



Internal Marketing Begets Referrals

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Over the last 20 years we've often noted a rather odd dental-office statistic. In surveying our clients' patients we always ask, "Would you refer Dr. Jones to your friends and family?" While 90 percent of the time the patients answer in the affirmative, only about 10 percent refer effectively.

Why?

There are actually two reasons and both are within your power to do something about.

The first is that, contrary to popular opinion, referrals tend to be a rather weak and vague endorsement. A friend says Dr. Jones is great, or that her staff is wonderful, or that Dr. Jones explains things well. These are all positive comments but they don't fully or convincingly answer the real question the person has, which is, "Why should I go to Dr. Jones?"

A patient really only knows what you did on him

That patient got endo and a crown and those may be the only services he's thinking of. He may be unaware that you could also straighten his teeth, get rid of his wife's snoring, and stop his teenager from grinding his teeth at night. If you don't educate patients about other services, they may not get those services from you. If you tell your patients about your services, they'll be able to tell potential patients about those services. Education is paramount.

Have you experienced the following scenario? A longtime patient shows up in your practice with a dazzling new smile courtesy of the dentist down the street. Why didn't she have you do it? How could she not have known that you've done loads of CE and can place veneers with the best of

them? Why didn't she ask?

It's because you didn't tell her. You didn't educate her. You didn't ask her.

Patient education leads to more referrals

This is why internal marketing is so important. If your patients know more about what you can do and how well you do it, they can tell others more about you and your practice. They will also know more about what you can do for them and their families.

Here is a partial list of internal marketing actions you can take to educate your patients about the wonderful, life-changing benefits that you offer.

1. **Printed practice newsletters.** Yes, many people still do read and actually prefer something to hold in their hands. Don't overdo these. Once per quarter is fine, and keep it to a single topic. And no cookie recipes.
2. **Electronic newsletter.** Same information and frequency as paper newsletters.
3. **Electronic reminders.** A bunch of companies will do this for you.
4. **In-office signage and posters** about accelerated ortho, CAD/CAM restorations, veneers and sleep apnea.
5. **Brochures and handouts** describing the benefits of treatments available in your office.
6. **Professionally produced video** loop describing the benefits of treatments you can do.

That's just a short list, but if that list is all you do you will have taken big steps in educating your patients about just what you can do for them.

We said at the top that there are two reasons that patients who love you don't or can't effectively refer. We've just described one reason. What's the second?

Confusing money with love

Here's another odd statistic we've observed over the years. Practice A offers a monetary reward for the referring patient, such as \$100 toward future treatment. Practice B sends referring patients a small gift such as movie tickets, Starbucks card, etc.

Which practice gets more referrals? Practice B. Why?

The explanation has to do with the difference between social norms and economic

Market or economic norms require a monetary exchange of some sort. Social norms do not.

If you have a cordial relationship with a patient and ask that patient to recommend you to her family and friends, she ordinarily will do just that, whether she's being bribed or not. But if you then later acknowledge her kindness with a modest gift that she didn't know she would get, you then keep the relationship on the social norm side instead of letting it slip over into an economic situation.

If you fail to acknowledge a referring patient then you're in trouble with that patient. Yet if you acknowledge him with something that violates the social norm,

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norms. In his book, *Predictably Irrational: The Hidden Forces that Shape Our Decisions*, author Dan Ariely gives an example.

You are at a family Thanksgiving dinner that your mother-in-law has prepared. It's a wonderful meal. You decide she deserves some kind of acknowledgment that goes beyond a mere "thank you."

So you reach into your pocket and pull out \$300 and attempt to hand it to your mother-in-law. What is her reaction? She's insulted. She thinks her daughter married a very strange person. You won't be having dinner at her place next year, that's for sure.

What actually happened here?

There is a basic difference between social norms and economic norms.

you will confuse him and he may think you're desperate.

You don't want to appear to be paying for referrals. That is illegal in most states. But a nice modest gift of appreciation is not paying for referrals. Don't advertise any kind of reward for patient recommendations. Only say thanks afterwards.

The patient refers, expecting nothing but a thank-you note, and you surprise him with a nice little something. Just don't make it about money.

So tell your patients what you can do for them so they can benefit from your expertise. Appreciate them. Then they will have something to tell their friends and family about what you do. ■

How do you handle referrals in your practice? Comment on this article at Dentaltown.com/magazine.aspx.

Author Bios

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