

DENTAL DEMAND

Dental demand is the overall collection of marketing strategies that draw patients into your practice. Everyone needs to have a basic understanding of the four marketing categories that drive every practice. Patients are the fuel for success in any practice (consumer driven business). An understanding of the basics will help you select a marketing group, and in some cases help you avoid the 90% that really don't know what they are doing.

1. **Natural Demand:** Probably the most underrated of the four. It costs nothing but can cost you everything if you ignore it. This is foundational for any consumer driven business. This gives you the momentum to add other strategies. It centers around convenience: location, hours of operation, being on time, outside financing options, being in-network for their insurance and helping with it, offering services that they want, when they want them, at a price they can afford. Note: Only the patient can define convenience.
2. **Inspired Demand:** This is your number of direct referrals from other patients, families and friends. I like to remind practices that if you don't have at least a 50% referral rate, you are probably a "Donor" practice that is either struggling or completely dependent on marketing to drive patients to your door. Without direct referrals you are faced with an ever decreasing pool of patients to draw from. The referral rate in your practice is the best measure of whether or not you have your house in order. It is basically a reliable "caring and compassion index" that tells you if your patients like you.
3. **Manufactured Demand:** This is the category that most doctors think of when I say: "Marketing". It is the external part of your marketing outreach where you spend (hopefully, invest) money to drive patients to your door. A takeaway here is that a marketing driven (patients come from external marketing only) practice is seldom sustainable. There is no population density large enough that you can't run through them if your Natural Demand and Inspired Demand don't make up the bulk of new patients. You will be found out, and the public will quickly extract an expensive price for not meeting and exceeding their expectations.
4. **Negotiated Demand:** This is insurance through managed care, and yes, "Martha", a PPO is managed care. This source of demand comes from the masses choosing you right off their employee insurance brochure because you are in-network for their plan. There is nothing wrong with being in-network for dental plans. Our own ADA says that 94% of all practices are now in-

network. The trick has always been maintaining an overhead between 50-60% while doing this. The trick is threefold:

- a. Delivering the service at least 20-30% faster with as good if not better results. You have to offset the discounted fee by being both efficient and effective.
- b. You need to have services that potential patients want but that are not covered by their insurance (you get to charge full fee).
- c. The last and most important strategy and one that should be applied to any area of "Demand" is to take this patient and turn them into a referral source. In this way we turn a poor strategy into one that reaps a huge return on investment.

Understanding your dental demand categories should help you create a broader and better balanced marketing attack. This is how you Summit.

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