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Practice Marketing and Patient Communications Platforms in the Digital Age of Dentistry:

The different operational and financial ROI models in the online world

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By Dr. Rhonda Savage, DDS
Diana P. Friedman, MA, MBA

A 2011 STUDY REVEALED

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Practice Marketing and Patient Communications Platforms in the Digital Age of Dentistry:

The different operational and financial ROI models in the online world

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The world has gone digital, dramatically influenced by fast evolving online technologies and communication channels. The new digital age of communication can be overwhelming and intimidating, as we move from face-to-face experiences, tangible documentation, and brick and mortar environments to virtual conversations, digital documentation, and online experiences.

A 2011 study found that 57% of people stated they talk more online than they do in real life¹. What started as the World Wide Web and simple advertorial websites has now evolved into a complex platform for communicating, learning, and transacting business online. This world encompasses not just websites, but

also mobile sites, applications, social media channels like Facebook™, YouTube™, Twitter™, blogs, and more. The data is astounding: 98% of U.S. households with incomes of \$75,000 per year or more use the Internet². More significant is the fact that 139 million consumers used the Internet on a monthly basis to seek healthcare information³.

A June 2000 research study published in the Journal of the American Dental Association concluded: "Changing patient demographics and technological advances will lead to higher patient expectations and greater demands for oral healthcare in the 21st century than they had been during most of the 20th century."

The study explained that these changes would be due to:

- An increase in the general public awareness regarding oral healthcare
- A more knowledgeable patient who has researched dental service options and providers online
- Patients that are becoming more aggressive in holding healthcare providers accountable for the quality of care⁴

From the consumer's perspective:

Today's consumer has a much louder voice on the Internet. This consumer is significantly better educated and is substantially more prone to shop around online for services while evaluating providers and studying posted consumer comments and reviews on websites and social networks.

In 2011, the average shopper consulted with 10.4 online sources prior to purchase, twice as many as in 2010⁵. Although online comments—positive or negative—are not as powerful as a direct interpersonal exchange or recommendation, they can be very important to your practice as the majority of your target consumers rely upon online recommendations to make their final choices. Anecdotal evidence exists to support the fact that even when personal recommendations

are made, consumers will tend to get online and vet those out before making a decision to contact a service provider. Young people, especially, are heavily influenced by the Internet. It has been estimated that the Generation Y category population (aged 6-24) influences 50% of all spending in the U.S. annually⁶. In order to convert all referrals into your practice, and secure new patients online, it is imperative to have a comprehensive and effective online presence.

Patient selection of a provider is not the only purchase behavior impacted by their new online preference. Even existing patients increasingly demand that the practice communicate with them where they are—online. A national longitudinal study by Sesame Communications found that 97% of dental patients would rather click than call the office⁷, with 90.7% noting online access to the practice and their records was “much more convenient⁸.”

In order to best serve your patients, it is important that you develop a comprehensive, integrated, user friendly online platform to facilitate such communications, and address patient preferences. Interestingly, dentists have recognized this trend with 98% of doctors surveyed stating that letting patients choose their preferred method of communications supports their commitment to individualized treatment⁹.

A NATIONAL LONGITUDINAL STUDY BY SESAME COMMUNICATIONS FOUND THAT 97% OF DENTAL PATIENTS WOULD RATHER CLICK THAN CALL THE OFFICE⁷.

From the dentist's perspective:

The tight economy has fortified a more competitive environment for dental practices. Discretionary spending on cosmetic (e.g., veneers, whitening) and optimal care options (e.g., implants) drastically declined since 2010. In this market it is important for the practice to effectively attract new patients, retain existing patients, and ensure treatment acceptance supports the practice production goals. More significantly, practice operations need to be improved to ensure the schedule is consistently full, and that accounts receivable are effectively managed.

Technology provides powerful tools to effectively address these challenges, from comprehensive patient portals that allow 24-7 access to records, appointment information and payment options, to automated email and text message appointment reminders. On the marketing side, a successfully branded online presence can drive high quality new patients into the practice.

Whichever digital channels the practice opts to implement, it is important that those communication channels be professionally and proactively managed so as to maintain a strong and cohesive practice brand, and online reputation.

**The questions this
Whitepaper will address are:**

- *Do traditional practice operations, marketing, and patient communication modalities still have value?*
- *What online practice operations, marketing, and patient communication platforms exist, and what is the business case and Return On Investment (ROI) associated with each?*
- *How do you optimize practice performance in the digital age of dentistry?*

The impact of technology on practice operational effectiveness and efficiencies, and the quality of patient experience is expansive.

In order to study this issue and quantify the findings, this Whitepaper will focus on aspects of the three core areas that impact the practice the most. In each segment studied, a more granular analysis of the comparative costs, outcomes and ROI is provided.

Those areas are:

1 Production: Keeping the operatories full, the practice on schedule, and improving patient case acceptance;

2 Collections: Managing past due accounts receivable; and

3 Marketing: Attracting new patients, retaining existing patients.

1 Production //

Keeping the Operatories Full, the Practice on Schedule and Increase Case Acceptance

In order to effectively retain relationships with existing patients, increase commitment to appointments and keep the schedule full, dental professionals often develop and implement comprehensive systems and procedures. These cover all of the important practice operational areas including systems addressing scheduling, appointment confirmation, patient education, and patient retention via a recare soft tissue management program.

» The Traditional Practice Model

In the traditional dental practice, implementing these systems and procedures generally required significant investment of staff time (e.g., appointment confirmations) as well as direct costs (e.g., expenses for postage, newsletter development and printing, recare cards, practice stationery).

