Marketing Strategies for a Limited Primary Care Budget

Case Study

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Statement of Problem

This is a case study on a 65-year-old family practice clinic which operated like many practices, with a limited budget and few marketing resources. The practice was comprised of 9 established family physicians located in a semi-rural area 30 miles outside of a large city. Farming and ranching were the traditional means of income for a large portion of the community, but the area was rapidly growing into a bedroom community for workers willing to commute to the city each day.

Although the practice had acceptable patient volumes, it was not making itself known to new residents or mirroring the amount of growth happening in the market. Despite giving excellent care to patients in the community, competition was eroding the practice’s volume over time. Annual financial reports showed that new patient volume remained flat and several patients had commented that they had never heard of the practice before or they would have become patients sooner. Although the practice had a limited budget, it was clear to the physicians and practice manager that they needed to make a focused effort to market to existing patients and new residents to ensure they knew about the providers and all the services offered by the clinic.

Decisions Considered

Marketing the practice was historically only given serious consideration either when a new physician joined the group or patient volumes dipped below expectations of 19-21 patients a day per provider. This reactionary marketing method led to expensive bursts of marketing efforts with poor results. For example: large newspaper ads were taken out, radio advertising was attempted, and a 15-second television spot was created. Because these attempts were sporadic and only lasted for a week or two, none of these efforts significantly increased new patient volume.

The physicians and practice manager met to brainstorm on all their options for marketing the practice to the community. The first option considered was to continue with the current marketing effort which was word of mouth advertising. With this option the practice would have no added expense in capital or human resources. Staff would not be pulled away to meet and develop strategies and the practice manager and physicians could focus on all the other demands of their jobs. Unfortunately, making no changes also meant that new residents would not learn about an exceptional practice that could care for their entire family’s medical needs. Revenues to the clinic would remain flat or decrease over time and patient volume would continue to erode as other options were available for medical care. Decreased patient volume meant that physicians might decide to leave to find another practice where they have a better opportunity to grow their patient base.

The second option considered was hiring an outside marketing firm to create a professional campaign developed by marketing experts. Using this option meant that clinic staff would not have to devote time and effort in creating an ad campaign, but could simply work with the hired firm and review proposals presented. The biggest drawback to hiring an outside firm was the increased expense for services that would be paid by the physicians. The practice already operated on slim profit margins; increased expenses for marketing over a lengthy campaign would have a detrimental effect on finances and negatively affect other services the practice provided.
The third option was creating a team within the practice to develop an internal marketing strategy. This was a much more affordable solution and the physicians and staff best knew their services as well as their community. There was also the added benefit of building a stronger team as the entire practice would participate and implement the marketing plan. The main drawback for this approach was the time, commitment and discipline required by physicians and staff over many months of planning, coordinating and implementing a marketing plan. In addition, the physicians and staff had limited marketing experience and time to devote to this effort. Success would require a long-term commitment from physicians and a high level of organization from the practice manager and staff.

**Chosen Solution**

The physicians and practice manager decided to go with the third option. They first developed an internal team that included key physicians, department managers and the practice manager all working together to reach new patients as well as track which methods were most effective for the practice. Although hiring an outside marketing firm was discussed, no firms were interviewed for the project because the team felt strongly that they could develop and implement a plan that would reach new patients and reinforce the practice’s services with existing patients. The team decided that if the internal strategy was not successful, an outside firm would be the next choice.

Once the team was formed their first task was creating a time table of regularly scheduled meetings and target dates for meeting desired outcomes. Without investing time and effort consistently into developing a marketing strategy, no plan would be effective. This discipline and investment from physicians was critical to the success of implementing an in-house marketing strategy.

During the first meeting, the team asked four Key Questions: 1) How are patients finding the practice now? 2) What is the marketing budget? 3) How would a long-term marketing strategy be implemented? 4) How would the practice determine if a marketing strategy is effective?

To determine how patients were currently finding the practice, a special section was added to the patient intake form in which patients checked a box describing how they found the practice from a list of options. The options were: Referring Provider, Family/Friends, Healthgrades.com, Physician Directory, Insurance Plan, Radio Commercial, Website, Blog, Facebook, Twitter, Vitals.com, Yelp, com, Search Engine, Mailer Card, Yellow Pages, Google Places, Health Fair, Newspaper Ad, and Other.

Since the information was part of the patient intake form, it was completed over 90% of the time by patients. The data gathered from the intake form was aggregated over a six month period of time. From this data, it was quickly determined that less than 1% of patients learned about the practice from yellow page advertisements; therefore, this traditional type of advertising was not the best use of marketing funds. Printed phone books and yellow pages are out of date the moment they are published and more households are relying on the internet for quick reference to services and current contact information.

Referrals from friends/family, other physicians and patient insurance plans were the most common way patients learned about the practice. Forty percent of the responses from the survey indicated this word of mouth referral system was the practice’s most effective marketing tool. From the intake forms, there was also a significant trend toward finding providers through the internet and social media. Ten percent of patients indicated they found the practice through this
method. As more patients rely on smartphones and iPads for quick information, managing the practice’s online reputation through Yelp, Google Places, Healthgrades, Vitals, Facebook and developing a social media strategy was also an important marketing focus.

After careful analysis of the practice’s budget, it was determined that a reasonable annual amount to devote to marketing the practice would be approximately $30,000. This would pay for select print advertisement, mailing lists, postage and printed materials. Based on the data from the patient intake forms, the team decided that the following multi-faceted marketing approach would be the best way to spend the practice’s limited marketing dollars:

1) Discontinue yellow page ads other than a basic no-charge listing. This brought a savings of $7,500 which could also be used in addition to the annual amount budgeted for marketing.

