

Promoting your dental practice when the economy slows

by Howie Horrocks and Mark Dilatush

This is our first in a series of articles for TPD. The main objective will always be to help you effectively and professionally promote your dental practice. The topic today is how to promote your practice when the economy slows. Our firm has been working with dentists exclusively since 1990. We have managed client marketing budgets through multiple economic downturns, so - this isn't new to us. Our goal with this article is to communicate the reality of a slowed economy, its potential impact on different "kinds" of dental practices, and provide general guidance as to where you might look for improvement.

Economic reality

We do understand that certain areas of the country have been impacted more than others. Michigan, Ohio, the Buffalo/Rochester New York corridor, Las Vegas, parts of southern California, and other parts of the country have been hit harder than most. If you practice in one of these areas, just take what we are about to say and add even more importance to it.

The biggest overriding economic reality that is directly affecting your dental practices is the 2.3 trillion dollars of home equity that basically vanished. The entire US economy is balanced around 60 trillion dollars (to put it into perspective). So, 2.3 trillion dollars is quite a "chunk" to pull out of the economy in a very short amount of time. Do not underestimate the importance of how quickly that money vanished.

Who (which dental practice type) will get hit first and hardest?

The cosmetic/full mouth rehab focused practice, in even a moderately competitive market area, will be the first to get hit and the hardest hit. There is a necessity vs. elective mindset in the market. The farther away you go from family dentistry toward cosmetic/full mouth dentistry – the more "elective" the market perceives the dentistry. The real killer though is the 2.3 trillion in unavailable funding. Between 2001 and the latter part of 2005, those extreme makeovers you were doing were largely funded by home equity lines or loans. Well, that home equity has all but vanished for the vast majority of the population. If you combine an elective perception and lack of available funding, you get a slowdown. In some markets, like the markets mentioned above, a drastic slowdown.

What to do?

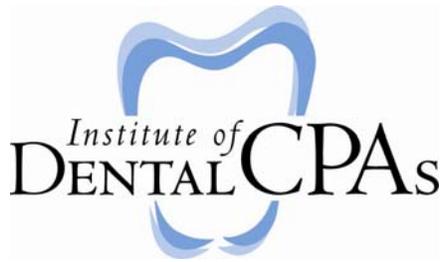
The first thing we recommend is to **pay more attention to your existing patient base**. There is likely a tremendous opportunity for practice growth within your own patient base. Between 2001 and 2005, you were all pretty "fat and happy". Many times, promoting the practice within the existing patient base becomes complacent during "fat and happy" times. Now is definitely the time to pay more attention to your re-care system, communicate with your existing patients, and promote services to your existing patients.

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The Profitable Dentist

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The next thing we do with clients is allocate marketing dollars to what we KNOW works best in their particular market area. You should do the same. If you have been successful promoting your own practice in your market area before, **over-allocate your marketing budget into the medium that has historically worked and stick with it** until the economy picks up.

However you promote your practice (yellow pages, direct mail, print ads, radio, tv), start to change the design and message to be more **“all inclusive”, or more family oriented**. We will give you an example. We see this mistake all the time. Let’s say you are currently advertising your practice on the radio. And, it’s been successful in the past. The focus/message of your ad is sedation dentistry. Sedation dentistry is one very small aspect of what you do every day. Do you give every patient a pill before you recline them in your dental chairs? No, of course you don’t. So, your marketing dollars are paying for radio ads that only communicate one small aspect of what you offer the community. What if you had the same ad budget with the radio station but you had 4 different scripts that were rotated throughout the airtime? You certainly might have one script for sedation, but how about one for emergencies, one for family dentistry, and one for metal-free dentistry. The public at large will begin to know you as the “all inclusive” dentist, rather than the dentist that “just does” sedation. Your practice will be attractive to MORE PEOPLE for the same marketing expense! Take special note of that last sentence. We can’t tell you how many times a new client has told us that their previous marketing made people believe that they “only” provide sedation dentistry (or “just” cosmetic dentistry). Be honest with yourselves, have any of your patients ever asked you if you do “regular” dentistry? If so, there should be alarms going off in your head right now.

Be patient

Of everything we just wrote, this one is likely going to be the toughest for you to apply. Effectively and professionally promoting a dental practice is NOT a short term endeavor. Proper promotion IS “a careful application of budget resources over the life cycle of a dental practice”. When the overall economy slows, that means we just came out of a period of time when things were easier. Patients were easier to attract to dental practices between 2001 and the latter part of 2005. If you weren’t impatient then, now is no time to start being impatient! Impatience will cause you to make terrible decisions on where to apply your marketing budget. You will bounce around with a “try this and try that” approach that is never the right thing to do.

We are both very excited to provide this content for the TPD readers. Our goal is to share what we’ve learned over all these years so you can perhaps take a 1,000 foot elevation view of how you promote your dental practice, and make it more effective and more rewarding.

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