Keeping the Schedule Full

In an average dental practice we can estimate the following costs associated with securing effective patient communications so as to drive the right performance in terms of production and patient retention¹⁰. The calculation of costs associated with these systems, provided in Table 1 to the right, translates to a conservative \$2,900 per month in overhead expenses.

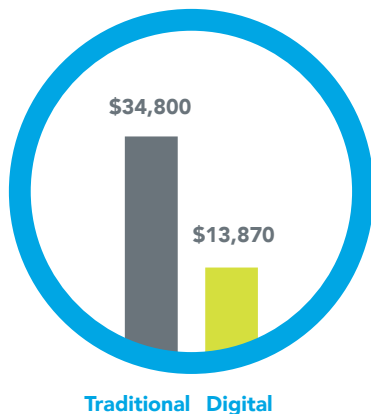
The challenge with the traditional model is not simply the time, focus, and cost associated with implementation of the systems. The most significant challenges are associated with the human element introduced into these solutions.

A dental practice is a hectic work environment. The fast pace and need to maintain patient management as a top priority often results in the team not being able to consistently execute all systems effectively on a daily basis. This impacts practice performance in fundamental ways. For example, an administrative team facing a busy day with multiple emergencies and last minute cancellations that need to be filled, may be unable to complete confirmation of the next day's patients earlier in the morning. By the time outbound calls are made, the team may not be able to reach all patients, and any openings that are identified may be difficult to fill with productive appointments. This will most likely impact the practice production and collection for the coming day.

Table 1: Direct Annual Costs of Patient Treatment and Scheduling Communications in Traditional Practices

Type	Description	Annual Cost
Administrative Support	A part time team member (three quarter time equivalent) tasked with patient confirmation and communications	\$20,000
Postage	Mailing of patient communication materials including recare cards, newsletters, statements	\$5,800
Stationary + Collateral	Patient communication materials including recare cards, printed newsletter, stationary	\$9,000
	Total Direct Costs	\$34,800

Graph 1: Cost Difference Between Traditional and Digital Practice in Regards to Patient Treatment and Scheduling Communication



In addition to effectiveness, the human element in patient communications introduces diversity and inconsistent implementation. For instance, the scripts for confirmation calls may not always be used, or confirmation calls may not be made at the appropriate optimal time to secure patient compliance. These types of factors will also drastically impact results.

Automation of certain administrative duties, such as patient confirmation, removes these risk factors and manages patient communications in a more consistent, reliable and predictable manner. A significant 87.6% of surveyed dental professionals agreed that automated patient reminders gives them the peace of mind to know all patients are consistently contacted prior to their appointment.

Improving Patient Treatment Acceptance

Research consistently shows that, on average, consumers require 7 messages before they make a purchase decision. Assuming this statistic holds true for dentistry, it is important to ensure the practice continues to educate patients regarding diagnosed incomplete treatment.

In a traditional practice, this is accomplished via phone calls, printed newsletters and recare appointment examinations. Consistency and quality of the phone call can vary due to the effectiveness of the tracking system, the experience of the team member, and verbal skills utilized by the employee. Newsletters are not only costly, but tend to be a “one size fits all” solution, so there is no ability to customize messages to specific patients. The limitation with recare visit presentations is that they are separated by long intervals of months, which decreases the effectiveness of the message.

» The Digital Practice Model

Dental professionals value building relations with their patients, and have traditionally seen personal communication as a key variable in delivering an excellent experience for patients. Interestingly, research conclusively demonstrated this may no longer be the case. In a national survey conducted by Sesame Communications, 79.5% of patients stated they preferred text message and email reminders over phone reminders⁹. It turns out that automating systems and leveraging technology to deliver a better, more consistent performance and patient experience is not about the practice, it is about addressing existing patient preferences. Patients have embraced the digital age, and practices need to change to meet patients on their terms, where they are—online. In a 2010 research study by Sesame Communications close to two thirds of patients noted having 24-7 online access to the practice and their records makes them more likely to stay with the practice¹¹.

61.8%

OF DENTAL PROFESSIONALS STATED THAT
ELECTRONIC NEWSLETTERS
ARE IMPORTANT TO THE
SUCCESS OF THEIR PRACTICE⁹

85%

OF PARTICIPANTS STATED SENDING AUTOMATED
APPOINTMENT REMINDERS
REDUCES OUTBOUND CALLS FROM THE TEAM AND
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DIGITAL AUTOMATED PATIENT
COMMUNICATION PLATFORMS
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IN A 2010 RESEARCH STUDY BY SESAME COMMUNICATIONS CLOSE TO TWO THIRDS OF PATIENTS NOTED HAVING 24-7 ONLINE ACCESS TO THE PRACTICE AND THEIR RECORDS MAKES THEM MORE LIKELY TO STAY WITH THE PRACTICE⁷.

The good news is that automation in patient communications offers a significantly more economical model for the practice, with substantially higher ROI.

The costs associated with a complete online patient communication portal ranges from \$100-\$300 per month, depending on the sophistication of the system and its features. On the higher end of the spectrum, a patient communication platform will include the following features:

- Automated appointment reminders—voice, email and text message
- Automated patient educational emails post treatment presentations
- 24-7 patient access to their records so they may share treatment diagnosis with a significant other/decision maker
- Email newsletters that may be customized, and be content specific, per patient treatment profile. Interestingly, on a national study, 61.8% of dental professionals stated that electronic newsletters are important to the success of their practice⁹
- System for generating promotional campaigns to the patient population (e.g., whitening special in the Spring)
- Ongoing patient communications including birthday cards, holiday cards

The benefits of implementing a complete, integrated digital solution for production-related patient communications are substantive in terms of practice efficiency, quality of patient experience, and ROI. Automation delivers more consistent patient compliance, and a more predictable schedule and production for the practice. In a national survey of dental professionals, 85% of participants stated sending automated appointment reminders reduces outbound

calls from the team and saves them time⁹. The time savings can reduce staffing requirements and allow the team to focus on more important tasks such as maintaining great relationships with existing and prospective patients.

