



Client Experiences Double as Strategic Marketing: A Practice Manager Model

Aaron A. Reid, Ph.D.

RKM Research and Communications



■ Outline

- Introduction
- Strategic Marketing Feedback Loop
- #1 Number for Profitable Growth
- Case Study – InTown Veterinary Group
- Practice Manager Model - Simulator
- Perceptions of Medical Quality
- How to Apply to Your Practice



- RKM Research and Communications
 - Market Research Firm
 - Portsmouth, NH
 - Conducting Consumer Focused Research
 - 16 years of experience
 - Over 1,500 quantitative and qualitative studies
 - Primary Industry Focus
 - Service providers who compete for business in a geographically bound marketplace
 - 2005 Practice Manager Study for ITV



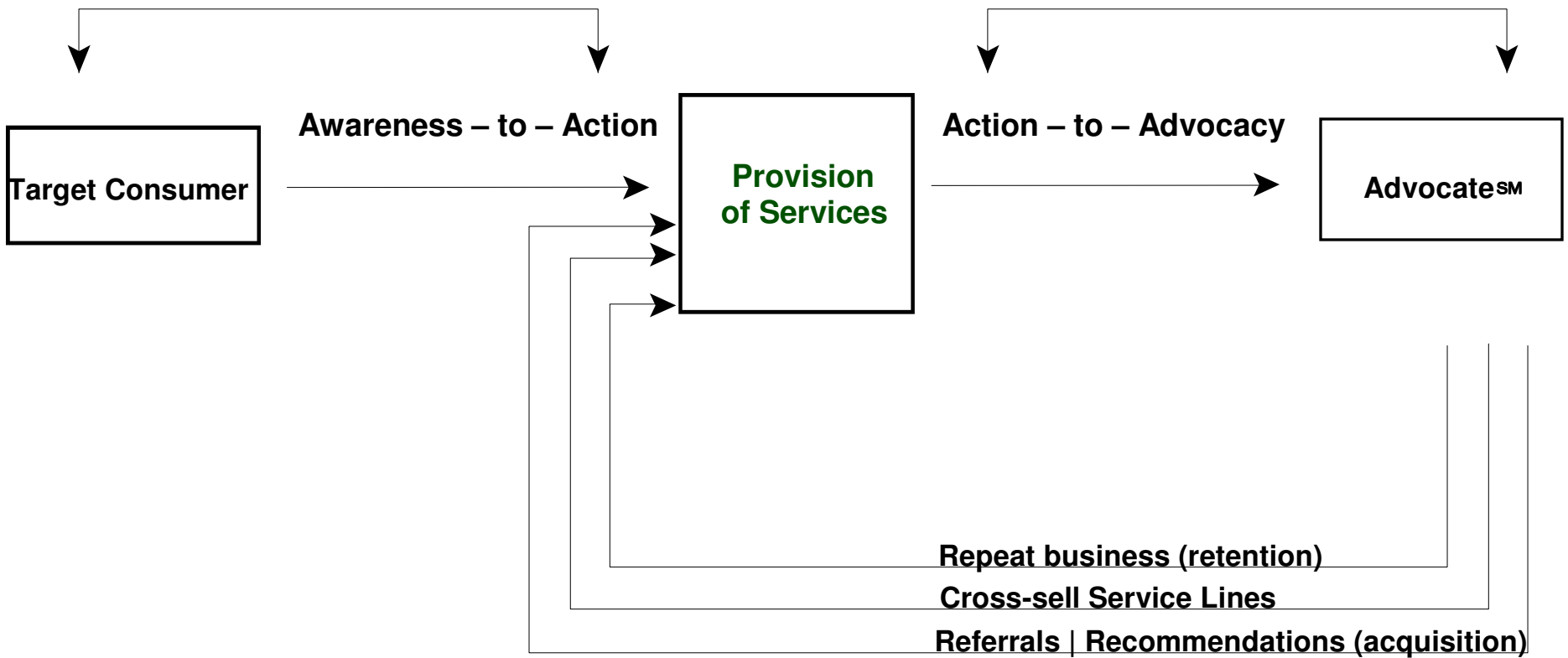
Dig deeper.
CLIMB HIGHER.

Marketing

Client Experiences

“Making the Promise” (1/2 of equation)

“Keeping the Promise” (1/2 of equation)





- Indicators of an Advocate
 - Likely to Recommend
 - Actual Positive and Negative Statements
 - Behavioral Loyalty



■ Indicators of an Advocate

■ Likely to Recommend

■ #1 Number you need to grow

- Reichheld, Harvard Business Review, 2003.

■ Optimal Marketing

- (acquire new market share at no incremental marketing expense)



- Indicators of an Advocate
 - Actual Positive and Negative Statements
 - Managing Word-of-Mouth
 - Hallowell, Harvard Business Review, 2001.
 - American College of Healthcare Executives, 2004.
(Managing Word-of-Mouth is Key to Success in Healthcare).
 - Optimal Marketing
 - (acquire new market share at no incremental marketing expense)



■ Indicators of an Advocate

■ Behavioral Loyalty

- Reduce Defections (Service Profit Chain)
- Emotional Connection | Engagement
 - Reinartz and Kumar, Harvard Business Review, 2002.
(*Emotional loyalty reduces defections*)
 - Reichheld and Sasser, Harvard Business Review, 1990.
(*Reducing defections 5% increases profits up to 50%*)
 - Reichheld, Harvard Business School Press, 2001.
(*Loyalty increases sustained profitability > 25%*)



Client Experiences as Strategic Marketing: Practice Manager Model

ACVO - Nashville - October 13, 2005



■ Case Study – InTown Veterinary Group

■ Telephone Survey

■ General Practice (Bulger Animal Hospital)

- Recent clients (n = 215)

- Competitor clients (n = 150)

