

2225 Kennedy on Marketing

Promoting Dental Professionals – A Case Study

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Executive Summary

Recently a Dentist friend from Southern California asked me to design a website to promote his practice. After discussing design issues, and having visited his dental office on many occasions, I came to the conclusion that my friend needed more than just a new website – he needed an entire Marketing Plan. This course paper examines the marketing principles, published by Dan S. Kennedy, that are applicable to my Dental client, and provides a series of recommendations designed to enhance his professional practice while maintaining the Doctor's dignity in the community. I do not know how many of these recommendations will actually be employed by my client, but my job in this case was not to force change, only to suggest it. The principles outlined herein could apply to any professional practice wishing to improve both market visibility and customer retention.

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Introduction

Dentists have a severe image problem. On one hand, they have the expertise to resolve our dental health problems and to offer preventative care; on the other, they represent a source of pain. While we appreciate having straight, healthy, white teeth, most of us loathe visiting the Dentist.

Many Dentists have problems devising effective advertising campaigns because most dental schools don't teach marketing. To the Dentists interviewed for this document, there is a decided "indignity" associated with blowing their own horn, akin to ambulance-chasing lawyers and used car salesmen. So, the majority of Dentists place ads in the *Yellow Pages*, hoping that they can build their practices by word-of-mouth over the span of their careers. This inherent shyness appears to be the norm for the Dental industry. However, if I may borrow a line from Zig Ziglar: "Timid marketers have skinny kids."¹ Building a profitable practice by word-of-mouth can take many years.

Word-of-mouth advertising has its risks, too, and the downside is purely mathematical. If customers are happy, they might tell two others. If customers are unhappy, they will probably tell at least ten others. In Dentistry, only the best practitioners can rely solely on their past customers to overcome the mathematics and ensure future growth.

Meet Wally Wagner

For example, consider *Walter "Wally" Wagner, D.D.S.*, in Carlsbad, California. No, that's not his real name, but my authorization to make a case study of Wally's marketing plan came with a price – protecting his good name. Wally has been my Dentist since the mid-80s when he opened his practice in Carlsbad, located North of San Diego on the Pacific coast. To this day, I still travel to the San Diego area whenever I need dental work, and as far as I'm concerned, Wally has "exclusivity" with my teeth.

I am not Wally's only customer exhibiting such fierce loyalty. Most of his patients, have reasons to be loyal: his diagnostic skills are extremely accurate, he never recommends unnecessary dental work, he is careful to reduce pain to a minimum, his work and office mannerisms are professional, and his results are of the highest quality and durability. Many of Wally's patients are referred to him by other Dentists in the area; very likely for the same reasons.

¹ Zig Ziglar, quoted by Dan S. Kennedy, "No B.S. Sales Success" (Self-Counsel Press, 2nd Edition, 1999), p. 37. Actual quote was, "Timid salespeople have skinny kids."

The question arises: If Wally is so good, and his patients stay with him for life, why does he need a marketing plan?

The Importance of Marketing

According to Dan S. Kennedy, marketing “guru” and author of many books on selling, promoting and advertising, businesses lose customers for the following reasons:²

- **One percent die.** The best Dentist in the world cannot prevent this.
- **Three percent move away.** Geography can often disrupt customer loyalty. While I still travel from Texas to California to see Wally, others may not endure such a commute.
- **Five percent follow a friend or relative’s advice and switch to that friend’s preferred provider.** This loss can be minimized with excellent quality and service, and a good marketing plan.
- **Nine percent switch due to price or a better product.** Not all of this loss is necessary. A Dentist must both provide the best care and make sure his customers know that it is the best care. He must also make it easy for the customer to pay the bill. Some Dentists refuse to accept certain insurance plans because the plans pay less than the cost of the covered treatments. While most Dentists accept credit cards, not all offer financing for the more expensive treatments. Finally, high-quality care often costs more.
- **Fourteen percent switch due to product or service dissatisfaction.** You can’t please everyone. Some people dislike Dentists no matter how perfect their dental care. But some Dentists don’t even make an attempt to prevent the loss of customers, giving up without a fight.
- **The remaining 68 percent switch because of what they perceive and describe as indifference from the merchant or someone in the merchant’s organization.** The phrase that comes to mind is, “taken for granted.” Sometimes a Dentist may lose customers and not even realize it – all it takes is one rude or indifferent staff member.

If a large dental office with 5,000 customers per year loses 200 patients due to the above causes, it doesn’t make a large dent in the gross revenues. However, if a smaller practice – like Doctor Wagner’s – loses 200 patients in a year, for any reason, it can mean a major hit to the bottom line. A sensible marketing plan, therefore, should 1) replace any irretrievable customer losses, and 2) continually add new customers to the practice.

Fortunately, Wally Wagner has an excellent service record. Neither he nor his staff takes any customer for granted, nor do they give up on a dissatisfied customer until every remedy has been exhausted. Although the quality of his work is high, Wally is still vulnerable to cut-rate Dentists in the area. Wally is also

² Kennedy, Dan S., 2000. “The Ultimate Marketing Plan” (Adams Media Corp., 2nd Edition), pp. 123-124.

vulnerable to advice given to his patients by their friends and relatives, but it is unlikely that this loss rate is significant. People do move around a lot in the San Diego area – in fact, the entire state is considered “highly mobile.” Finally, death has claimed a few of Wally’s customers over the years.

