

Quality New Patients

Hello! Is Anyone Out There?



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Quality new patients are out there, although it may seem like they are hiding. For many dentists, it often seems like only 1 out of 4 new patients really care about their mouths? So what's going on?

Before We Begin....

We are going to use 2 important analogies in the following text: financial advisor and home builder. By using these analogies we hope that our overall message will make more sense and be of greater future use.

Another preface to this article is to let you know that we must present generalities. With that said, the general instructions shared below are not ideas, philosophies, or even views. They are grounded in 18 years of research, development, testing, and statistical results. Let's get started.

Budgeting

Does every dental practice have to have an active marketing budget? No. Solo practices (32 patient care hours per week) that are seeing 19 to 22 new patients a month through internal referral can basically have a marketing budget of \$0.

If your practice doesn't fall into this category, you need a marketing budget. To establish a responsible budget, we recommend:

- Practices with less than \$1.5 million in annual revenues
 - 5% of trailing 12-month revenues
 - 5% of goal revenues for the next 12 months

- Practices with greater than \$1.5 million in annual revenues
 - 4.75% of trailing 12-month revenues (first year)
 - 4.75% of goal revenues for the next 12 months (first year)
 - Each year you experience 15%+ revenue growth, lower the following year's budget by 0.25%.

Let's look at a typical real-world example:

- Solo practice with previous 12-month revenues of \$700,000 and goal revenues of \$850,000 for the next 12 months
 - Marketing budget range should be \$35,000 to \$42,500 for the next 12-month period

But, what are you supposed to do with your marketing budget? This is the essence of budget allocation. Doesn't this seem eerily familiar? Doesn't your financial investment advisor say basically the same thing? With savings investment, your financial advisor will use 2 very important phrases: least risk and proper diversification.

Improper Budget Allocation

If we were to list every possible combination of improper budget allocation, we would likely take up the next 10 issues of this journal. Instead, we will list the most common. Remember, we are not just looking for any old patient. Attracting new patients who don't value dentistry isn't a hard chore.

We are looking to attract the best available new patients in any given market area, just like your financial advisor is looking for the very best investments out of thousands.

Too Many Marketing Dollars in Mass Media

Yellow pages, radio, TV, and billboards are fairly common mass media choices for dentists. By far, the biggest misallocation of dental marketing dollars is the yellow pages. We are not saying you cannot attract patients through the yellow pages. We are saying that about 95% of the time, you can spend the same budget amount to attract much better patients to your

“We are looking to attract the best available new patients in any given market area.”

dental practice. This represents a significant reduction in risk. Radio, TV, and billboards have a place in a practice’s marketing budget. But these mediums traditionally require multiple impressions to get the target individuals to take action. Often, the budget is not big enough to properly present the multiple impressions that these mediums require.

All of these mass media choices can be viable options for dental practices. But using them too soon (without supporting media exposure) is the most common mistake. By “supporting media” we mean without exposure in other media, such as direct mail, print advertising, newspaper inserts, etc (see “Proper and Improper Medium Progression”). Let’s revisit the financial advisor analogy. Investing too much, too soon in mass media is like putting all of your savings investment in one fairly speculative stock. A good finan-

cial advisor would advise against taking on so much risk when you don’t have to. And they would be correct.

Overbudgeted in Insurance Participation

From a pure business perspective, insurance participation is a marketing medium. Think about it. Why would a dentist choose to participate with insurance? To attract new patients to the practice, right? That’s a marketing medium.

In the long run, participating with multiple insurance plans will cost the practice 17% to 22% (or more) of its revenues. Remember what your marketing percentage should be? You

should be able to grow your practice investing 5% of revenues. Why would you ultimately spend 17% to 22% of revenues to attract patients to your dental practice? We are not proponents for, nor are we against insurance participation. We just look at insurance participation as another marketing medium. If the practice is over-budgeted in this medium, it makes financial sense to begin a transition that costs less and has a greater chance of attracting patients who care about their mouths more than a deductible.

Underbudgeted in Direct/Targeted Mediums

Normally, even fully developed internal mediums won’t generate new patient flow to fill the practice’s capacity. You must go external. Primarily, we are talking about direct mail. Yes, we understand you throw away all of your “junk” mail at home. And your

response rate for direct mail will range between 0.5% and 1%. So are we out of our minds to suggest direct mail? Actually, no, and here’s why: Even at 0.5%, you can be wildly profitable. You only need a few decent cases to recover your costs and then everything after that is profit.