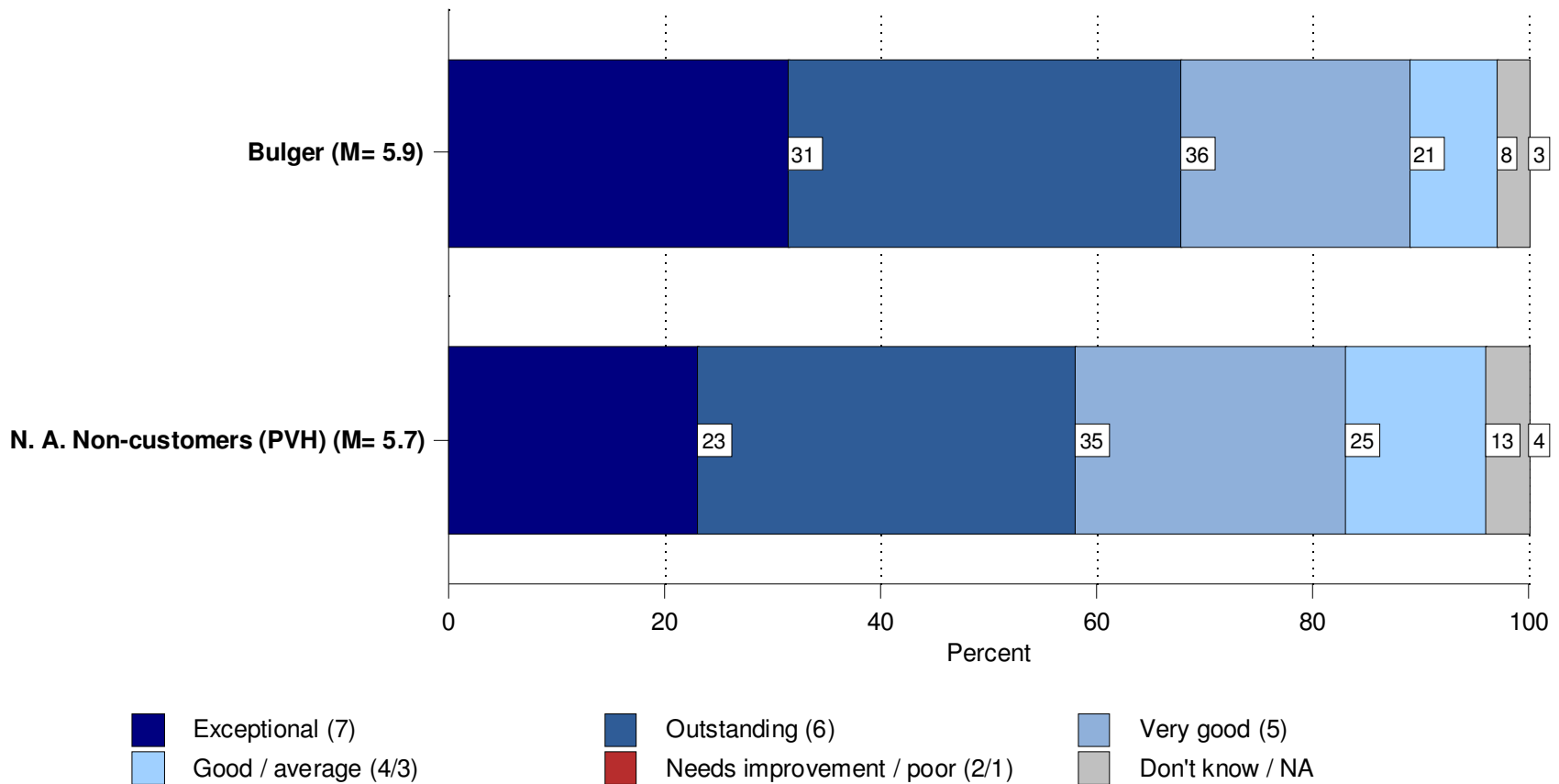
■ Massachusetts Veterinary Referral Hospital

- Recent clients (n = 220)



How would you rate the overall reputation of ... ?

[Among: all respondents | compared by hospital affiliation]





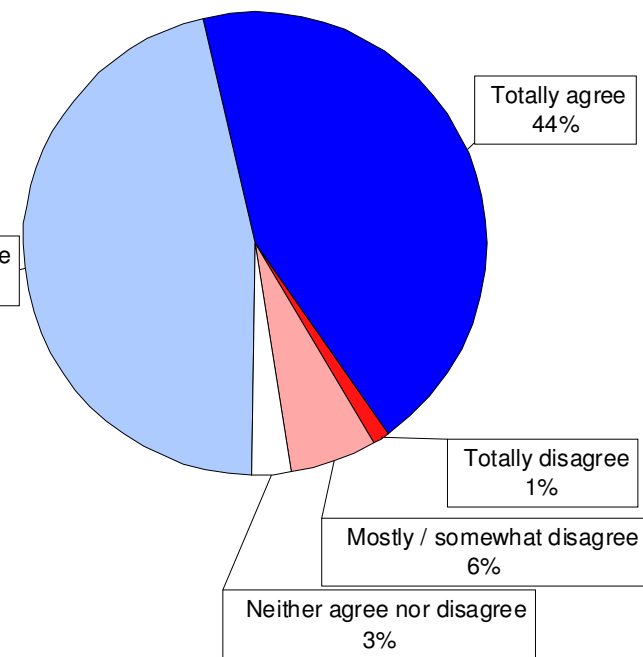
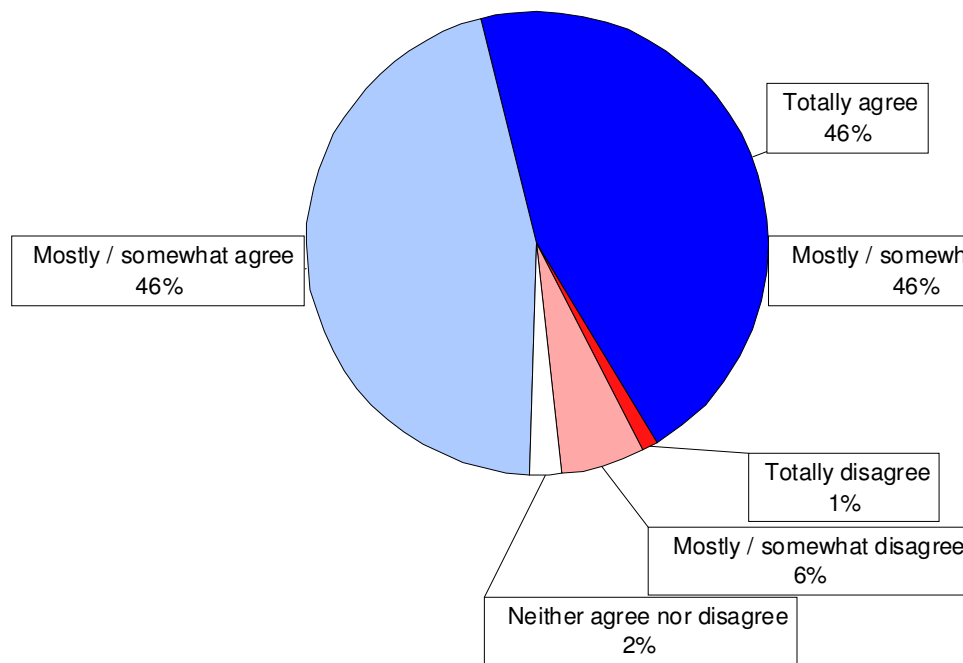
Dig deeper.
CLIMB HIGHER.

