

Marketing Metrics for Medical Practices

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There's a saying by John Wanamaker who pontificated, "Half the money I spend on advertising is wasted; the trouble is, I don't know which half." Today you have opportunities to determine which parts of your marketing efforts are effective and what is wasted. However, you have to measure your marketing results. This article will discuss marketing metrics and how to use them to get the best bang for your marketing buck.

KEY WORDS: Marketing; advertising; practice promotion; metrics.

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Doctors are used to measuring what they do clinically with their patients. They use statistics and evidence-based medicine to decide what tests to order and what treatments to offer their patients. The same principles apply to marketing their clinical practice. Doctors need to see a return on their marketing dollars. Only then will they be interested in marketing and continue using marketing techniques to market and promote their practices. This article will discuss the role of marketing metrics to ensure that physicians' energies and hard-earned dollars are doing what they are supposed to do: attract more patients to their practice in an ethical fashion.

EFFECTIVE MARKETING

What cannot be measured cannot be managed. The reason so many doctors fail to market their practices successfully is because they don't have a manageable, predictable real-world process to market and promote their practices.

Most medical marketing is done reactively with little thought.

There is really no other answer. Other authors have commented on reasons for doctors' reluctance to use advertising and marketing. These include: 1) physicians' busy schedules; 2) their lack of business training; and 3) not seeing a return on their investment. However, these are all excuses. Any business, whether a medical practice or Fortune 500 company, must have a systematic marketing methodology. And those doctors and practices that

lack this methodology are losing business to the growing contingent of doctors and hospital systems that possess it.

Most medical marketing is done reactively with little thought. Typically, either a media salesperson wanders into the physician's office or the provider finds himself or herself in a cash-flow crunch. Then a knee-jerk reaction occurs, and the physician starts erroneously to believe that it's time to start marketing!

Effective marketing takes repetition and consistency to build positive interest.

Marketing is not like treating a urinary tract infection, which gets better in a few days. An effective marketing and advertising program takes time to work. It may take several months to see the positive impact of marketing efforts. Effective marketing takes repetition and consistency to build positive interest and get people talking about the practice. Interestingly, many doctors never think about the message they are sending when they stop running an ad—does it signal to the market that they have closed the practice, or does stopping a marketing effort suggest that they just don't care anymore?

LOOK FOR A MODEL FOR YOUR PRACTICE

In order to be successful, you need a model. Why not look to Fortune 500 companies to see how they do it? Admittedly, not every market behaves exactly the same way—you don't want to mimic the way Geico sells insurance.

However, most of the successful business marketing campaigns are the same no matter what product or service is being sold.

To find a Fortune 500 company selling into a similar market to yours, look for examples at large legal firms (not the ambulance chasers), large CPA and financial firms, business consulting firms, and even some of the large hospital systems. They are selling professional services, just as any medical practice offers its services. We suggest that you request to be on the mailing list of these very successful service companies to see examples of their marketing efforts. Most likely, if you see a marketing piece more than once, it has proved to be a success.

LESSONS FROM FORTUNE 500 COMPANIES

The first lesson to learn from the Fortune 500 is that the CEO is not running to Kinko's to design and print marketing collateral, like business cards and stationery, or to develop Web pages. Fortune 500 companies employ experts either as consultants or employees on a project basis. Those experts provide the creative ideas and bring them to the executive team for approval. Once approved, those same people manage the implementation and bring results back to the executive team. Do you have that kind of system? You should; and there is no reason why you can't, no matter how small your marketing budget is.

The second lesson the Fortune 500 companies teach is that marketing specialists are paid on results. That means there is tracking for every result they create. And marketing specialists do one of two things: 1) they make your phone ring; or 2) they increase positive word-of-mouth about your practice. Both are vitally important.