As new residents move into the community, they must quickly be made aware of Doctor Wagner’s existence, his quality care and his reputation, to reduce the impact of his competition. Over a long period of time, word-of-mouth advertising can be increasingly effective in keeping new residents informed, but reinforcement through both marketing and education keeps the message fresh.

Doctor Wagner’s need for such message reinforcement has motivated this course paper. If “shyness” among Dentists is the norm, Wally is as “normal” as they come. Our goal is not to change his personality, but to subtly change the way prospective customers see his practice, thus improving on Wally’s existing word-of-mouth results.

The research methods and resulting recommendations in this document are based upon the course texts written by, and communications with, Dan S. Kennedy. Additional marketing concepts are drawn from Steven A. Silbiger, author of “The Ten Day MBA” (Quill, William Morrow, 1999). Finally, interviews with other Dentists, a Chiropractor, and an Ophthalmologist contributed to the research for this work.

Market Profile

In this section, we will profile the market environment surrounding Doctor Wagner's practice, analyze the competition, describe the Doctor's current situation, and identify any compatible marketing opportunities.

Consumer Demographics

Carlsbad, California, is a beach town North of San Diego with a population estimated at 83,000. According to the local Chamber of Commerce,³ there are approximately 31,000 households within the city limits with a median income of \$56,383. The city is divided into two Zip Codes, one with a median home value (MHV) of \$303,272, and the other, newer, area at \$368,775 MHV.

Ethnicity in Carlsbad is estimated to be 80 percent Caucasian, 16 percent Latino, and the balance divided between Asian and Black residents. The age breakdown in Carlsbad is as follows: 22 percent are under 18, 27 percent are 18 to 34 years, 38 percent are between 35 and 64 years, and 13 percent are over 65.

The cost of living in Carlsbad (not to be confused with "Carlsbad Caverns" in New Mexico) is about eight-percent higher than the greater San Diego area, and 13 percent higher than the neighboring city of Oceanside, but is nearly 40 percent lower than Newport Beach, San Francisco, or Beverly Hills.⁴

Doctor Wagner draws most of his patients from Carlsbad and the adjacent communities of Oceanside and Vista. The city of Oceanside has a population of about 150,000 (56,000 households with median income of \$41,000).⁵ Vista has 86,000 people (30,300 households with median income of \$33,000), but is growing faster than either Carlsbad or Oceanside – at a 12 percent annual clip.⁶

Carlsbad is also near the West entrance to the Camp Pendleton Marine Base. Interstate-5 – a major north-south arterial – runs through Carlsbad and links the city to its neighbors. Junctions with state highways 76 and 78 are also nearby, which connect Carlsbad with communities to the East.

New residents to the area, or long-time residents desiring to switch Dentists, have many resources available to them, including:

- The Chamber of Commerce;
- Dental referral programs (i.e., "1-800-DENTIST," "Dental Referral Service," or "American Dental Referral") and their Websites;

³ Source: Carlsbad Chamber of Commerce – www.Carlsbad.org.

⁴ Source: Salary Calculator™ - www.homefair.com.

⁵ Source: Oceanside Chamber of Commerce - www.oceansidechamber.com.

⁶ Source: City of Vista - www.ci.vista.ca.us.

- Governing associations (i.e., American Dental Association, California Dental Association, or San Diego County Dental Association) and their Websites;
- The Internet via search engines or directly to Dentist Websites;
- Media advertising;
- The local *Yellow Pages*; and
- Referrals from friends, relatives, neighbors, Real Estate agents and other doctors.

The Dental Practice

Walter Wagner, D.D.S., operates his practice within walking distance of the beach near a well-traveled intersection in downtown Carlsbad. The following is a profile summary of the Doctor's business.

Services

In addition to Doctor Wagner's "General Dentistry" services, he also offers Endodontal (root canal), Periodontal (gums), Pediatric (children), Oral Surgery, Dental Implants, Prosthodontal (crown, bridge and denture), and "Cosmetic" (whitening) treatments. In fact, the only specialty he does not perform is Orthodontics (braces). In addition to his practice, Doctor Wagner teaches part-time – pro bono – as Assistant Professor of Dentistry at a prestigious University, in the Oral Surgery department.

Memberships

Doctor Wagner is a member of the American Dental Association (ADA), California Dental Association (CDA), and the San Diego County Dental Association (SDCDA).

Office Capacity

Doctor Wagner's office facilities are equipped with three full dental chairs and two dental hygienist chairs. With the proper, well-trained people, including front office staff, chair-side assistants and hygienists, the Doctor has the capacity to treat up to 4,000 patients per year. Presently, however, he has approximately 1,000 active⁷ patients, and his hygienist sees between 90 and 100 patients per month.

Parking

The only physical limitation to increasing the patient load is the number of available office parking spaces. At present, there are eight (8) visitor parking spaces shared among all the tenants of the building. The nearest on-street parking is two blocks away, a less than desirable arrangement. Without a special arrangement with the building's management, it is unlikely that Doctor Wagner's office will be allowed more than three reserved parking stalls for customers. The

⁷ "Active" is defined as having a treatment or some form of dental care in progress.

Doctor estimates that, with four stalls, his active patient volume could grow to between 1,500 and 2000.

Pricing & Finance

Doctor Wagner's pricing is considered "average" for the area. He usually adjusts his prices every two years, which means that he compares "below average" near the end of the second year, and slightly "above average" immediately after each price adjustment.