My satisfaction with the quality of service at ... could not possibly get any higher?

[Among: all respondents | compared by hospital affiliation]

Bulger

N. A. Non-customers (PVH)



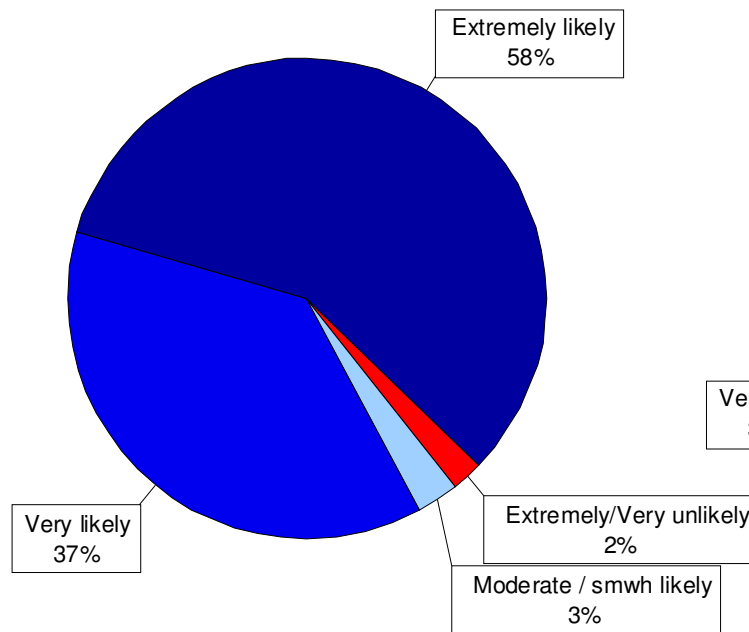


Dig deeper.
CLIMB HIGHER.

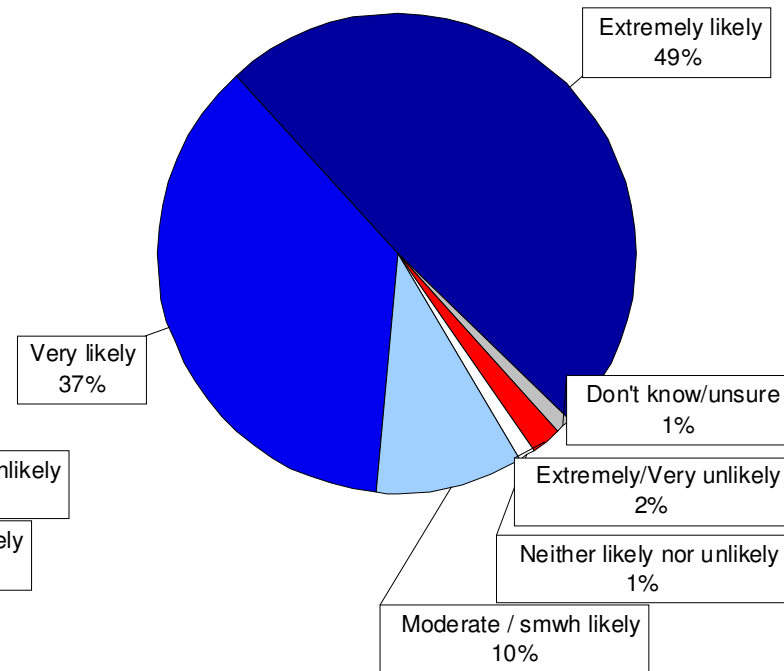
Likelihood that you would recommend... to a pet owner who just moved to the area?

[Among: all respondents | compared by hospital affiliation]