Table 2: Direct Annual Costs of Patient Treatment and Scheduling Communications in Digital Practice

Type	Description	Annual Cost
Comprehensive Patient Communication Portal	A complete online solution providing automated reminders, newsletters, and customized patient emails	\$3,600
Postage	Minimal costs for mailing customized patient communication when email is unavailable	\$1,200
Stationary + Collateral	Patient communication materials like stationery	\$2,400
Administrative Staff	A quarter time equivalent administrative team member to monitor and manage changes in the schedule	\$6,670
	Total Direct Costs	\$13,870

Conclusion

Digital automated patient communication platforms reduce costs by \$1,744 per month, translated to over \$20,930 per year—not an insignificant amount. Most importantly these savings are achieved while delivering a quality patient experience that is consistent, predictable and effective in keeping the schedule filled, improving treatment acceptance, and retaining patients in the practice.

2 Collections //

Managing Past Due Accounts Receivables

Managing collections in a practice is a priority, as this activity defines cash flow and impacts budgetary decisions. Collections are a complex undertaking involving many aspects over the process of rendering treatment to patients.

The different elements include:

- Case and fee presentation
- Securing a down payment
- Collecting insurance benefits
- Managing practice
- Financed monthly payment plans
- Managing accounts receivable (A/R), and delinquencies

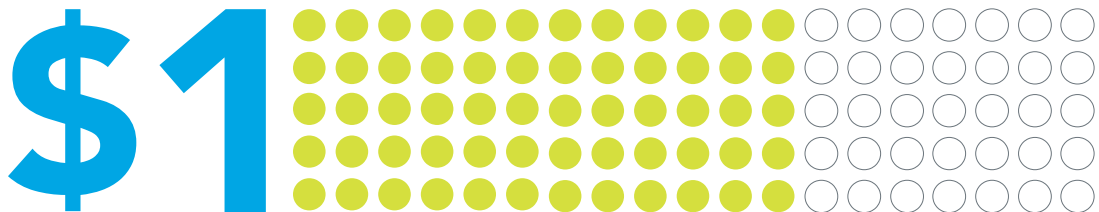
Considering the fact that close to 60¢ of each \$1 produced in a practice goes to cover expenses, it is critically important to collect all fees for services delivered. Of particular concern are past due A/R. How a practice manages past due A/R dramatically impacts profitability. This Whitepaper will discuss the most challenging collections a practice faces—past due accounts.

» The Traditional Practice Model

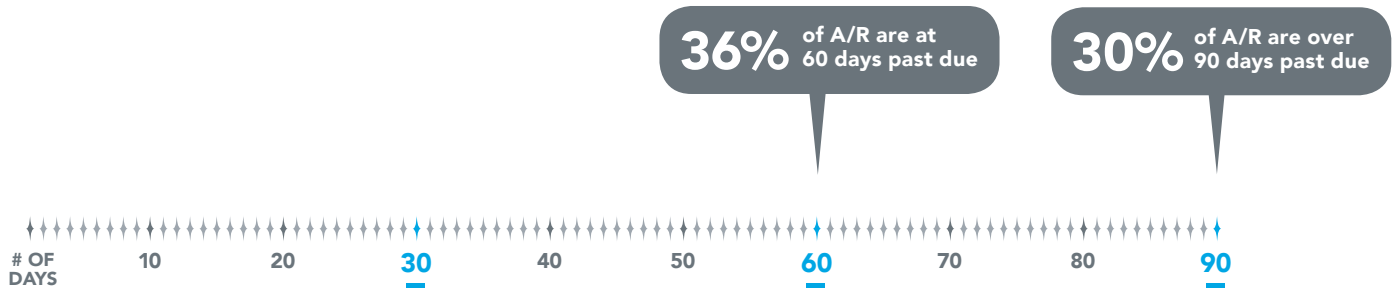
In a traditional practice, the collection efforts may be pursued through different systems. In most instances, the process will include repeated monthly billing (2-4 statements), a letter from the practice, and, at some point, initiation of collection calls. Considering the fact this is an extremely sensitive area to manage, oftentimes practices are reluctant to initiate collection action, allowing accounts to become more delinquent and a higher write off risk.

Recent cost saving measures by the U.S. Postal service resulted in fewer delivery dates, and a much slower (5-7 days) delivery schedule for all classes of mail¹¹. This can dramatically and negatively impact collections by delaying receipt of statements and payment. The ability for the patient to pay online provides a beneficial and effective solution that addresses these factors.

Close to 60¢ of each \$1 produced in a practice goes to cover expenses.



Average A/R Days Past Due Date



Based on a national survey of dental practices, the average A/R 60 days past due are at 36%, with 30% over 90 days. The average days a dental practice account is outstanding were 39.3 days. A *Dental Economics* survey concluded managing each A/R in a practice costs between \$7 and \$10 per month, significantly impacting profitability margins¹². Table 3 below provides a conservative estimate of \$3,550 in monthly costs associated with managing A/R.