The Doctor offers both Senior and Student discounts, and provides up to six month's credit – on structured payment plans - for qualified customers. Credit is approved on a case-by-case basis. Credit cards (Visa, MasterCard, Discover) are accepted, as are some insurance plans – those that allow patients to choose their own Dentists or those who list Doctor Wagner as a care provider. Military insurance plans are also accepted.

At present, the Doctor's success at collecting past-due accounts is poor. This is typical of private practices due to the unwillingness of doctors to pressure their patients or utilize aggressive collection agencies. In other words, being a "gentle" practitioner extends to both dentistry and accounts receivable.

Philosophy

Doctor Wagner's professional philosophy is very simple: *To provide excellent dental care. Period.* Since his practice has relied for over fifteen years on word-of-mouth advertising, he believes that quality results are better in the long run than an expensive marketing campaign. Over the past year, his practice has gained an average of four new patients per week, mostly by referrals from existing patients or other doctors. Very few new customers have been gained from *Yellow Pages* or other advertising efforts.

Advertising

The Doctor does not believe in, or is unwilling to engage in, aggressive advertising, sales gimmickry, or in-office "premium" giveaways, typical of the large dental groups in the area. Instead, he prefers a more subtle, dignified means of informing and educating prospective patients who will, hopefully, patronize his practice out of trust and loyalty, and refer others to the practice.

Doctor Wagner has a small ad in the *Yellow Pages* serving the North San Diego County area. He also has a one-page (temporary) Website but plans to launch a complete site during second quarter, 2002. There is a link to his Website on *DentistryWeb.net* under the Carlsbad, CA section, where he is one of twenty-nine Dentists displayed. He is not currently a member of Carlsbad Chamber of Commerce nor does he participate in any call-in Dentist referral plans ("1-800-DENTIST" et al).

The Doctor makes it a daily habit to personally give out his business cards during the normal course of running errands or other activities outside the office. His staff is also instructed to hand out cards where appropriate.

Competitive Analysis

The “culture” of the dental profession has been honed over many decades, and while the technologies employed by its practitioners have evolved and advanced, one characteristic has not: Apart from the telephone directory and a sign outside the office, most Dentists do not advertise. In fact, excessive advertising is considered by many in the profession to be the domain of “cut-rate” or “patient-mill” practices and second-class dental care. Right or wrong, in the opinion of most practitioners interviewed for this analysis, the larger the advertisement, the less trustworthy the dental practice. A typical response was, “They wouldn’t have to buy big ads if they did quality work.”⁸

The Yellow Pages

This sentiment at least partially explains why every Dentist in the region (and some outside the area) has a listing in the North San Diego edition of the *Yellow Pages*. Unfortunately, the *Yellow Pages* is the most competitive, toughest advertising arena there is. Unlike ads in the print or broadcast media, or direct mail, a Dentist’s ad in the *Yellow Pages* is surrounded by all the competitors’ ads. Thus, all Dentists are presenting their messages simultaneously to the same prospective customer. As Kennedy puts it, “Here, only the strong survive; only the strongest prosper.”⁹ To a new Dentist who enters the market on his or her own, without having joined (or purchased) an existing practice, the odds of quickly building a profitable patient base are abysmal – especially if the *Yellow Pages* is the sole means of advertising.

Because his last name begins with “W” Doctor Wagner’s exposure may be hampered by the fact that there are twenty-nine pages displaying over 880 listings (some duplicated in multiple categories). Since the “North San Diego County” directory covers many cities, it is estimated that 70 percent of the Dentist listings are potentially *direct competitors*.

Moreover, most of the Dentists in the *Yellow Pages* who use display ads tend to copy from each other’s statements, slogans and claims. For example, at least one of the following phrases can be found in each of eighty-five display ads in Doctor Wagner’s *Yellow Pages*: “Gentle Dentistry,” “Caring Dentistry,” “Comfortable Dentistry,” “Preventative Dentistry,” “Painless Dentistry,” “Tender Dentistry,” “Beautiful Smiles,” and “We Cater to Cowards.” Everybody is delivering the same message. While this may seem to be “the way to do things, because everybody is doing it,” the technique simply makes the public’s job of selecting a Dentist much harder.

It is fitting to note that newer Dentists tend to “copy what works” from established advertising. It is, therefore, very interesting that the phrases used by Doctor

⁸ Six out of seven Dentists surveyed made similar statements.

⁹ Kennedy, Dan S., “The Ultimate Marketing Plan” (Adams Media Corp, Holbrook, MA, 2000), p. 3.

Wagner in his small *Yellow Pages* ad (which has remained the same for nearly fifteen years) are: “Preventative Care,” “Gentle Dentistry,” and “We Cater to Cowards.” Perhaps, when Wally first opened his practice in the mid-80s, these phrases were not widely used. Today, however, any differentiation that he may have enjoyed is gone. This is likely the primary reason why the *Yellow Pages* produces – for this practice, anyway - such insignificant returns.

Doctor Wagner’s present *Yellow Pages* ad is located near the end of the large (24-page) “Dentists” section, which further diminishes the ad’s impact. Other sections designed for specialized dental services are also available, and contain fewer competitive listings. Since Doctor Wagner offers most of these specialized services, an opportunity exists to improve his exposure by adding a small listing within each applicable section. For example, “Endodontics,” “General Dentistry,” “Oral & Maxillofacial Surgery,” “Pediatric Dentistry,” “Periodontics,” and “Prosthodontics” sections each contain a relative “handful” of Dentist listings.