Bulger

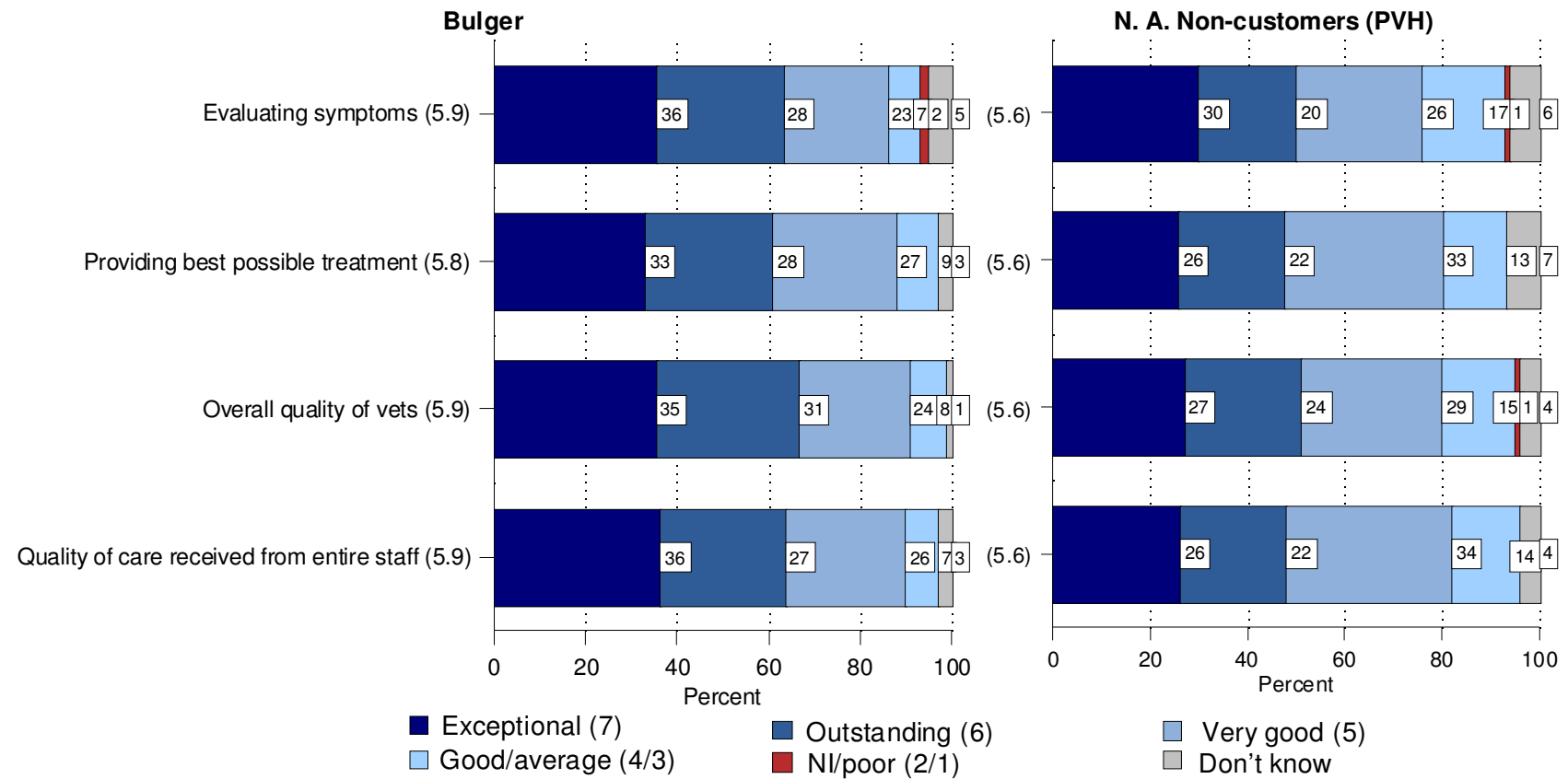


N. A. Non-customers (PVH)



Quality Audit: Medical Quality?

[Among: all respondents | compared by hospital affiliation]



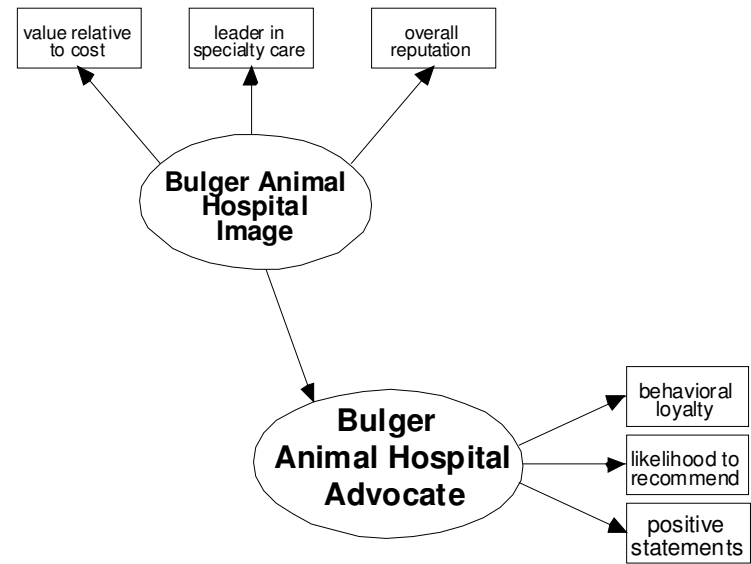
Service Quality Categories	Category Variables	Competitive Ratings 1-7 Scale	
		Bulger Animal Hospital	Competitors
Medical Quality			
	Evaluating symptoms	5.8	5.6
	Providing best possible treatment	5.9	5.6
	Overall quality of vets	5.9	5.6
	Quality of care received from staff	5.9	5.6
Empathy/Interactions			
	Bed-side manner of vets	6.0	5.8
	Bed-side manner of technicians	5.8	5.8
	Making sure pet was comfortable	5.9	5.7
Veterinarian Interactions			
	Clear understanding of treatment/recovery	5.9	5.7
	Explaining condition/treatment	5.9	5.6
	Listening/considering your input	6.0	5.6
	Communication/interpersonal skills	5.9	5.6
Customer Service			
	Telephone customer service	5.7	5.7
	Ability to keep accurate records	5.9	5.7
	Following up after discharge	5.6	5.5
	Providing access to vet for phone contact	5.8	5.6
Convenience			
	Amount of time in waiting room	5.6	5.3
	Amount of time in exam room	5.5	5.4
	Convenient location	5.5	5.6
	Convenient hours: routine care	5.8	5.4
	Convenient hours: emergency services	5.8	5.4
Accessibility			
	Providing same day service	5.9	5.7
	Providing top-line specialty services	6.0	5.3
	Providing boarding services	5.4	5.3
	Providing grooming services	5.7	5.2
Facility			
	State-of-the-art facility	5.6	5.1
	Cleanliness of the animal hospital	5.8	5.7
	Functionality of the exam rooms	5.6	5.4