The third lesson from the Fortune 500 is that a marketing plan begins with the development of a coherent marketing strategy. Begin by understanding what you want your niche—your brand—to be in your medical community. Do you want to be seen as the elite provider, the practice that celebrities and dignitaries would go to? Then make your marketing message congruent with that brand. Don't talk about low prices or same-day appointments if that's not your unique selling proposition; talk about special training and designations, or your elite status—like being the team physician for the local NBA or college team. You must begin with your intended brand before designing your message, and then decide on which media are best to reach your intended market.

CHOOSING YOUR MEDIA

Here, in no particular order, is a list of media commonly used to promote medical practices along with monthly metrics for their proper use. The list is by no means intended to be exhaustive; your front office must track the

sources of new patients and specific procedures as they schedule:

- Web site:
 - Cost;
 - Hits per month;
 - New patients per month generated from Web site;
 - If using pay-per-click, the number of clicks and cost per click;
 - Search engine optimization placement for the three most common search terms;
 - Number of inbound links;
 - Number of articles placed in local media publications; and
 - Number of videos placed on YouTube.
- Direct mail: This is an underused marketing technique but a very effective method especially if you commit to 10 mailings a year to the same neighborhood or small group:
 - Cost;
 - Number of pieces mailed;
 - New patients per month generated from direct mail ads; and
 - Increase in patient visits over the same period last year.
- Newsletter/e-zine:
 - Costs of production and mailing list;
 - Number of pieces delivered online;
 - Number of print pieces delivered;
 - Number of new patients generated from newsletter/e-zine;
 - Increase in visits over the same period last year;
 - Number of referral patients generated from newsletter/e-zine; and
 - Size of mailing list—print and online.
- Referral program:
 - Cost of program;
 - Survey results;
 - Number of referral patients generated from the program; and
 - Increase in visits over the same period last year.
- Speaking engagements:
 - Number of engagements;
 - Number of new-patient visits generated from engagements; and
 - Increase in size of online and off line mailing list.
- Articles posted online and off line:
 - Number of articles posted; and
 - Number of new inbound links.
- Special events like health screenings:
 - Number of events;
 - Number of new-patient visits generated from events; and
 - Increase in size of online and off line mailing list.
- Outdoor signage:
 - Cost; and

- Number of new patients generated from signage.
- Cable television/radio ads:
 - Cost;
 - Number of ads;
 - Visibility (number of homes broadcasted into);
 - Number of new patients generated from ads; and
 - Survey results.
- Marketing to other physicians and medical practices:
 - Number of visits to referral sources;
 - Number of referring physicians;
 - Increase in number of referring physicians; and
 - Number of new patients generated from marketer’s activity.

Regroup with your marketing team on a monthly basis. Talk about your message, your ideal target market, and the media you are using. Begin the discussion by reviewing practice-wide results for total visits, total billed charges, and total revenue received during the prior month. Then

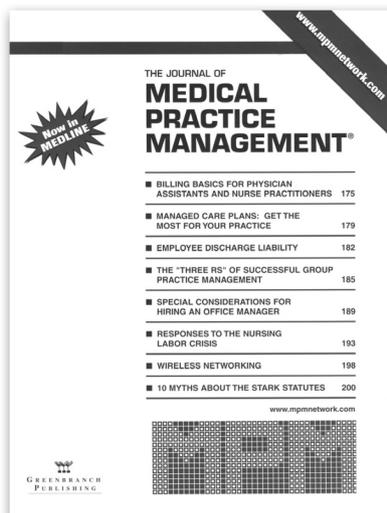
analyze each specific campaign, and assign a return on investment value (revenue generated divided by cost).

This analysis will allow you to discover your strongest and weakest campaigns in terms of revenue generated or lost. Drop losing campaigns quickly, and discuss ways to reinvest in your winners on a bigger scale. Never fall in love with your own advertising— it’s there to work for you and not the other way around.

BOTTOM LINE

Marketing for most physicians and medical practices is difficult to grasp. In the past, it has been problematic to measure the results and effectiveness of your efforts. However, if you make a decision to monitor your marketing efforts, you will find out what works and do more of it. You will also find out what doesn’t work so you can delete it from your marketing plan. ■

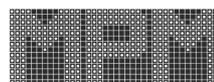
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