The Chamber of Commerce

When prospective residents begin to look for a home in a new town, they are often referred to the Chamber of Commerce (COC). The COC is chartered to put a “positive spin” on commercial activities within a community and to promote economic growth. However, not all businesses in the city are members, thus, the COC tends to refer a small percentage of available businesses to those who inquire.

Most of the Dentists interviewed for this analysis, including Doctor Wagner, did not belong to their local COC. When asked why, most stated that the benefits of membership were not worth the required fees. When the Dentists were then asked if they had ever seen their COC website, they all answered “No.”

A quick review of the Carlsbad Chamber of Commerce’s website revealed fourteen (14) Dentist listings, most with links to their own websites.

Again, we must consider the mathematics. While the readership of the Carlsbad COC website is much lower than the readership of the *Yellow Pages*, in the latter, Doctor Wagner’s ad is one among 880 Dentist listings, while on the COC website, he could be one among just fifteen listings.

One of the key services provided by the COC is Real Estate (RE) agent referral to prospective residents. Showing properties and driving neighborhoods are important duties for RE agents, but answering questions and offering referrals are part of their standard operating procedure. Membership in the COC, therefore, provides additional exposure to Real Estate agents, who often influence new residents with their favorite merchants.

Primary Competition

Although Doctor Wagner’s market extends beyond the city of Carlsbad, his primary competitors are located within a few blocks of his office. At least twenty-eight dental offices or large dental centers compete directly for Doctor Wagner’s business. Because the practices listed in *Table 1* below are private corporations,

market share information is unavailable. However, estimates can be made based upon the number of practitioners serving each entity and the size and scope of their advertising.

Table 1. Carlsbad Dental Competitors (at least 1% market share)

COMPETITOR	Share	COMPETITOR	Share
<i>Walter Wagner, D.D.S.</i>	1%	Carlsbad Village Dental	3%
North County Dental	4%	Carlsbad Family Dental	3%
Donoghue Dental Center	3%	C. Molinar, D.D.S.	3%
Carlsbad Pediatric Dental Center	3%	Plaza Family Dental Group	3%
Packard Dental Group	3%	S. Lance, D.D.S.	2%
Keller, D.D.S.	2%	T. Bowman, D.D.S.	1%
J. & J. Fruin, D.D.S.	2%	G. Godward, D.D.S.	1%
S. Bolichman, D.D.S.	2%	B. Jordan, D.D.S.	1%
G. Hayes, D.D.S.	1%	P. Scott, D.D.S.	1%
R. McClave, D.D.S.	1%	P. Rappaport, D.D.S.	1%
R. Penman, D.D.S.	1%	E. Rosen, D.D.S.	1%
R. Reihm, D.D.S.	1%	D. Tracy, D.D.S.	1%
B. Sundquist, D.D.S.	1%	G. Bell, D.D.S.	1%
C. Malin, D.D.S.	1%	T. Nalley, D.D.S.	1%
S. Liethen, D.D.S.	1%	Other & Non-Carlsbad Competitors	50%
		TOTAL	100%

Most of the practices listed above maintain Websites on the Internet, and most have links to their Websites from online dental referral agencies or online merchant directories.

Doctor Wagner estimates that between ten and fifteen percent of his new customers have been previously treated by one of the larger, cut-rate dental centers in the area, and are disgruntled with the quality of care received at the competitor's practices.

Marketing Mix

The “marketing mix” for business is comprised of the *Four P’s*: *product*, *place*, *price* and *promotion*. According to Steven Silbiger, “The development of the *marketing mix* is an evolutionary process whose goal is an *internally consistent* and *mutually supportive* plan. That cannot be overemphasized.”¹⁰ In other words, tampering with one “*P*” will affect the others; a change to one component may require changes to others.

To determine the present “mix” for Doctor Wagner’s practice, and to identify any potential marketing “gaps,” we must answer specific questions related to the *Four P’s*.

Product

Is the practice offering the right treatments and services? Yes. Although Doctor Wagner practices “General Dentistry,” he offers every dental specialization except Orthodontics.

Can the practice differentiate its products and services from the competition? Partially. Most Dentists in the area offer “gentle” and “preventative” care designed for “cowards.” At present, the quality of Doctor Wagner’s products and services place his practice among the best in the area. For example, he takes great care to perfect the quality and appearance of his prosthetic products (dentures, crowns and bridges).

Is the quality of treatment provided superior to the competition? Yes. Doctor Wagner offers proven “traditional” techniques that appeal to most age groups, and which produce excellent results. He does not hurry his patients through their treatments, but prefers to do a thorough and professional job. There appears to be a perception among the public that the presence of “high tech” dental equipment ensures superior dental treatments. Despite this perception, Doctor Wagner has been reluctant to purchase what he calls “the latest bells and whistles,” until he can be shown that the technology 1) is cost effective, and 2) improves treatment results. In the Doctor’s opinion, most high tech dental equipment is designed to speed up treatments, not necessarily improve treatment effectiveness.