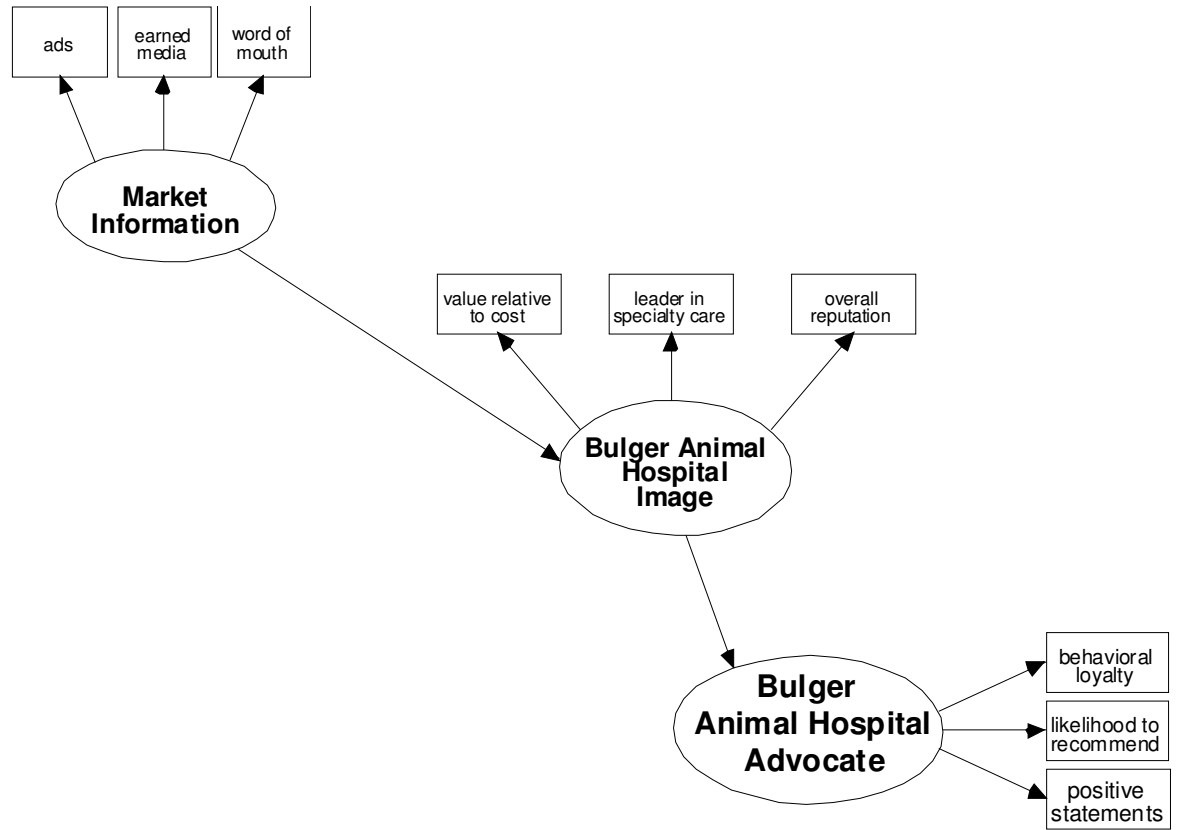
**Bulger
Animal Hospital
Advocate**

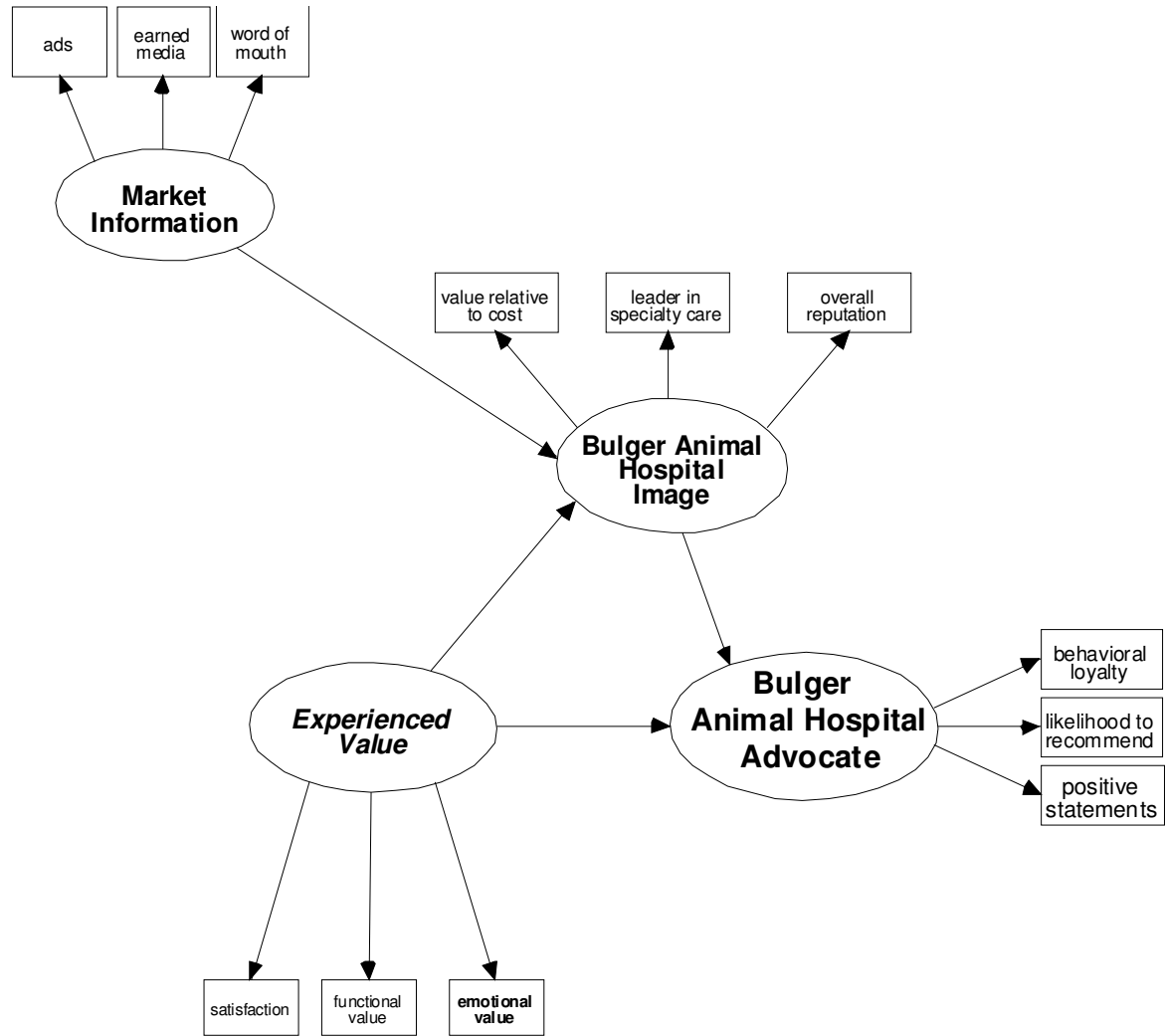
behavioral
loyalty

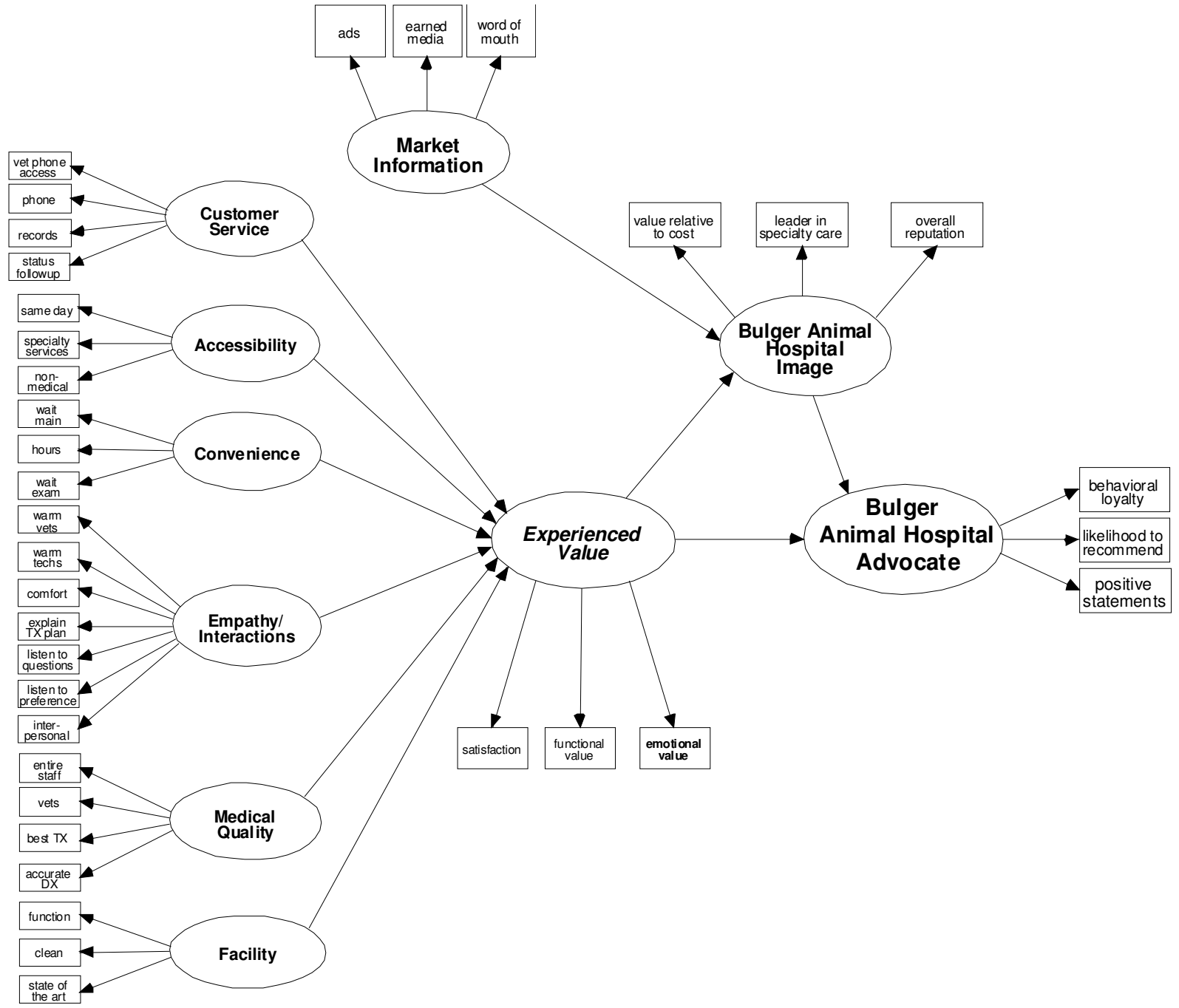
likelihood to
recommend

positive
statements

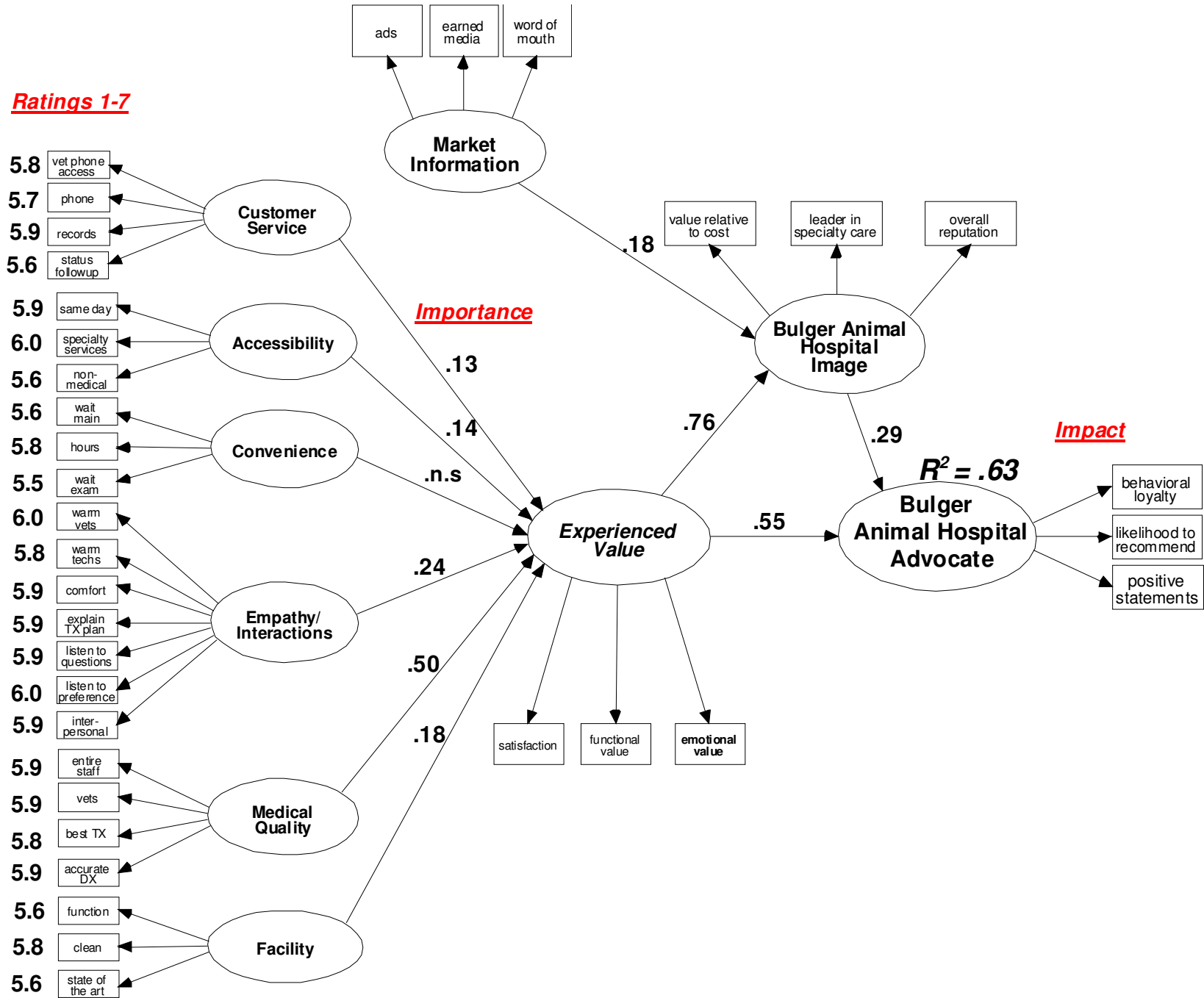


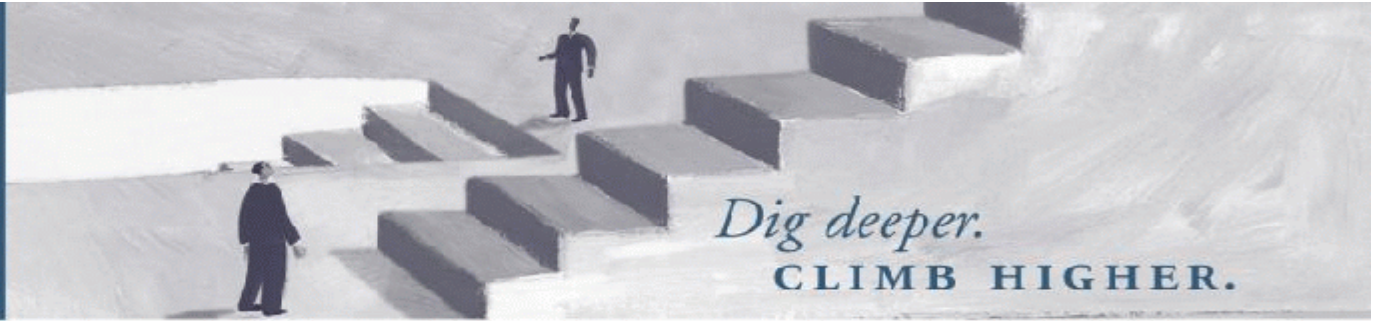




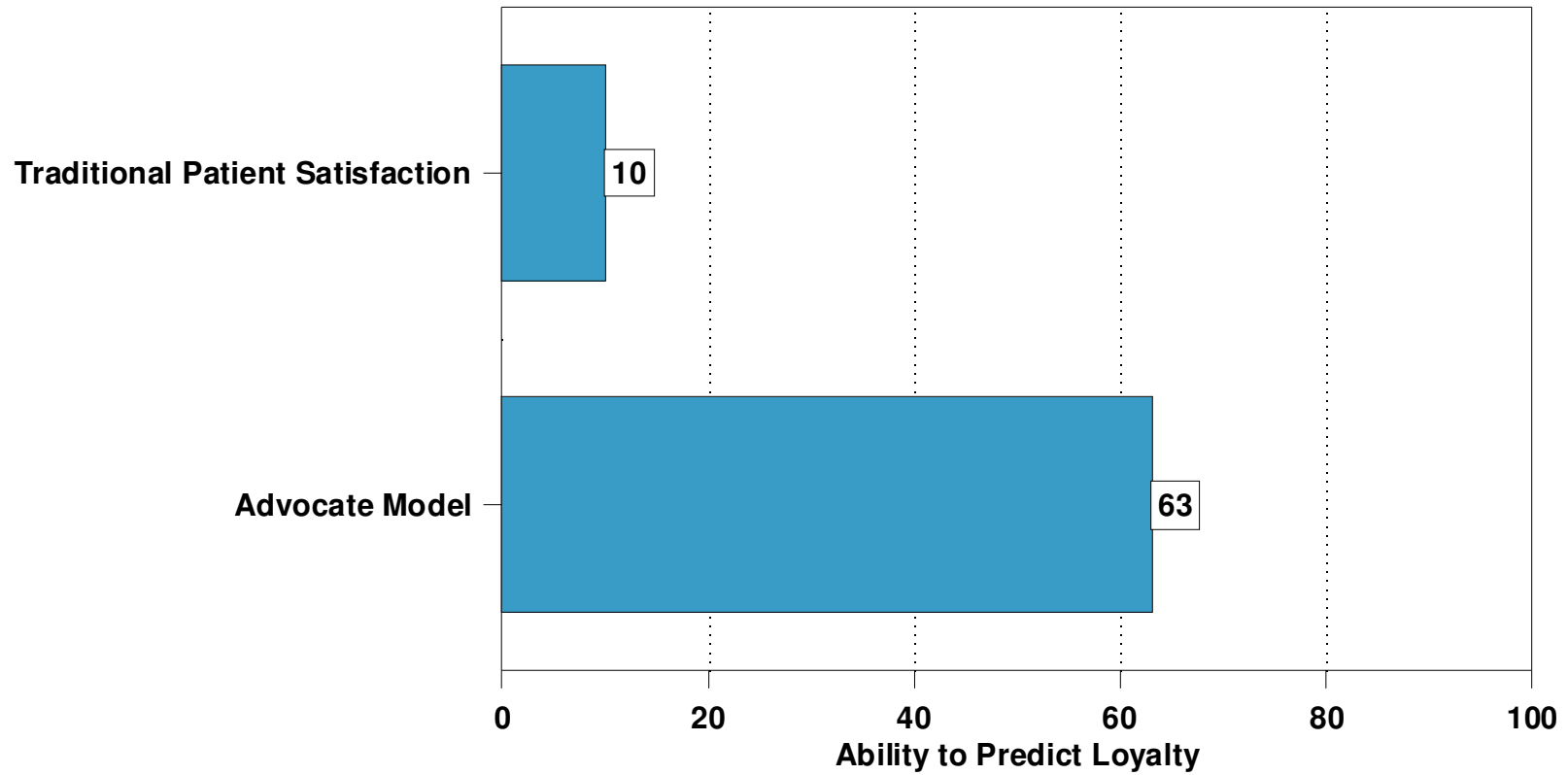


Ratings 1-7





Dig deeper.
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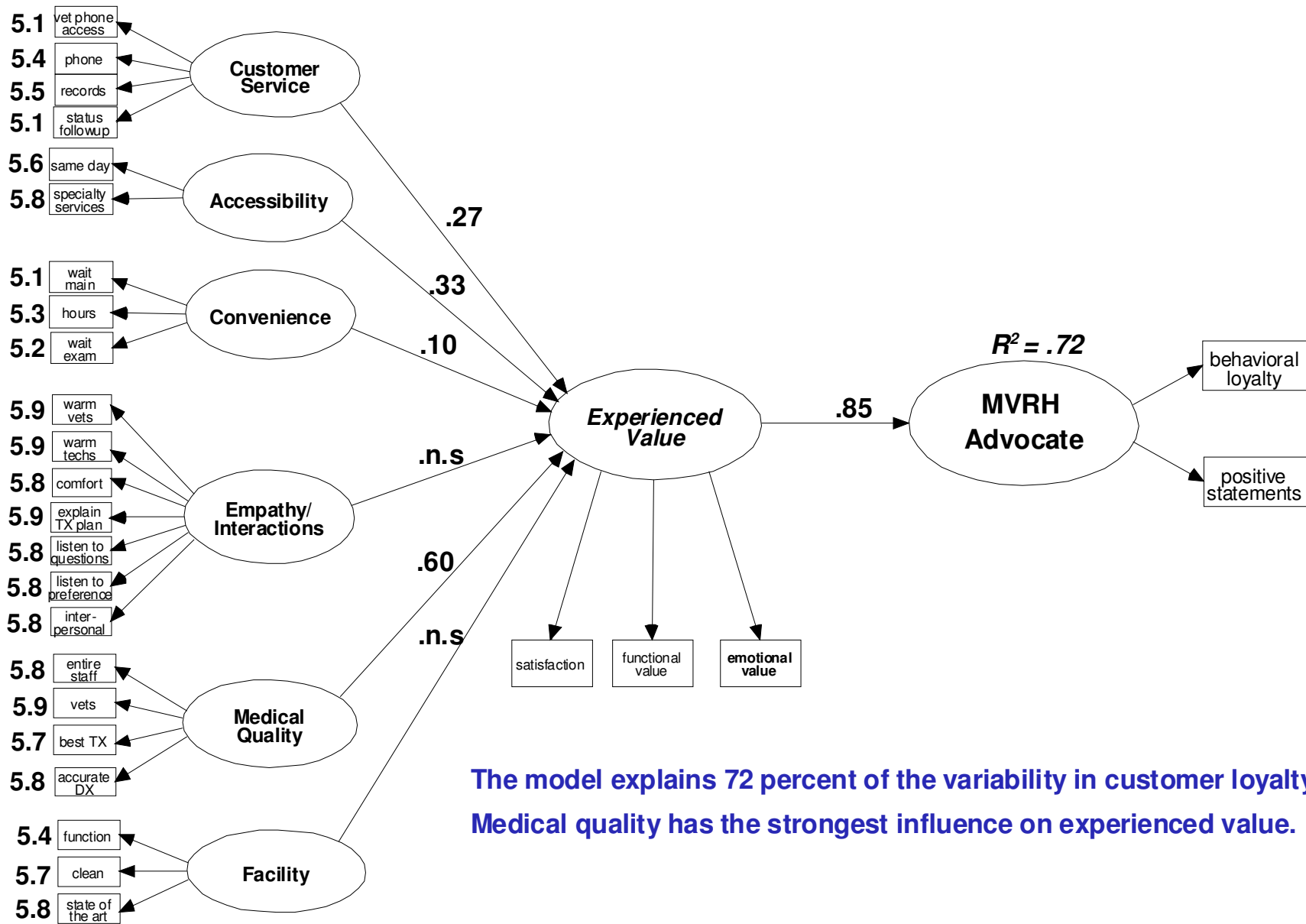
■ Managing Word-of-Mouth