If you are consistent and keep a properly designed and implemented direct mail program in place for even a moderate period of time (don’t quit after the first 3 months), what you will see is an increasing return on investment (ROI). It may (and usually does) start slowly, but as your marketing message hits the same homes 3 to 4 times, your response rate goes up. As these new patients start to complete treatment and refer others, your ROI grows. Typically your first year ROI will double every 2 years for 6 years. Now that’s an investment your financial advisor can get behind.

We work in 23 different marketing mediums and track the results from each one religiously. The way we implement direct mail is successful in 96% of US markets. Mail presents a dentist with the least risk to their external marketing dollar if done correctly. Be careful, we’re not saying other mediums are not, or cannot be, as successful. We are saying to start with direct mail and let it generate growth for you. Then, as revenues improve and your marketing budget expands, you can allocate (think diversify, like your financial advisor would) into other external mediums.

Proper and Improper Medium Progression

As a general rule, reallocate your budget according to the following steps:

- Step 1: Internal
- Step 2: Direct/targeted (mail) and practice Web site
- Step 3: Print media (newspapers, magazines, ads, inserts, articles, press releases)
- Step 4: Mass media (radio, TV, billboards)

Most practices will have only a responsible budget large enough to handle Step 1 and maybe Step 2. That's fine. That's how you grow over time. Some practices, especially solo practices that want to stay solo, might never need to implement Steps 3 and 4.

Let's invert the budget steps.

- Step 4: Mass media (radio, TV, billboards)
- Step 3: Print media (newspapers, magazines, ads, inserts, articles, press releases)
- Step 2: Direct/targeted (mail) and practice Web site
- Step 1: Internal

This inverted list illustrates how Steps 1 through 4 are important building blocks. Remember our home builder analogy? If you were building a home, you wouldn't construct the roof before pouring the foundation, right? The same holds true when pro-

“Typically your first year ROI will double every 2 years for 6 years.”

moting your dental practice to find the best new patients. Step 1 supports Step 2. Steps 1 and 2 support Step 3. Steps 1, 2, and 3 support Step 4. In general, this represents the least risk progression of the use of your annual marketing budget. This progression also represents the most predictable way to build a solid ROI multiple. Yes, ROI multiple. Using our financial advisor analogy, your advisor would be giddy.

This brings us to the next big reason why most dental marketing fails.

Improper Understanding of the Target and Improper Marketing Design

Understanding Your Target

In general, your target is “mom” (even if “mom” is now a grandmother). Women 30 years of age and older are your target. Women make 89% of all health care decisions within the family unit. We are sure you have single male patients, but attempting to market to this target audience would pose a much greater risk to your marketing budget dollars. So, let's just focus on “mom.”

Understanding What Your Target Likes in Marketing Design

In testing over the past 18 years, we have continually been surprised at what works and what doesn't. If you took marketing classes in college and think those general applications will work, throw the books out the window. General design applications that are taught in marketing classes, or even in general graphic design courses, also don't work well. High-quality, high-

dental-IQ patients (the one's you are looking for) are very fickle when it comes to selecting a health care provider for themselves or for someone in their families. So what are they looking for?

- Information and lots of it. (This runs against the conventional wisdom that people won't read very much. We disprove this so-called “wisdom” every day.)
- Benefits. (Don't just say “CEREC,”

tell her what the product will do for her.)

- Trust. (If you can't generate this with your marketing materials, nothing else will matter.)
- Multiple reasons to choose you. (Don't give just one.)

“Mom” wants as much information as she can get about your practice before she even calls you. She also wants to know what's in it for her and her family. She certainly wants to know that she can trust you. And above all, you'd better offer a wide array of reasons she shouldn't go anywhere else.

Let's say instead of just promoting cosmetic dentistry or sedation, your mailer, print ad, radio script, or TV spots promote multiple reasons to choose your dental practice. Some of the reasons to choose you (over the 40 other dentists in your area) might be:

- You can find cavities years earlier than with traditional x-rays because you use a laser fluorescence caries detection aid.
- You offer patient financing.
- You deliver white fillings.
- You have patient-friendly hours, such as evenings and Saturdays.
- You can deliver painless injections.
- Laser periodontal treatment means no surgery or stitches.
- You do endodontics, orthodontics, or surgeries that other dentists refer out.
- You can replace missing teeth and/or anchor dentures with implants and mini implants.
- Your patients won't have to wait for the laboratory; they can get their restorations the same day because you use chairside CAD/CAM technology.
- You can straighten teeth easily with a

series of clear, custom-fitted aligners or accelerated orthodontics.