Are Doctor Wagner’s professional reputation, credibility, and credentials superior to the competition? Partially. Among his patients and the dental community, Doctor Wagner’s reputation is solidly positive. His longevity at the present Carlsbad location illustrates to the public that he is “doing it right,” however, there is a decided lack of testimonial evidence in his literature, in his advertising, or on his Website. His credentials as a Dentist include graduation from one of the premier dental schools in the world and the demand for his time as a teacher at that school, however, these facts are not advertised to the public.

¹⁰ Silbiger, Steven, “The Ten-Day MBA” (Quill, William Morrow, New York, NY, 1999, Revised Ed.) p. 28. [Emphasis as published]

Place

Does the location of the practice enhance or diminish the potential for growth? Enhance. The office is located just West of a major intersection and within walking distance of the beach.

Is the office visible and easy to find? Partially. While the actual office doors do not open to the street, and the office is upstairs in the building, a sign on the street displays both the building number and a list of occupants. A directory inside the entrance further directs customers to the dental office. Customers who are new to the area usually need detailed directions for their first visit.

Are the facilities adequately equipped and comfortable? Yes. Doctor Wagner uses relatively modern equipment, although he plans an upgrade to more “high-tech” equipment in the future. The dental chairs are comfortable and can be adjusted to any position or angle. The waiting area is adequate.

Are the facilities large enough to accommodate the desired growth? Yes. Three dental chairs and two hygienist chairs are sufficient to quadruple the present volume of customers.

Is parking sufficient? Partially. The present volume (1,000 active patients) is served adequately with three reserved parking stalls, however, significant increases in volume will require additional reserved stalls or a move to a new location.

Price

Are the prices for treatments competitive? Yes. Doctor Wagner has no intention of competing with the cut-rate, high-volume dental centers in the area. Prices are considered average for the community.

Are there flexible payment options for customers? Yes. Major credit cards are accepted, along with cash or checks. Some insurance plans are accepted, including military plans. Payment plans are negotiable on major treatments but are limited to six monthly installments.

Does the price match the value provided? Yes. Doctor Wagner’s philosophy is to provide excellent, professional dental care and he personally trains his staff to support that philosophy. Therefore, in many customers’ opinions, the value received exceeds the price, relative to the competition.

Promotion

Are customers aware that they need a Dentist? Partially. American society has been well conditioned to understand the need for dental care. In addition, more affluent or image-conscious consumers are willing to invest in elective treatments such as cosmetic dentistry. However, often people need reminding that they do have dental needs, or health issues, or self-esteem needs or desires, or that - deep down inside - they desire optimum dental health. Dentists cannot afford to *assume* that the public is instantly, automatically interested in this.

Are customers aware that Wally Wagner exists? Partially. Apart from the office sign on the street, a single *Yellow Pages* listing in the “Dentists” section, a one-page website with limited search-engine¹¹ exposure, and word-of-mouth referrals, customer awareness is limited. Doctor Wagner makes it part of his daily routine to hand out his business cards whenever he is outside of the office. His staff is also instructed to carry his business cards and hand them out when appropriate.

Are customers aware of the quality of the practice’s treatments? Partially. Existing customers are aware of the quality, but Doctor Wagner’s current advertising and website do not educate the public on the issue of quality. Again, this aspect is left to the word-of-mouth domain. In many cases, the public’s perception of “quality” is limited to appearance and absence of pain. Only through education will most customers understand the science behind their successful treatment.

Are customers aware that the treatments offered solve their need? Partially. The Doctor’s patients are, of course, aware of the solutions available, but a limited marketing presence prevents these facts from being widely known. Doctor Wagner does consult with his patients on the dental care options available to them, and recommends the treatment he is certain will solve their need.

Are customers motivated to make an appointment? Partially. New customers referred to Doctor Wagner by other patients or doctors are naturally motivated to do business with him. The current *Yellow Pages* ad states “We Cater to Cowards,” but makes no further attempt to solicit a response. The Doctor’s temporary Website is not yet designed to educate or motivate customers.

Do customers remain loyal to the practice? Yes. Once Doctor Wagner has treated a customer, the customer usually continues to patronize his practice. Losses occur if a patient’s insurance coverage changes, or the patient moves out of the area.

Do customers refer others to the practice? Yes. Nearly 75-percent of Doctor Wagner’s patients were referred to him by other patients or doctors. Between ten and fifteen percent are “self-referred,” or disgruntled customers from the large, cut-rate dental centers. The remaining customers are either influenced by their insurance plan’s “book” (the official list of doctors covered by the plan) or are motivated by having personally received the Doctor’s business card.

¹¹ Search engines allow Internet users to find Websites by entering keywords. The major search engines, such as “Yahoo!” and “Google,” require sites to register – often for a fee – before they will be included in any search results.

Differentiating the Practice

Unless a Doctor can clearly differentiate his or her practice from others in the community, it is unlikely that people – without referral input - will change their present “habits” and switch. In this section, we will explore the areas of opportunity that Doctor Wagner – or any practitioner, for that matter – could seize to differentiate his practice from the competition and accelerate his growth.

Credibility and reputation are to medical professionals what diplomatic passports are to ambassadors. When you have them, you can do things no one else can do; without them, you are nowhere. While advertising the practice can attract interest, it is the practitioner’s credibility and reputation that will influence an interested party to become a paying customer. But, both credibility and reputation must be earned, and mere claims or slogans are a poor substitute.

