount codes**: Influencers share discount codes with their followers, earning rewards when these codes are used. **Example**: Followers get a 10% discount, and the influencer receives a commission on each sale.
- **Gift-based referral programs**: Influencers and their followers gain access to exclusive content, products, or events.
- **Affinity programs**: Focuses on influencers who are genuine fans of the product, creating a more authentic promotion. Example: Influencers receive products they love and promote them organically to their followers.

Make sure your program adheres to relevant laws, such as GDPR for handling the personal information of EU citizens. In the U.S., follow the FTC guidelines, which require influencers to disclose their relationships with brands clearly.

Whatever contract you use, be explicit about intellectual property rights over creator content: who owns the video or post, whether you can reuse it, and for how long.

For tax reporting, KYC and Terms of Service, see
Chapter 07, The referral program that compounds.

Set up referral platforms like Cello to manage and track the efficacy of your referral program (end-to-end). From link creation to payout automation, influencer referral tools can be a lifesaver to launch and execute a successful referral program for influencers.

Step 2: Find & choose the right influencers

The success of any influencer referral program depends on the influencers you choose to collaborate with. Let’s discuss how you can select the best influencers for your referral program.

Assess which social media platforms are most popular with your target audience and select influencers who have a strong presence on those platforms.

For instance: for a B2B brand, LinkedIn is usually the most suitable platform, so choosing LinkedIn influencers should be ideal for your business. Otherwise, Newsletters, Podcasts, and YouTube are also great choices.

Ensure the influencer’s personal brand & posted content aligns with your industry and brand values. Their audience demographics (age, location, interests) must match your target market.

Also, evaluate their social platform insights for the past 3-6 months. Also, look at the quality of interactions they have with their followers. Sometimes you’ll notice that comments are quite thin or lacking quality. This likely means the creator’s following isn’t too authentic.

Determine your budget for influencer referral partnerships. Find influencers who fit within your financial constraints while still offering substantial value, to avoid wasting time on unnecessary outreach.

For example: if you have a tight budget, you can either go for a few macro influencers, or many micro ones. It is important to design your influencer program to not just go all-in on one big deal (unless you just care about brand awareness), so make sure to spread your budget to an adequate mix of creators (at the very least 5).

Reach rises far faster than relevance. In B2B the useful partners usually sit in the nano and micro bands.

Typical rates by tier, with what to expect from each, live in Resources: Influencer pricing tiers (2024 ranges).

Based on your goals, decide the scale of outreach your brand will need, and reach out to the relevant influencer.

To find the relevant influencer for your campaigns:

- Conduct hashtag research on your preferred social media platform.
- Track social media mentions of your brand to connect with interested influencers.
- Use Google to search social media sites for specific influencers. For example: search with `site:linkedin.com "SaaS influencers"`
- Keep an eye on your feed to find influencers in your network.
- Attend creator-specific events and conferences to find potential influencers.
- If you don't want to use the tactics stated above, you can also rely on specialized online platforms. Dedicated discovery platforms cover this: Passionfroot indexes newsletters, podcasts, LinkedIn and X creators, and Modash and Upfluence cover similar ground with different catalogs. Worth trying more than one, since coverage varies by channel and region. Disclosure: the author was Chief of Staff at Passionfroot when this chapter was written.

Step 3: Launch your influencer referral campaign

Once you're ready, use referral software like Cello to set up, introduce, and maintain your program.

If you are launching a B2B referral program, make sure to follow these steps and guidelines.

Three moves before, three on the day, three after. Launch day depends on the pre-launch column being finished first.

Step 4: Keep optimizing the referral campaign

Well, you can't just leave your referral program once it's launched. Going further, you also need to:

Regularly review performance data to identify what's working and what isn't. Look at metrics like conversion rates, engagement rate on sponsored content, conversion rates from influencer referrals, brand awareness metrics (#impressions, #shares, etc.), and total influencer referral ARR.

Eventually, the most important KPI is New Revenue Growth.

HOW TO CALCULATE

The one number that lets you compare this channel against paid, SEO and outbound on equal terms.

Based on performance data, consider adjusting the incentives. For instance, introducing tiered rewards might motivate influencers to increase their referral efforts.

Depending on the program's success, expand it by adding more influencers or pivoting your strategy to focus on more effective channels or influencer types. Make sure you have a good connection with the influencer, so they continuously promote or display your referral program. Doing repeat flat-fee deals can help drive more traffic to your referral link.