- You can perform examinations using digital radiographs that use up to 90% less radiation.
- Because of your extensive continuing education, you can deliver the kind of dentistry seen on TV shows.

Whatever your marketable attributes are, promote all of them or as many as you can. Include this list of attributes in your mailers, in your print ads, and all other mediums. What you're doing is giving people many reasons to choose you. You are essentially building a 16-lane freeway to your front door instead of a single-lane bike path. And, more importantly, you avoid sending away 92% of your target market. Our survey research shows that only 8% of the market is currently (as in "ready, right now") seeking full mouth rehabilitation services, whereas 92% are seeking dental services for their families. Ask yourself a very important question. How many of your recent big cases started out as "regular" family patients?

Avoiding the "I Only Want Big Cases" Trap

We've had more than a few dentists contact us for help because they've just discovered they are losing out on good patients because people wonder if the practice does cleanings, fillings, checkups, and other "normal" dentistry. What has happened is that these dentists have painted themselves into a "niche corner" and have become known as "Extreme Makeover" dentists who only work on supermodels and CEOs. Sure they get some big cases—until they run out of them. Meanwhile, 92% of their target audience goes elsewhere.


The Irony

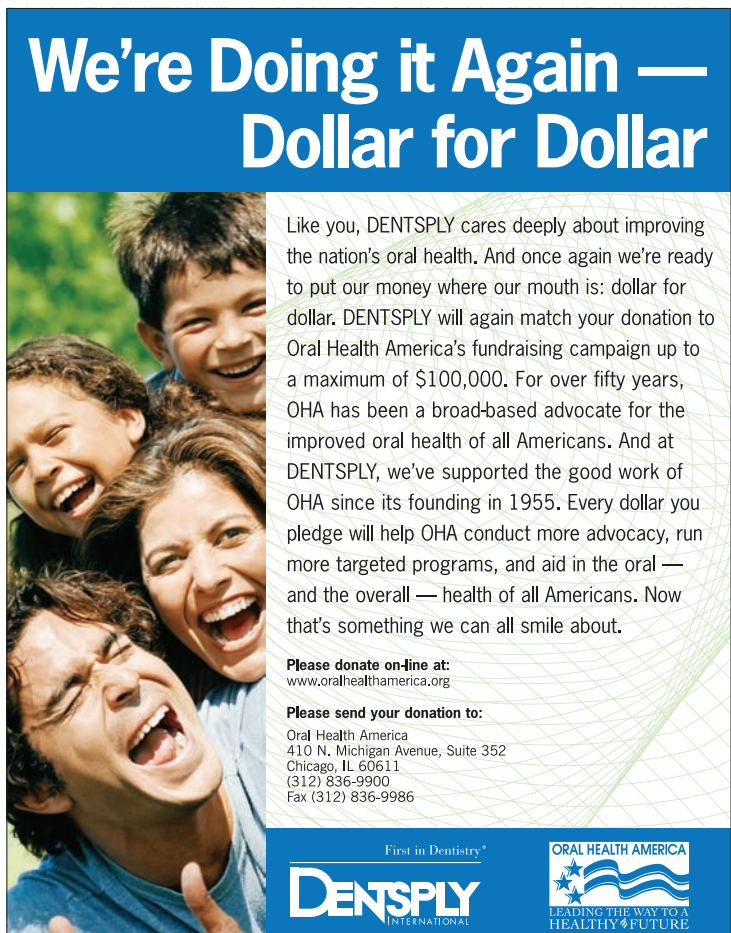
There's an old advertising adage that says, "You get what you advertise for." While it seems that there's a certain degree of truth to that, there are enough exceptions to make us wonder if we shouldn't just retire the adage altogether. If the adage is correct, your marketing should be focused on attracting only big cases. But as we've explained, this chops 92% of your market. So where are the big cases? They are in the family market.

The family market is deep and wide, the cosmetic-only market, while certainly lucrative, is thin. What we have discovered over the years is that our clients who project a family-oriented image do lots of big cases, whereas the clients who project

an image that says, "We only want big cases," do fewer of them. That's the irony.

Conclusion

All of the more involved dental treatments discussed in each issue of this journal can have a profound, positive impact on patients' lives. Yet, only a tiny portion of the US market understands their value. If you are looking to grow your practice, concentrating on the best potential new patients in your market area will reward you and your team for years. Proper budgeting is just simple math. If you consistently and patiently apply your marketing budget correctly, it won't be long until you see more than your fair share of the great patients in your market area. 



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