Dan Kennedy put it bluntly in his book, “The Ultimate Marketing Plan:”

“Like it or not, I don’t believe one damned thing you tell me... The American public has been lied to so much by so many that we no longer trust anybody. In fact, research...[by] focus groups shows that they passionately distrust as a first instinct. Make no mistake about it: this is the Age of Skepticism.”¹²

Kennedy concludes that the secret to success is to develop a marketing message “with the understanding that recipients will be stubbornly reluctant to believe them.”¹³ In other words, Kennedy’s advice to a practitioner wishing to differentiate the practice from hundreds of “copycats,” is to “prove your case.”

Testimonial Evidence

The shyness and reluctance to advertise that we have seen in Doctor Wagner’s case is typical of the dental industry. The resulting dilemma lies in overcoming the public’s natural skepticism by establishing credibility without suffering the “indignity” of making boastful claims. Again, Dan Kennedy comes to the rescue with the following, proven wisdom:

“What others say about you, your company, your products, and your services is infinitely more credible than anything you can say on your own behalf. When you make a statement, it’s a claim. When your satisfied customer makes the same statement about you, that’s a *fact*. ...I am here to tell you that you cannot overuse testimonials... As common and well-proven as testimonial use is, the absence or underuse of testimonials remains *the* number one marketing error I see repeated most frequently.”¹⁴

¹² Kennedy, Dan S., “The Ultimate Marketing Plan” (Adams Media Corp, Holbrook, MA, 2000), pp. 48-49.

¹³ Ibid, p. 49.

¹⁴ Ibid, p. 55-56. [Emphasis as published]

It is not necessary, in my opinion, to place testimonials in display ads, either in the *Yellow Pages* or in other media. However, in-office literature, wall displays, and the practice's Website can be used to establish the practitioner's credibility and enhance his or her reputation with customer opinions. While existing patients need no further "proof" of the doctor's reputation, prospective customers do; and there is no better way to convince them that they have found the right Dentist than to let them read what previous customers think of the practice.

One of the best ways to obtain willing testimonials from customers is to provide a "Customer Satisfaction Survey" to patients at the conclusion of a major treatment. The survey can ask basic questions about the care provided by both the doctor and staff members, it can ask whether the customer feels they have received value commensurate with the price paid, and – most important – it can provide spaces for the customer to express an overall impression of their experience and/or to offer suggestions for improvement. Finally, the survey should ask the customer's permission to use their comments in future advertising.

A possible incentive for customers to fill in such a survey and grant permission for its use, might be to offer a small cash discount if they spend the required minutes before leaving the office. A few dollars should be worth the expense to collect such valuable testimonials as well as ideas on how to improve the business.

Customer Education

One of the doctors interviewed for this paper was Ophthalmologist, Doctor Harvey Carter of Dallas, Texas. He happens to be one of the pioneers of refractive eye surgery in the state and has developed innovative techniques for the removal of cataracts and the treatment of blindness. As a former patient of Doctor Carter's, I have made more than twenty trips to his office over the past twenty-four months and have had the occasion to observe his customer-handling processes.

The first thing that impressed me was the conspicuous absence of the normal trappings of a waiting room, i.e., news magazines, sports magazines, newspapers, etc. Instead, educational videos of vision treatments are playing on monitors in various locations, and the only reading materials are related to vision education or image-oriented (cosmetic) topics. After sitting in the waiting room for a few minutes, I felt like I was participating in "immersion training" of vision correction information. By the time Doctor Carter saw me, I already knew what to expect regarding my own treatment, and I was able to ask intelligent questions based on solid information.

In essence, Doctor Carter's "system" assisted me in becoming a joint partner with him in my own vision treatment. When the day for my eye surgery arrived, I was fully educated on the procedure and was prepared for each step. There were no surprises. Because I was fully informed of the process, I was able to explain my

treatment to others. Since that time, I have referred countless others to Doctor Carter's practice, based on a clear understanding of the benefits and risks.

Oh yes, after my final post-operative checkup with Doctor Carter, I was offered a 50-dollar discount if I would agree to fill out a questionnaire designed to help the doctor improve his service. I'm not stupid. I accepted the discount!

When we attend a class in school, we are conditioned to accept that the teacher or professor knows more about the given topic than we do, otherwise we wouldn't be there. This relationship tends to elevate the credibility, the credentials, and the reputation of the teacher in the eyes of the students. The public respects an "expert," and the simple process of educating people on a topic in which the teacher has expertise can enhance the respect for that teacher. The opportunity to nurture this teacher-student relationship in a medical or dental practice is extremely valuable to the practice in the long-term.

In Doctor Wagner's case, he uses the slogan "We Cater to Cowards" as a means of reducing the "fear of pain" that many potential customers have toward dental visits. In addition, he explains each procedure and process to his patients before and during the treatment. However, there are other opportunities to educate his customers before he sees them. For example, he could (like Doctor Carter) utilize the customer's waiting-room time with treatment videos and educational literature; and his Website could include further educational content.

In discussions with Doctor Wagner about implementing further educational opportunities for his patients, he agreed that the concept would be beneficial, and developed a policy statement to match:

"Our job is to inform you about your dental choices so that we can partner with you in delivering your dental care."¹⁵

A statement such as this should be prominently displayed both in the waiting room and in the treatment areas, reminding patients of their opportunity to both learn and participate in the relationship.

