

MEMBERS ONLY Aug 19, 2008

How to Cope with a Shrinking Budget: 11 Steps for Going Frugal

SUMMARY: Your marketing budget takes a big hit. Is it time to throw up your arms in despair? No, it's time to get even more creative by focusing on lower-cost ways to get your job done.

Find out how a marketing director took lemons and made lemonade for a plastic surgeon by focusing on patients already coming through the door. Includes 11 steps and 7 creative samples.
Your budget is slashed, so you're forced to be frugal. You can wallow in frustration or look at ways to be as creative and effective as possible with the money you've got for marketing.

Three years ago, Tracy Drumm, Marketing Director for Chicago plastic surgeon Steven Dayan, MD, FACS, faced that situation. She was told she had to clamp down on expenses for marketing. No more spending on whatever she wanted.

"We needed to get back to the roots of thinking outside the box," Drumm says. "We started looking at... creative solutions to our marketing challenges."

Drumm and her team set their sights on existing patients. They encouraged word-of-mouth referrals and repeat patient visits with in-office ideas while operating at a "near zero-dollar budget."

Fast forward three years. Drumm says that "75% of our patients are returning for other treatments aside from what they originally came in for... [and] 45% of our patients come from word-of-mouth referrals."

Discover the strategies Drumm followed to get patients to return for more treatments and refer their friends to Dr. Dayan.

11 Steps to Frugal Marketing

Drumm developed what she calls an "inside-out" marketing model over the three years of bare-bones spending. It focuses on enhancing patients' in-office experiences, educating them on other procedures and encouraging them to talk about their treatments with friends.

Step 1: Familiarize patients with available treatments
Surgical procedures are Dr. Dayan's big-ticket items. Drumm makes sure patients know of their availability through in-office posters, flyers and brochures. "A large majority of your surgical patients will come from people who are familiar with you for seeing you for non-surgical procedures," she says.

Dr. Dayan's office now is loaded with treatment information materials, such as:

- Posters showing "before" and "after" images
- Newspaper-style articles on 20 different procedures
- Flyers describing procedures
- Photo albums from company events

"These are very low-cost ways to reach out to people," Drumm says, "and what we've experienced is that they yield a high impact, a high return."

Step 2: Keep materials low-cost yet high-quality. Drumm and her staff create most of the in-office materials. They work to make the finished product look as professional as possible. For instance, they frame posters instead of taping them to the walls. Drumm also challenged local design students to redesign the company logo and business cards. The winner got printed proofs for a portfolio — a strong resume boost for a graduate. "We had hundreds of submissions, and we had some great, great work, and we didn't pay for them," she says.

Step 3: Test before you spend. Drumm avoided wasting money by testing tactics before fully investing in them. For example, she wanted to create a "while-you-wait menu" offering quick services that patients could receive while waiting in the office for a scheduled treatment. She handed out a Microsoft Word document that "didn't look professionally done, but certainly didn't look embarrassing."

She discovered that patients appreciated the information on additional procedures but didn't like the idea of getting another treatment while waiting. "If I had invested right away into designing the menu and printing and production and shipping, then I would have been stuck with an ineffective marketing piece."

Step 4: Stock marketing materials, not magazines. "As a rule, we do not have magazines around...Should someone request a magazine, we would definitely provide it for them. However, I can tell you that happens once a year, if at all," Drumm says. Instead of magazines, patients read the descriptions of treatments or other marketing materials.

Step 5: Create a comforting experience. Drumm and her team make the office environment as enjoyable as possible. Among the luxuries offered:

- o Gourmet chocolates
- o Beverages
- o Snack picks – favorite snacks of the staff
- o Soothing music in treatment rooms
- o Popular tunes in the waiting room
- o Aromatic candles

These enhancements, along with picture frames and photography books, cost less than \$100 a month, Drumm says.

Step 6: Encourage word of mouth. Women want to talk about what procedure they've had done, Drumm says. Here are ways she and her team help get the conversation started:

- o Before and after images: Every time a patient receives treatment, she gets a laminated driver's license-sized card with her "before" and "after" picture, the office's contact information and a quote from Dr. Dayan. "Before" and "after" images are also put onto appointment cards. "If they're out at a social event and they see someone they haven't seen in five years, they pull it out and they start talking about it," Drumm says.
- o Flyers: The treatment flyers alone fuel a word-of-mouth response, Drumm says. "We've developed an event now where 750 women come every year. We don't have to do anything to promote it other than put flyers around the office. And these flyers are just pieces of paper. They're very nicely done, but we do them in-house."

Step 7: Use subtle touches to remind the patient

- o Complimentary CDs: Popular tunes selected by a staff member always play in the waiting room. The same songs will loop all day, and patients are given a free copy of the CD to listen to at home or in the car. It's a great way to remind patients of their time at the office, Drumm says, and the CD sleeve describes new treatments.
- o Complimentary shirts, robes and gym bags: These gifts also serve as reminders of the results of the experience and are usually given to surgical patients.

Step 8: Reach out with direct mail. Drumm contacts current patients with postcards, newsletters and holiday cards. More costly than inoffice promotion, they still cost less than a magazine ad, or a billboard, or a newspaper ad. "We like to think that this has a medium to high impact," she says.

Step 9: Don't discount prices. Mailed communications will mention Dr. Dayan's press coverage or thank customers during the holiday. They never offer a discount, Drumm says. "We do not discount our services...We are a high-end brand. As opposed to giving out a discount, I would be inclined to give out a gift card...I'll give a gift card to the facial center just to get them in the office again; anything like that."

Step 10. Don't buy advertising: "We do not purchase magazine ads, newspaper ads, billboard ads or anything like that. The only way we reach out externally is through supplementing our newsletter mailer with data that matches our own." Spending on local ads would triple what she spends on internal efforts, direct mail and all other marketing. So she doesn't do it.

Step 11: Outsource online marketing. Drumm and her team partner with an agency to handle search marketing, video posts to YouTube and other online marketing. Those efforts are not a part of Drumm's "inside-out" model, but they fuel customer acquisition, she says.

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Steven H. Dayan's In-Office Promotions:
<http://www.marketingsherpa.com/cs/sdmd/study.html>

Steven H. Dayan, MD, FACS: Advanced facial plastic and laser surgery
<http://www.drdayan.com/>