2) Boost and monitor the practice’s internet and social media presence: Create a practice Facebook page, update all Vitals and Healthgrades listings with accurate information and photos, and actively monitor Yelp and Google comments. Expenses related to this effort included staff time spent researching, updating and creating profiles. An estimated 60-80 hours were spent over 3 months to set up the campaign, with approximately 10-15 hours spent monthly to maintain these sites.

3) To maintain strong word of mouth advertisement, the practice enlisted Medical GPS for patient satisfaction surveys to ensure that services were meeting or exceeding expectations. Since word of mouth advertising was the most effective marketing tool, it was important to make sure patients had a positive experience in the clinic and improve in areas where the practice was falling short. Staff time was used to set up this survey and annual costs associated with this service were approximately $4,500. An additional benefit of patient surveys was the positive comments providers and staff received about their care. These comments were regularly shared with staff and reinforced quality care.

4) To increase access for existing patients, the practice began using the patient portal available through its EMR vendor. In patient comments from the surveys, some patients mentioned that an online portal was a valued service that other clinics were offering. Using the portal, patients were able to request appointments, send messages to their provider’s office, update their demographics, check their appointment times and view routine labs online. Implementing the portal increased patient satisfaction and loyalty scores as patients liked having additional access to their provider and personal health information. The cost of adding patient portal was $5,400 annually and required 15 hours of staff time for initial setup and training. Once implemented, ongoing maintenance of the portal took approximately 5-10 hours of staff time per week, but also reduced staff time in other areas by allowing them to report normal lab results through the portal versus a phone call or letter to the patient.

5) Advertise monthly in select periodicals which are free to residents and mailed to all households in the geographic area. These publications are read by new and existing residents who want to learn about new local businesses, upcoming road construction, local schools and healthcare options. The team felt it was important to maintain a sustained print campaign to reach residents who do not use the internet or social media. Although previous sporadic newspaper ads were not successful in the past, having a consistent monthly presence in a well-read and widely-distributed monthly
magazine was an important method for getting the word out to new residents. Creating the ad copy was part of the service provided by the publication and the annual cost for a monthly ½ page ad was $15,000.

6) Reach new residents by direct mail using 4”x 6” post cards. The cards included provider photos along with a list of services and were mailed to all new utility hookups in the geographic area four times a year. Local utilities provided a free list of new residents, so costs associated were staff time, postage and printing which cost $6,500 annually. New residents learn about physicians in a variety of ways and the team felt a consistent method to reach new residents to the community was important for maintaining new patient volumes. This was vital advertisement as new urgent care clinics and independent physicians were moving into the community and aggressively advertising their services.

7) Mail a new patient packet following an initial visit which included: a personal letter from the physician thanking them for their business, a magnet with the clinic phone number for quick reference and a brochure listing all the services offered in the clinic. Expenses incurred were for staff time, printing, magnets and postage costing approximately $2,500 annually.

Further Expansion of Internet and Social Media

Although the practice had maintained an informational webpage for years, the team decided to invest resources in updating the webpage and deploying a complete social media campaign to boost and monitor the practice’s online presence. The cost for this included staff time spent researching each site, claiming the site and updating information and photos. The internet team was headed by the practice manager and medical office coordinator and included computer-savvy front office staff to help update social media websites weekly with content provided from the physicians. Although updating and claiming online profiles was time-consuming in the beginning, once updated, the sites were easy to maintain. The team created a clinic Facebook page and staff, patients and friends were encouraged to ‘like’ the page online. Through the assistance of the free service, Daily RX, the Facebook page was frequently updated with relevant medical articles.

Notifications were set up to alert the practice manager if a patient chose to air a complaint via Facebook. Unfortunately, when a patient is unhappy with their visit, some will choose social media as the first place to air issues. Without notifications, a negative comment could remain posted for a long time causing damage to the practice without the practice manager having an opportunity to address the issue.

The practice also began a Twitter feed, WordPress blog and opened a profile in Foursquare. Provider and clinic profiles in Google Places, Healthgrades and Vitals were all updated with pictures and current information. Twitter feeds and WordPress Blogs were generated on a three month campaign with input from physicians and the practice manager. The information was kept relevant and updated regularly and the only expense involved was time for developing and posting campaigns. Most of the time spent was with the initial set up of the process. Once in place, maintaining the sites on a regular updated schedule was an easy process to implement.
The practice found that even a limited annual marketing budget can be highly effective. Over two years, financial reporting showed the practice was able to increase new patient volume by 7% due to a focused marketing effort that employed the talents and abilities of each staff member. For an already busy family practice, this was a significant increase in volume over a short period of time: $150,000 increase in revenue over previous years for approximately $30,000 in marketing.

Using a multi-faceted approach the practice reached a wider audience and strengthened loyalty with existing patients. Careful targeting of marketing efforts enabled the practice to launch an effective campaign that stayed on budget. In fact, the comments section of the patient satisfaction surveys turned out to be an invaluable source of ideas for making small adjustments in the clinic that had a big impact on satisfaction scores from patients.

A consistent marketing strategy keeps a practice at the forefront of patient’s minds when they are seeking or recommending a primary care provider. Word of mouth will always be a practice’s strongest referral source, but new residents need to hear about a practice numerous times through print media, internet listings, social media and direct mailings. Effective marketing is very important but sustained growth depends on a practice having available appointments, ease in requesting an appointment, a motivated and caring staff, and loyal patients that want to recommend the practice to their friends and family.