Visual Evidence

A corollary to the principle that the public is skeptical of any claim is the idea that visual proof requires no "claim." In other words, an attorney does not wish to risk a case in court with merely "enough" evidence to win, but desires a "preponderance of proof." There is nothing more "preponderant" to a potential customer than "before" and "after" pictures.

One of the most effective means of differentiating a dental practice, therefore, is illustrating the success of treatments by displaying "before" and "after" pictures. It only requires a few such pictures to be *instantly convincing* to those who enter the waiting room. For those Dentists, including our case study, who are the most passive about advertising, but whose products and services are among the best, a series of before/after pictures on the waiting-room wall - and on the Website -

¹⁵ Dr. Walter Wagner, D.D.S., February, 2002.

would provide an effective alternative. Without blowing his own horn, the Dentist allows the pictures of his best work to do it for him, further establishing credibility and respect among his customers.

Again, Dan Kennedy weighs in on the use of pictures to “prove” one’s case to the public. After trying for years to help his dental and chiropractic clients improve their images through the use of pictures, only a few have actually done it, and they have out-earned the ones who don’t use pictures. About those who do not avail themselves of this opportunity, he laments:

“...I think it is simply a reflection of the vast majority’s interest in improving, but only if doing so requires no change, discomfort, or initiative. That’s why...a few out-earn the huge ‘mediocre majority’ by giant margins.”¹⁶

One of Kennedy’s more successful doctors snaps two Polaroids™ at the beginning of a treatment, and hands one picture to the patient with the understanding that the doctor can display his copy (without using their name, of course) on his “treatment wall.” He finds that the patient is always eager to receive the final snapshot taken at the end of the treatment.¹⁷ Other doctors offer a small discount if the patient allows their treatment pictures to be displayed (in a similar manner to the written survey). In either situation, these patients often use their before/after pictures to refer new patients to the practice.

A Digital Presence

This is the Internet Age. About seventy percent of American households with computers were connected to the World Wide Web, and that percentage is expected to grow rapidly over the next three years.¹⁸

During the research effort for this analysis, I entered the following keywords into the top ten search engines on the Internet: *dentist Carlsbad CA*. The result from all the search engines was similar. Dental referral agencies and directories were given priority in the listings, appearing at the top, while links to individual dentist sites trailed at the bottom. One community directory, *DentistryWeb.net*, produced a page with twenty-nine Carlsbad Dentists, including Doctor Wagner’s.

After connecting to every Website belonging to the competition in Carlsbad, as well as others from Vista and Oceanside, I came to the realization that most Dentists were using the Internet to conduct *e-Business*, not to educate their customers and, thus, to establish credibility.

Some of the sites were very creative, with bells, whistles, and animations designed to grab the attention of its visitors. Some even allowed the visitor to

¹⁶ Kennedy, Dan S., “The Ultimate Marketing Plan” (Adams Media Corp, Holbrook, MA, 2000), p. 55.

¹⁷ Ibid, p. 54.

¹⁸ Howard, Bill, 4-Sep-2001. “20 Years of Missed Opportunities” (PC Magazine, Ziff-Davis Publishing, Inc., Boulder, CO) Volume 20, Number 12.

make a dental appointment electronically, right from the Website. Unfortunately, most of the sites exhibited the same mistakes as their corresponding *Yellow Pages* ads: they make claims, slogans and sales pitches, but offer little substance. Rather than using their Websites to educate, inform, and *prove* that they are different, most Dentists resort to “copycat” gimmickry.

The opportunity for Doctor Wagner to rise above the competition with a simple and informative presence is compelling. Allowing patient testimonials, before/after pictures, and educational pages to solidly establish his credibility, Doctor Wagner’s Website could be used to “passively” reach customers without any hard-sell gimmickry.

Once the Website is published, the Doctor should include his Website address on *all* literature and in all advertising, including the *Yellow Pages* listing. In addition, subscriptions to all online dental directories (many are free) and the top Internet search-engines (a few are free), should be obtained, linking visitors to the Website. In other words, should a new resident use a search-engine to type the keywords, “dentist Carlsbad CA,” Doctor Wagner should appear on the first page returned.

Finally, the Website should be considered an extension of the “Wagner School of Dental Care,” where existing and prospective patients are sent to supplement the education received in the dental office. The cost of publishing additional information on an existing Website is negligible, especially compared to the cost of producing printed educational handouts. Of course, not all patients are Web-connected, so, for those patients the staff can print out the appropriate web pages on demand.

A Traditional Presence

Doctor Wagner’s existing *Yellow Pages* ad in the “Dentists” section should be enhanced with a single line containing his Website address. In addition, a non-display listing should be added to each of the following sections in the directory:

- Endodontics;
- General Dentistry;
- Oral & Maxillofacial Surgery;
- Pediatric Dentistry;
- Periodontics; and
- Prosthodontics.

Why? In the “Dentists” section, he is just one amid hundreds of listings. In most of the other sections, he would be one amid a dozen or two, thereby dramatically increasing his exposure to potential customers of more “specialized” treatments. The additional listing costs should be slightly more than the existing in-line display ad, and should be considered the price of doing a potentially higher-volume business.

Doctor Wagner should also join the Carlsbad Chamber of Commerce and ensure that he is listed on their Website with a link to his site. This will expose him to new residents in town as well as increase the likelihood that Real Estate agents will refer him to new prospects.