- Improving ratings on “following up on pet’s condition” from a 5.7 to a 7.0 will result in an additional .36 positive statements on average per customer or 1,800 positive statements in the market.
- Improving ratings on “warm technicians” from a 5.8 to a 7.0 will result in an additional .29 positive statements on average per customer or 1,450 positive statements in the market.
- Improving ratings of the “best possible treatment” from a 5.7 to a 7.0 will result in an additional .64 positive statements on average per customer or 3,200 positive statements in the market.

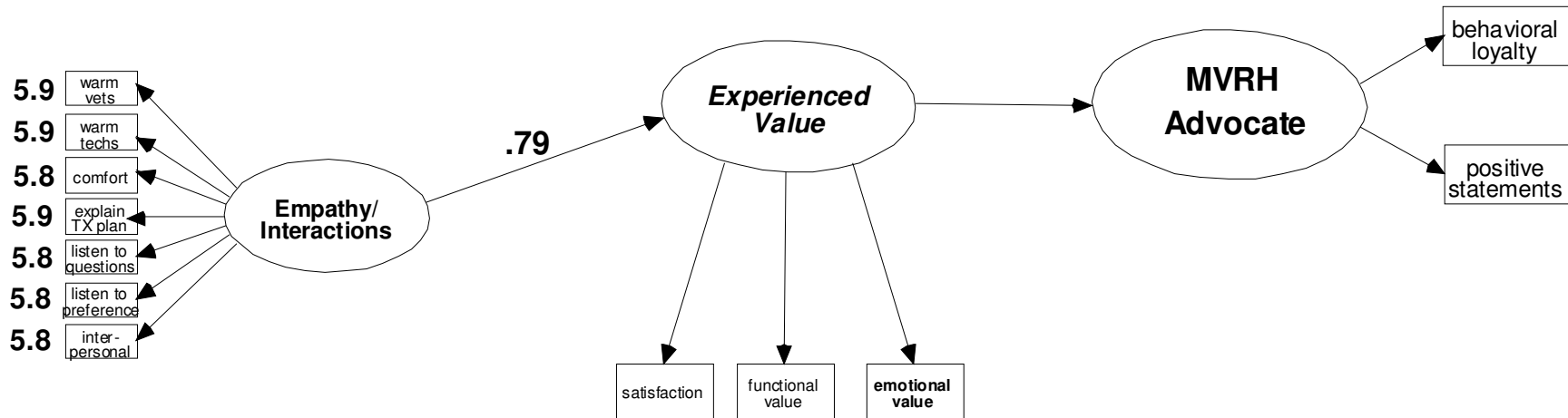
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■ Simulator



The model explains 72 percent of the variability in customer loyalty. Medical quality has the strongest influence on experienced value.



Interpersonal interactions are an important influence on the customer experience of value.

However, once other factors are included in the model that influence becomes non-significant.



- What indicates Medical Quality to clients?
 - Depth of information provided by support staff
 - Depth of information provided on condition
 - Perception of most advanced diagnostics
 - Provider has extensive experience treating similar cases
 - Quality of treatment is unrivaled



- How to apply to your Practice?
 - What are your clients saying about you?
 - What are your clients' perceptions of the quality of your services?
 - How are your current interactions influencing client perceptions of Medical Quality, Empathy, etc.?
 - Understanding and improving perceptions will drive profitable practice growth.



■ Questions and Discussion