Successful influencer referral campaigns

Before you go ahead and launch your own influencer referral program, let's take inspiration from some of the best referral programs for influencers by B2B and B2C brands.

Collaboration LinkedIn post for GoToMeeting referral program.

GoToMeeting B2B referral program

GoToMeeting leveraged high-value content creators for their LinkedIn influencer referral program.

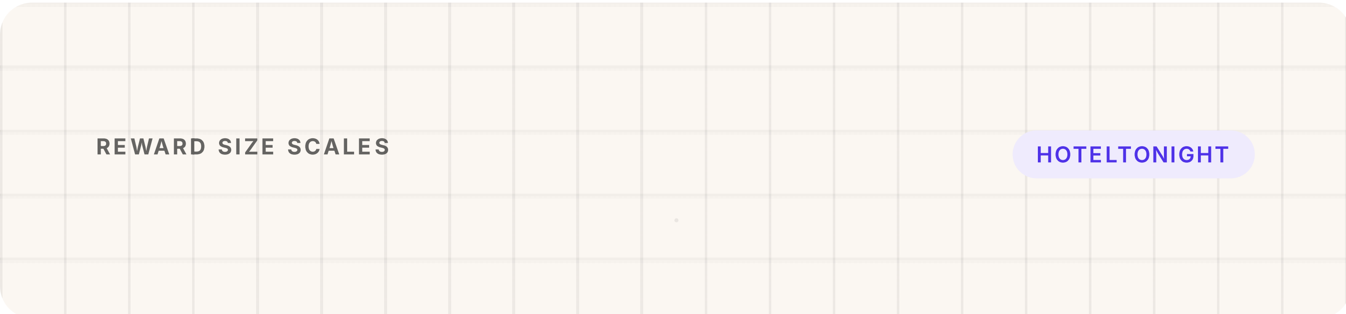
Amidst the oversaturated market for video conferencing and virtual collaboration post-COVID, GoToMeeting aimed to increase market share and drive signups for paid accounts.

They partnered with relevant content publications, offering a three-month CPA (cost-per-acquisition) increase in exchange for a blog post or review.

This strategy proved highly effective, resulting in a 725% increase in paid accounts and a 701% rise in free trial signups, both measured period-over-period, meaning the campaign period against the equivalent period immediately before it (the campaign write-up (archived)). Two caveats: this was run as an affiliate program rather than an influencer one, so it belongs here as a mechanic rather than as evidence for influencer economics, and it ran through the pandemic surge in demand for video conferencing.

Hotel Tonight tiered rewards

Hotel Tonight is B2C, but the mechanic is the one B2B programs most often get wrong. Rather than paying a flat amount per referral, it tied the reward to the referrer's standing in its loyalty tiers: standard members gave $25 and got $25, while higher HT Perks levels gave $50 and got $50.



Reward size scales with the referrer's standing, so the people with the most credibility also carry the strongest offer.

The B2B translation is direct: your most engaged influencers should not be earning the same rate as a first-time partner. Tiering the reward turns the program into something worth staying in.

TikTok's B2B referral campaign

While not traditionally a B2B company, TikTok offers valuable B2B advertising tools and solutions. Recognizing its popularity among small business owners, TikTok launched a TikTok influencer program for its B2B segment aimed at this audience, leveraging the success stories of TikTok entrepreneurs.

They collaborated with successful small businesses and TikTok influencers to create content using the platform for promotion. These videos were published on the TikTok Small Business Page and amplified through paid social.

The agency running the campaign reports 32 million views, 2 million likes and over 400,000 new followers for the TikTok Small Business Page. Those numbers are self-reported and undated. Authentic stories from fellow small business owners effectively highlighted the value of TikTok to the target audience. The B2B takeaway is that operator proof outperforms brand voice: the people using the product to run their business were more persuasive to the buying audience than anything TikTok could say about its own ad tools.

Note: If you want to launch a B2B referral program, here are some more B2B referral program examples to look at!

Wrapping up

An influencer referral program is a practical growth strategy for B2B SaaS, not a trendy tactic: partnering with trusted industry voices increases reach and, when the mechanics are right, converts that reach into revenue. The programs that work set measurable goals rather than exposure targets, pick influencers whose audience matches the ICP, use a referral platform to track and pay out, and treat the best partners as long-term relationships rather than one-off campaigns.

Start with what you can manage, track your outcomes, and expand from there.

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