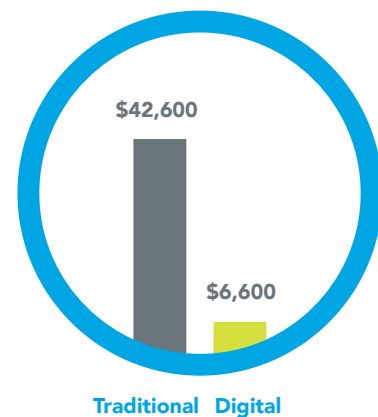
Collections can be a challenge, as they risk hurting the relationship with patients. Once confronted with an outstanding balance, patients may be embarrassed or apprehensive about returning to the practice, and at times will initiate new complaints regarding the care they received as justification for not clearing their balances. Either outcome is not optimal, yet the system does not support any other solution except personally confronting delinquent patients.

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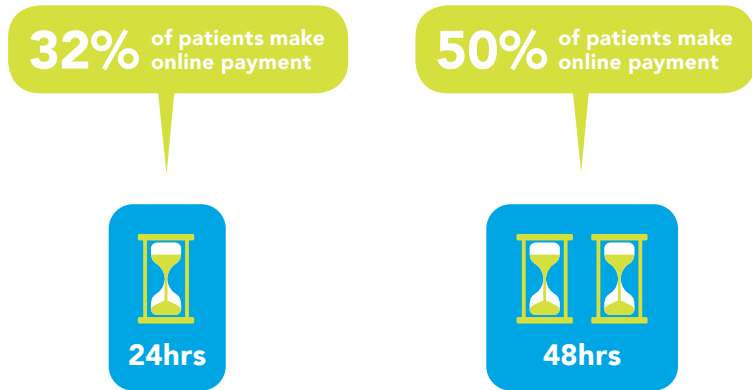
Table 3: Annual Costs of Managing Accounts Payable in a Dental Practice

Type	Description	Annual Cost
Collections Management	Generally require 20% of the office manager's time	\$12,000
Management Costs	At an average of 20% of accounts with balances, at an average practice of 1,500 active patients, we estimate 300 balances to be managed per month at \$8.50 each	\$30,600
	Total Direct Costs	\$42,600

Graph 2: Cost Difference Between Traditional and Digital Practice in Regards to Managing Accounts Payable in a Dental Practice



Within 24 hours of sending an automated past due balance email reminder, 32% of patients make an online payment. Within 48 hours, a significant 50% will make an online payment¹³.



» **The Digital Practice Model**

In the digital practice collections, are managed in an automated, consistent and predictable manner. Monthly billing addresses the current accounts within 60 days of treatment delivery. A complete online patient portal affords patients the opportunity to access their account information 24-7, and the ease and discretion of paying their bills online via credit card. Interestingly, in a survey of dental patients, 90.3% stated they were comfortable with online bill payments for their dental services⁷.

Delinquent accounts are often managed via discrete automated email reminders, informing the patient of the delinquent balance. Automated reminders for accounts that are 60 days delinquent can be managed through patient portal functionality. Research from Sesame Communications on online payment of delinquent accounts has uncovered astounding results. Within 24 hours of sending an automated past due balance email reminder, 32% of patients make an online payment. Within 48 hours, a significant 50% will make an online payment¹³. This is significant as the practice can promptly collect the past due funds without risking damage to their relationship with a patient, or investing great effort and time in collection activities. Interestingly, 56.9% of dental professionals surveyed stated they received payments sooner from patients paying online than those who choose to pay by posting a check⁹.

Conclusion

Managing past due A/R in a dental practice is critical to its profitability. Transitioning to a digital solution not only saves on average \$36,000 per year, it more significantly allows the patient to become compliant with their financial obligations, without putting at risk the relationship and the lifetime of the patient in the practice.

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Table 4: Annual Costs of Past Due Collections in a Digital Practice

Type	Description	Annual Cost
Comprehensive Patient Communication Portal	A complete online solution providing automated past due reminders, 24-7 patient access to their account, and online credit card processing	\$3,600
Collections Management	Generally require 5% of the office manager's time	\$3,000
	Total Direct Costs	\$6,600

A DIGITAL SOLUTION SAVES
PRACTICES AN AVERAGE OF

\$36,000
PER YEAR

3 Marketing //

Attracting New Patients, Retaining Existing Patients

Marketing is everything a practice does to educate existing and prospective patients about their services. It's everything from an advertisement in the local newspaper, to Yellow Pages listings, and practice website to online social networks.

» **The objectives of effective marketing campaigns include:**

- Educate the market about a practice's services
- Attract new patients
- Retain existing patients
- Extend the lifetime of each patient in the practice
- Extend the lifetime value of each patient by presenting and delivering more dentistry

Given the power of online communication tools, existing and prospective patients now have a louder voice in what they buy and how their service is delivered. Trust is a critical factor and relationships are based on trust. In the digital age it is imperative for the practice to figure out how to establish that relationship and trust by leveraging technology. Most significantly, in terms of practice success is the ability to attract quality new patients to the practice.

There are four patient needs that have stood the test of time¹⁴.

- Friendliness—courteous and welcoming communications by all team members in person and in any other form of written or verbal communication
- A reasonable waiting time
- A good atmosphere—a clean, orderly, and calm practice
- A trusting relationship with the doctor and practice

Patients now have much higher expectations from their dental provider, due to the ease of Internet access and the increased need for instant gratification. They want to feel special and respected. No matter the marketing model of the practice, it can deliver on these expectations.

Patients want to know that you care about them and their family. They want a relationship. Relationship marketing, a fairly new term, is defined as marketing developed from campaigns that focus on customer retention and satisfaction.

In addition, especially since the 2007 economic downturn, research also shows that patients seek:

- Good value. Women especially want this, and are twice as likely to choose value over price¹⁵
- Technology. Patients want to know your practice offers state-of-the-art services, leveraging the latest technology in the delivery of their care
- Ease of scheduling appointments and paying bills online¹³. Patients seek the convenience of transacting with their service providers online

Facilitating successful marketing in all instances is the development and implementation of a clear practice brand. As consumers, we are extremely familiar with brands, and often make purchase decisions based on those brands we know and trust. Dentistry is no different. This involves not only a logo and design of communication materials (like business cards and stationery), but more significantly, an identity that unambiguously communicates who the dentist is and what the practice is about.

