

New Patients, Inc. Newsletter

Quick, Tested, Effective Ways to Promote Dentistry

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Let's talk about call tracking and calculating forward ROI

In the last issue of this newsletter, we discussed what we are seeing across the board; a slow and steady growth in our response numbers. We also discussed where the revenue growth is coming from (elective) and recommended that it may be a good time to re-balance your promotion budget from 100% core staples of dentistry to perhaps an 80/20 mix of core staples and elective dental services.

Call Tracking & Calculating forward ROI

ROI = Return on Investment. If you are a client of NPI, you already know what call tracking is. We strongly encourage all of our clients to use tracking numbers on any promotion effort that consumes more than 10% of their annual promotion budget. For this e-newsletter, let's dig deeper. The goal of this newsletter is to give you monthly control of how your promotion is paying off. Maybe not this particular month, but most certainly down the line.

To provide clarity and consistency among the readership, we will focus on NPI direct mail, call tracking, and forward ROI calculation.

By now you know that NPI works in all promotion mediums (internal, web, SEO, web video, social media, direct mail, all forms of print advertising, radio, TV, etc). Each of these promotion mediums has a different future ROI projection. To keep things consistent and applicable to most of the reading audience, we are going to focus on one specific promotion medium - NPI direct mail. This makes sense for two reasons. The first reason is most of you are mailing through NPI. The second reason is, among all of our clients in 5 countries and all of their various promotions, the way NPI does mail always generates the highest average revenue per patient.

The secret formula revealed!

Total monthly call volume x 40% x \$1,400 = Projected first year return

Projected first year return x 2 = Projected 3rd year return

Projected third year return x 2 = Projected 6th year return

So let's put this to practical use.

Your homework will be to look at your own call tracking (if you forgot your login & password just call us at 702.221.2184 and we will get you back on track).

Let's say last month your mail generated 18 total phone calls. We all know there were some clunker phone calls in there, maybe a solicitation, maybe a repeat caller or two, but that call volume should have generated about 7 new patients in your schedule (total call volume x .40). Now multiply 7 new patients times the global average first year revenue per patient (from mail) of \$1,400. You get a projected first year return of \$9,800.

We can now move onto projecting a 3 year return by multiplying the \$9,800 x 2. That gives us \$19,600.

One more step to project a 6 year return (\$19,600 x 2), and we get \$39,200.

What if I'm in a grossly competitive area and not getting 18 inquiries a month?

You don't have to have high call volume to generate a robust forward ROI. Take a look at the math.

Example: 8 phone calls per month x 40% = about 3 new patients that month. 3 x \$1,400 after they are in your practice for a year = \$4,200 first year return. \$4,200 x 2 = \$8,400 three year return. \$8,400 x 2 = \$16,800 for a six year return. Your mail costs run about \$2k/month. Even at 8 calls a month and 3 new patients a month, it is still generating a very solid ROI.

Don't be fooled by trading quality for volume.

The business of dentistry is not a one and done business. Patients take time to get necessary work done. Patients take time to choose elective dentistry. People take time to feel comfortable referring their friends and co-workers to you. They, in turn, take time to get their necessary and elective dentistry done. Not to mention the recurring revenue generated out of hygiene.

The key to driving solid forward ROI in a dental practice has a lot more to do with average revenue per patient, than it does with increasing patient volume. Anyone can generate additional new patient volume. Start promoting free exams and cleanings. You will get new patients in the door. The problem is, their average first year revenue will range between \$380 and \$610, will NOT double in three or six years, and might double in 12 years.

You have homework!

We are hearing through our client services department that very few of you are looking at your call tracking numbers. If you do not look at them and listen to the calls, now would be a great time to get reacquainted.

Next month we are going to talk about barriers. Too many of you create your own.

We are going to isolate and discuss a few of the most common in our next newsletter.

If any of you need us, just call 866.336.8237. We will be here for you.

Got questions? Want to learn more?

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