A Charitable Presence

According to Dan Kennedy, an excellent community image strategy is allying the business with one or two non-controversial, non-political, highly respected nonprofit organizations or charitable causes. A business does not have to be big to receive recognition from this sort of thing.¹⁹

Here's an example of a simple strategy employed year after year by one of the Dentists interviewed for this paper. Each year, with money raised from company employees and customers – not from company coffers – the practice becomes a very prominent, visible sponsor of the Arthritis Foundation's annual citywide telethon. The result is tens of thousands of dollars' worth of free advertising on radio and television.

By becoming active as a supporter of this type of organization, a Dentist also meets and "networks" with other influential, progressive people in the community. Other activities can include sponsorships of local marathon races for charity, charitable beach activities, and Carlsbad-sponsored goodwill events.

Most charities welcome the interest of any business owner who might assist them in their fundraising activities. Raising relatively little money can still result in VIP treatment by the organization, especially on a local level.

A Referral State of Mind

Joe Girard, repeatedly recognized by the *Guinness Book of World Records* and author of *How to Sell Anything to Anybody*, has a "Rule of 52" which states that the average number of attendees at both weddings and funerals is 52. In reaching customers, therefore, his contention is that each existing customer has the potential of referring 52 other customers.²⁰ Assuming that just one-fourth of those attendees are within the same geographical region, one can expect the potential of thirteen (13) referrals from each customer.

Every contributor to the business – every front office member, every dental assistant, every hygienist, and, of course, the Dentist – must understand that, to grow the practice, there are three goals they must achieve with every patient:

1. To get them well;
2. To teach them how to stay well; and
3. To inspire them to refer others.

¹⁹ Kennedy, Dan S., "The Ultimate Marketing Plan" (Adams Media Corp, Holbrook, MA, 2000), p. 75.

²⁰ Joe Girard, quoted by Dan S. Kennedy in "The Ultimate Marketing Plan," p. 138.

Of course, the last goal is not that easy. Like the doctor's credibility and reputation, referrals must be earned.

In a speech to new Disneyland employees, Walt Disney put it this way: "Do what you do so well that people can't resist telling others about you."²¹

One Texas Dentist interviewed for this paper more than quintupled his referral volume by catering to children. In order to better serve these "little patients," he made the following changes, which added little to his costs:

- He redesigned his office to provide maximum comfort to the "short people" who came there. He lowered the reception staff into a pit behind the counter so they were at eye level with the patients.
- He hung pictures of himself, his associate Dentists, his dental assistants, and his hygienists, on the wall, along with their hobbies and interests, allowing the kids to pick their favorite experts.
- He gave each child a "home follow-through Report Card" for his or her parents to fill out each day the child brushed and flossed as prescribed. If the Report Card came back to the Dentist with all A's, the youngster got a prize. Some of those prizes were bicycles – imagine that child riding around the neighborhood telling all his friends that "My Dentist" got the bicycle for him.
- He called each new patient at home the evening after treatment, just to see how the patient was feeling. He called each parent the day after the child's treatment.
- Each new patient left the office the first time with an autographed 8 by 10 inch glossy of his dentist and dental assistant.

A local Chiropractor told me that he learned many years ago to *ask* for referrals. Yet, many Dentists I interviewed are too timid to ask their customers to refer others. Of course, one does not need to verbally ask them – there are less-aggressive methods. Once more, Dan Kennedy has a suggestion:

"Display and convey your expectations... We encourage the use of some kind of 'display board' listing the names of patients who have referred that month, and a note stating something like, 'We strive to earn your trust, and we appreciate it when you tell others about us.' It works."²²

Another way to ask for referrals is to simply say "Thank you" to every customer during their final treatment visit, hand them ten business cards and add, "We would really appreciate having the opportunity to treat anyone you might send our way." Then, when you get a referral, call the referring customer with thanks

²¹ Walt Disney, quoted by Dan S. Kennedy; *Ibid*, p. 139.

²² Kennedy, Dan S., "The Ultimate Marketing Plan" (Adams Media Corp, Holbrook, MA, 2000), p. 141.

or send a personal thank-you note or gift. Without asking for any more referrals, they will be naturally motivated to continue sending customers to the practice.

The bottom line is this: If 75 percent of the business is from referrals, there is no reason to take that source of customers for granted. Included in the training the office staff receives, the policy of asking for, or encouraging referrals should be mandatory. As we have seen, causing people to change their habits is difficult, and causing the practice to “slightly” change its methods may be awkward, at first, but the payoff is accelerated growth. And, if we’re not in business to grow, then we’re not really in business.

Conclusion

Why should anyone choose Wally Wagner as their Dentist rather than any other Carlsbad Dentist? The answer is *not* because, “Wally is no worse than anybody else!”

In the foregoing analysis, we have established the superiority of the treatment and dental care value provided by Doctor Wagner. We have illustrated and – at least partially, justified – his (and other Dentists’) reluctance to advertise. We have identified the Doctor’s current environment and “marketing mix,” which exposed some potential gaps in his situation. Finally, we have suggested some possible remedies and action items designed to differentiate Doctor Wagner’s practice from the competition and subtly, almost passively, increase new and referral traffic to the practice.

The final issue to be decided is whether Doctor Wagner will apply one or more of the recommendations to his practice. The scope of this project, however, was not to implement change, but simply to justify and suggest it. The rest, as they say, is “Dental History.”

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