A strong, clearly communicated brand makes a practice uniquely different and allows it to stand out from the crowd. The term, Unique Selling Proposition, was coined in the late 1940s to define this critical element: How is your dental practice different from others? How do you differentiate your office from another in a competitive market that appears to be undifferentiated? Establishing such a brand is critical to effective marketing, no matter the channel used to communicate it.

A brand further helps the right patients, that would be best served by the practice, to self-identify and join the practice. Therefore, an integrated approach will present a clear, consistent brand on all your Internet communications. This goes far beyond use of logo and practice colors, and includes the look and feel, voice, and quality of the brand identity elements. Welcoming the right patients that seek the services you wish to deliver is key to a successful and profitable practice.

» The Traditional Practice Model

The traditional practice model relies on pre-Internet print and customary channels to communicate the messages. These include tactics such as advertisements in newspapers and local magazines, local media (radio and TV), print newsletters, direct mail campaigns (such as the Welcome Wagon and Val-Pak™ mailings), and listings in directories. In this traditional model, marketing is a one-way communication—from the dental practice to the potential consumer, and tends to be more promotional (example: new patient courtesy pricing).

More importantly, the marketing “piece” needs to appeal to the masses and, therefore, is hard to individualize¹⁶. This is not an effective tool in an extremely individualistic society when consumers want personalized service.

Though traditionally effective, in a recent survey of 132 dental practices, dental professionals noted two key concerns regarding this marketing model¹⁷.

- **ROI Tracking:** “It’s difficult to track the return on investment. We never really know exactly how many patients we’re reaching.”
- **Cost:** “It’s expensive and in the last few years, effectiveness has dropped.”

Traditional marketing channels:

- Newspaper Advertising:** Newspapers are struggling; decreasing readership and advertiser support have reduced circulation. This stated, 33% of the surveyed dental professionals reported using newspaper advertisement¹⁷. Well-crafted newspaper ads can still be effective; however, the rate of decline in print circulation and the high costs negatively impact effectiveness and ROI.
- Yellow Pages:** The ratio of consumers using the print Yellow Pages has drastically declined with the advent of the Internet. Bill Gates noted in 2007 that “the traditional Yellow Pages are doomed as Internet searches combined with on-screen interface on smart mobile devices get better and proliferate¹⁸.” One of the major Yellow Page companies, Dex One, had over a 60% drop in revenue from 2009-2010. This stated, dentistry has been slow to identify more effective communication channels. A significant 70.6% of survey respondents noted some form of continued use of Yellow Page advertising¹⁷.
- Direct Marketing:** 48% of the respondents utilize some form of direct marketing¹⁷ (for example: post cards, coupon mailers). Yet many survey respondents indicated uncertainty in the direct marketing medium’s effectiveness due to high costs, lack of ability to track returns, and risk of attracting a less than optimal, price-sensitive patient. In addition, recent cost saving measures by the U.S. Postal service resulted in fewer delivery dates, and a much slower (5 to 7 days) delivery schedule for all classes of mail¹¹. This can dramatically and negatively impact a practice’s marketing efforts.

- Coupon Mailers:** This tactic can bring in a flood of patients, but the quality of the patient is a concern to practices. In a recent national survey, dental professionals provided commentary regarding the fact these campaigns can drive the wrong, one-time patient to the practice, and be a losing proposition¹⁷.

The costs associated with traditional marketing methods are quite significant, at \$3,550 per month. This does not include more costly tactics such as directory listings (for example 1-800Dentist™) and more upscale promotional programs including extensive TV and radio ads.

Traditional marketing methods drive an average cost of \$275 per patient²⁰.

Table 5: Annual Costs of Marketing a Dental Practice in a Traditional Model

Type	Description	Annual Cost
Yellow Pages Ad	Advertisement and online listing	\$12,000 ¹⁹
Newspaper Advertisements	Assuming 6 advertisements per year at a conservative \$1,500 each	\$9,000
Direct Marketing	Post cards, coupon mailers, print newsletters averaging \$800 per month	\$9,600
Media	Assuming minimal radio and TV presence averaging \$1,000 per month	\$12,000
	Total Direct Costs	\$42,600



■ 85% of respondents noted they want a higher ROI



■ 65% desired a higher quality of new patients



■ 40% indicated an automated tracking of results would be a desired improvement

The challenge with traditional marketing is not only the costs, but, more significantly, the effectiveness in driving the right patients to the practice and securing a positive ROI. Preliminary research data by Sesame Communications documents the quality of an online patient is better as this patient is more educated and engaged in their oral care. More evidence, however, is needed in order to confirm this anecdotal data. In a 2011 survey of dental professionals, more than 85% of the respondents noted they want a higher return on investment and 65% desired a higher quality of new patients from their marketing efforts. Similarly, nearly 40% indicated an automated tracking of results would be a desired improvement¹⁷.

» The Digital Practice Model

In the digital age, advanced practices shift their marketing campaigns and investments to where consumers are seeking them out—online. Interestingly, this shift has been quite fast and dramatic. As recent as 2005, a national study conducted jointly by Harris Interactive and Public Relations Society of America concluded dental professionals identified the traditional method of marketing as the best method.

Times have changed. With the fast pace of technology development and adoption, a dramatic change in consumer behavior and purchase decision process, the low ROI of traditional marketing methods, coupled with a tighter economy, digital marketing has grown at an astounding rate to deliver cost

effective solutions. To reach consumers, mobile marketing budgets in the U.S. are expected to soar to a breathtaking \$56 billion²¹.

A digital marketing mix includes all online communication channels using computers, such as websites, blogs, email blast promotions, electronic patient communications, e-newsletters, social media sites such as Facebook, YouTube, Twitter, pay per click advertisement on search portals, web registries as well as search optimization campaigns.

Unlike traditional marketing methods, the Internet is a brave new intangible world. The courtship of dentistry and online marketing is relatively new, often perceived as a bold frontier or venturing into uncharted territory, causing dental professionals to pause. As owners of small businesses with tightening margins, dentists rightfully are risk averse and wait to act until new innovations are better understood and there is proof of ROI.

In a highly competitive and volatile economic climate the success of any dental practice depends on being discovered and selected by new patients—those who are right for the practice. Success also is determined by the ability to strengthen relationships with existing patients and remain their provider of choice. With the shift in consumer preference to seek information, make purchase decisions, and transact with service providers online, the transition from traditional to online marketing is no longer an option. Bold as it sounds, in the 21st century, a practice without a web presence is invisible to its market.

The data speaks for itself. Adults in the U.S. spend more time with media on the Internet and mobile devices than with content available via newspapers or magazines. Ninety-two percent of adults use search engines to find information on the web²². This activity has become habitual, with roughly 6 in 10 online adults engaging in search activities on a typical day. This pattern holds true across all age groups. The Internet takes up more than one-quarter (25.2%) of daily media time, and mobile accounts for 8.1%²³. More than 139.1 million consumers on a monthly basis utilize the Internet to seek healthcare information from healthcare sites³.

One of the greatest fears of any practice, when considering online marketing, is the ability of the practice to accurately target their audience online. Unlike traditional marketing, there is no list of pre-determined prospects. The other concern is the ability to track effectiveness and ROI.

It is important to review what a complete, online digital marketing campaign needs to include. With the fast-changing technology, this list will likely be obsolete within 6 months. The list includes:

Website

A practice website is an extension, reflection and testament to your profession and dedication, and is one of the few vehicles that extends a brand and markets a practice to prospective patients 24 hours a day, 7 days a week. Furthermore, a practice website is the cornerstone of a dental practice's digital presence in the marketplace. It is critical to build it in a manner that optimizes its ability to synergize and connect with other online patient and market communication channels (like a blog, YouTube channel, Twitter, Facebook page, patient portal). This is critical in achieving a consistent and effective brand for the practice.

This stated, not all practice websites are created equal, so it is imperative you select a provider, preferably with in-depth experience in the dental industry. A practice has 10 seconds to capture the attention of a potential patient before they click out and visit a competitive site. If they opt to stay, research shows you have 90 seconds to convert the visitor to a new patient. A breakthrough series of studies by Sesame Communications identified 25 key variables that optimize the process and help your practice be chosen by more patients²⁴. The three most critical factors include the website's warmth, patient focus and the right content.

The fast pace of technology has not passed websites. A 2011 Pew study reported that 87% of smartphone users access the Internet using their mobile phone²⁵. Consumers with children now spend an average of 6.1 hours a day seeking information online using their mobile smartphones²⁶. The Internet userbase is expected to double over the next few years, and most of these users will be mobile²⁷. In 2011, more smartphones were shipped than PC's²⁸, and tablets²⁹ confirming the dramatic shift that mobile devices are here to stay. There is a great opportunity to connect with busy, on-the-go patients who prefer this medium. This stated, websites that render beautifully on a computer screen lose their effectiveness and impact when viewed on the small touchscreens of modern smartphones. The format and technology demands a separate mobile site be designed to effectively reach those on-the-go patients. Not only is the design of a mobile site different, its content is also optimized to provide easy access to required information for tech savvy patients.

ACCORDING TO MARKET RESEARCH, NEW CUSTOMER ACQUISITION IS JUST BELOW \$10 WITH PPC, WHILE IT IS NEARLY \$70 WITH DIRECT MAIL CAMPAIGNS²⁰.

Search Engine Optimization

Search engine optimization (SEO) enhances your website in order to ensure it ranks higher on search engine results, thus increasing visitor traffic. SEO focuses largely on organic search results, and higher rankings are achieved by optimizing a site through its content and links. This is critical as 71% of Internet users don't click past the first page of search engine results³¹.

Search engines are always working toward improving their technology to crawl the web more deeply and return better, more relevant results to users. In the world of search, change is a given. In fact, Google has publicly stated that they change their search algorithm more than once per day³¹. Unfortunately, there is a limit to even how well search engines can operate. Professional management of your SEO can increase the visibility of your site to thousands of prospective patients. This is why a great SEO strategy is never a point in time set-it-and-forget-it activity.

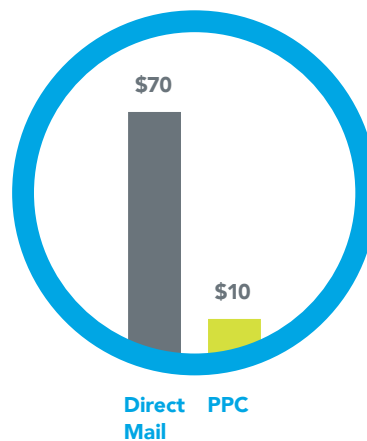
Measuring and tracking success is also important. Professional SEO specialists track data on rankings, referrals, links and other factors. Specialists help to analyze your SEO strategy and create road maps for success. But, knowing the numbers won't help a practice unless they can effectively interpret and apply changes to improve their course.

Pay Per Click Advertising – Search Engine Marketing

Search engine marketing (SEM) is a dynamic area of marketing. Unlike the organic optimization of SEO, SEM promotes your website by using paid placements to increase visibility in the search engine results page. An effective SEM strategy for a dental practice leverages these advertisements, called pay per click (PPC) ads, which appear at the top, or in the right margin, of the search engine result pages to drive highly targeted new patients to the practice website.

While SEM involves account management fees and the cost for each clicked ad, it's more affordable than you may think, and can be one of the quickest and most efficient methods to promote a practice and attract an educated, ready to purchase consumer. According to market research, new customer acquisition is just below \$10 with PPC, while it is nearly \$70 with direct mail campaigns²⁰. Although the cost per customer acquisition may vary according to the industry, these figures offer a benchmark for the effectiveness of SEM compared to traditional marketing.

Graph 3: Cost Difference Between Direct Mail and PPC Campaigns



It is important to have a professional SEM expert, with dental experience, manage the advertising campaigns. A specialist will bid the amount a practice is willing to pay for each click on selected keywords. They will also write and manage the practice's advertisement messages.



FACEBOOK NOW HAS MORE THAN
800 MILLION
ACTIVE USERS³³



TWITTER REPORTS
100 MILLION
LOG IN AT LEAST ONCE PER MONTH³⁴



YOUTUBE STATISTICS SHOW THAT OVER
THREE BILLION
VIDEOS ARE VIEWED EACH DAY, WITH MORE THAN
490 MILLION
UNIQUE USERS WORLDWIDE PER MONTH³⁴



THERE WERE MORE THAN
156 MILLION
PUBLIC BLOGS IN EXISTENCE
IN FEBRUARY 2011³⁵

The advantage of PPC is that a practice only pays when their advertisement is clicked. The SEM expert helps to plan and target the campaign, and adjusts the budget depending on its effectiveness. If the campaign outperforms expectations, the practice can choose to increase the budget and drive additional traffic to the site. PPC campaigns can be live within a day or two and also yield instant results, as campaigns are immediately listed on the search engines.



Social Media Marketing

Social Media Marketing involves leveraging online communications channels like Facebook, Twitter, YouTube, Pinterest, Google+, blogs, forums, podcasts and wikis to influence consumers. They help your existing patients spread the word about your practice, resulting in referrals. Social Media Marketing blends technology and social interaction for the co-creation of value.

For those that believe social media is a passing fad, take note: if Facebook were a country it would be the world's third largest, preceded by China and India. With 71% of companies using Facebook, 59% using Twitter and 33% using YouTube, social media is fast becoming a standard marketing tool³².

Social media is distinctly different from traditional forms of media, such as television or newspapers, as it enables online two-way communications—a dialogue. It allows the practice not only to connect with new patients, but significantly maintains relationships with its existing patient population. This increases patient loyalty, retention, and over the lifetime of the patients, value. Social media is relatively inexpensive and enables individuals and businesses to create online conversations with anyone, anywhere.

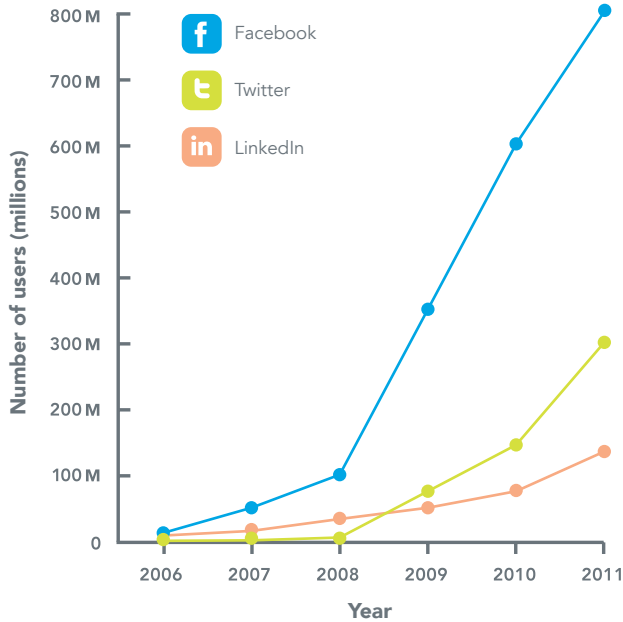
More significantly, social media has made the move from web to mobile devices, drastically increasing its reach and effectiveness. Data shows it is quickly becoming a staple of American life. A few facts:

- Facebook now has more than **800 million** active users³³
- Twitter reports **100 million** users log in at least once per month³⁴
- YouTube statistics show that more than 3 billion videos are viewed each day, with more than **490 million** unique users worldwide per month³⁴
- There were more than **156 million** public blogs in existence in February 2011³⁵
- A comScore study revealed that **72.2 million** people accessed social networking sites or blogs on their mobile devices, and nearly **40 million** U.S. mobile users access these sites daily³⁶
- comScore reports Facebook, Twitter and LinkedIn grew their mobile audiences by at least **50%** in the past year. Facebook was home to the largest mobile audience among the three destinations. Facebook has more than **57 million** mobile users as of August 2011—up 50% from the previous year. Twitter saw its mobile audience jump **75%** to 13.4 million people, while LinkedIn's mobile audience climbed **69% to 5.5 million** users³⁶

71%

OF ENTERPRISES USE
SOCIAL TECHNOLOGY
PLATFORMS TO ACQUIRE
NEW CUSTOMERS³⁷

Social Media Growth from 2006 to 2011



Practices are leveraging social media to broaden brand awareness and grow their business. According to a 2011 survey from McKinsey & Company, nearly 71% of enterprises use social technology platforms to acquire new customers³⁷. There is good reason: social media has become a critical touch point for brand engagement—making Facebook, Twitter, Yelp, blogs, chat, text and other channels as relevant to consumers as a brand’s website or location.

Online Patient Portals

Patients overwhelmingly prefer digital communication channels. Providing them with 24-7 access to account information, insurance form printing, online payment, appointment confirmation, and electronic emails and newsletters, all drive costs of the practice dramatically lower.

Contest Platforms

A new addition to the practice's arsenal is contest platforms. Practices can create practice-branded contests and sweepstakes on their Facebook page to engage and grow their audience on Facebook. This directly engages existing patients and has been shown to be effective in reaching inactive patients, as well as creating leads of new prospective patients.

Cost of Acquiring a New Patient

TRADITIONAL



\$275
PER PATIENT

DIGITAL



\$49.75
PER PATIENT

Contest platforms help to grow a practice’s social media base, a key source for word of mouth referrals, as well as keep the practice top of mind and drive patient engagement. Contests also extend the presence of the practice to their patients’ social media circles and the community to gain new prospective patients.

A comprehensive digital marketing campaign is dramatically less expensive and more effective than traditional methods, averaging \$2,034 per month for a complete, optimal solution suite. In combination, these campaigns yield a new patient acquisition cost of \$49.75 (compared to the traditional \$275).

Online marketing allows practices to locate and convert their audience, plus immediately see the results. Unlike the ambiguity of traditional marketing, online marketing offers greater measurement, often in real-time. Practices can gain insight through valuable analytics; they can measure their goals and determine ROI. They can study data from nearly every phase in their conversion process; what the visitor does when they are on the practice website and what led to their telephone call or online appointment making. This can lead to increased conversions over time as they can adjust their campaign(s) according to visitor data.

A professional integrated solution will also allow practices to track, and record all calls coming from their communication channels, identifying both new and existing patients. This takes the guesswork out of the equation, when real data is provided and ROI assessment becomes simple. Best practice and growing evidence indicates that combining online campaigns will produce

significantly better results and greater ROI than utilizing one online channel alone. An example of heightened effectiveness of integrating campaigns: Conversions were nine times more frequent among prospects who had also received an engaging email newsletter, as opposed to those who hadn't received marketing messages²⁰.

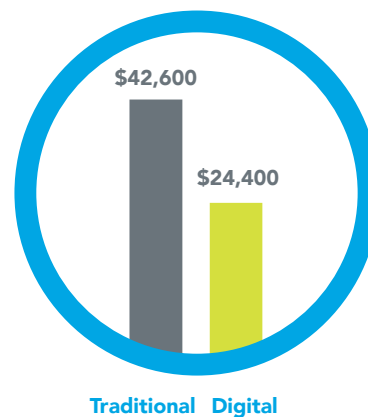
Other studies confirm that multiple online marketing campaigns have a positive impact on both total calls and amount of new patient calls to a practice. One study found the largest improvement was when an account with one online marketing campaign added two additional campaigns. This led to a 137% increase in new patient calls during the five month study period. On average, studied practices received 58 calls per month with an average of 13 calls self-identified as new patients, equivalent to \$11,700 in incremental production to practices per month³⁸.

Although many practices leverage online marketing to attract new patients to increase practice growth, many overlook the opportunities that exist with current patients. Existing patients are more likely to accept treatment, keep appointments, and refer family, friends and coworkers. According to the Academy of General Dentistry, the average practice has a 60 to 70% chance of gaining treatment acceptance from an existing patient due to patient satisfaction and loyalty.

Table 6: Annual Costs of Marketing a Dental Practice Leveraging Digital Channels

Type	Description	Annual Cost
Website	Assuming mid-range website	\$5,000
Mobile Site	Top of the line mobile site	\$2,300
SEM	Campaigns management and advertising budget	\$6,600
SMM	Implementation of complete social media campaign	\$4,500
Contest Platform	Quarterly contests and sweepstakes	\$6,000
	Total Direct Costs	\$24,400

Graph 4: Cost Difference Between Traditional and Digital Practice in Regards to Marketing



The Bottom Line

The transition from the traditional patient communication platform to the digital age provides the dental practice with astounding benefits, including:

- Lower overhead
- Higher ROI on investment
- Improved practice efficiencies
- Higher practice effectiveness
- More new patients
- Higher patient retention
- Increased patient lifetime value
- Increased referrals

Though it can be somewhat intimidating to venture into the digital age, with consumers embracing online communications, staying on the sidelines is no longer an option. A practice without a web presence is invisible to the market, and cannot prosper and grow in this era of online consumers. Implementing more costly and less effective traditional patient acquisition and retention methodologies will yield significantly lower ROI.

When selecting a provider for your online platform, seek an expert with specific and focused dental experience. An expert can provide an integrated solution, which synergizes all your digital communication channels, while providing you with real-time measurements of effectiveness.

About Dr. Rhonda Savage, DDS

Dr. Savage graduated from the University of Washington, School of Dentistry in 1989 with multiple honors. Dr. Savage was in private practice for 16 years, has authored many published peer reviewed articles and has lectured internationally.

She is a past President of the Washington State Dental Association. Dr. Savage is a noted speaker on women's health issues and practice management. She is the chief executive officer of Miles Global, founded by Linda L. Miles.

About Diana P. Friedman, MA, MBA

Diana is president and chief executive officer of Sesame Communications. She has a 20-year success track record in marketing innovative technologies and fortifying brand positioning for dental companies in the professional and consumer markets.

Throughout her career, Diana served as a recognized practice management consultant, speaker, and author. Diana holds an MBA in Management and Marketing as well as an MA in Sociology from Arizona State University.

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