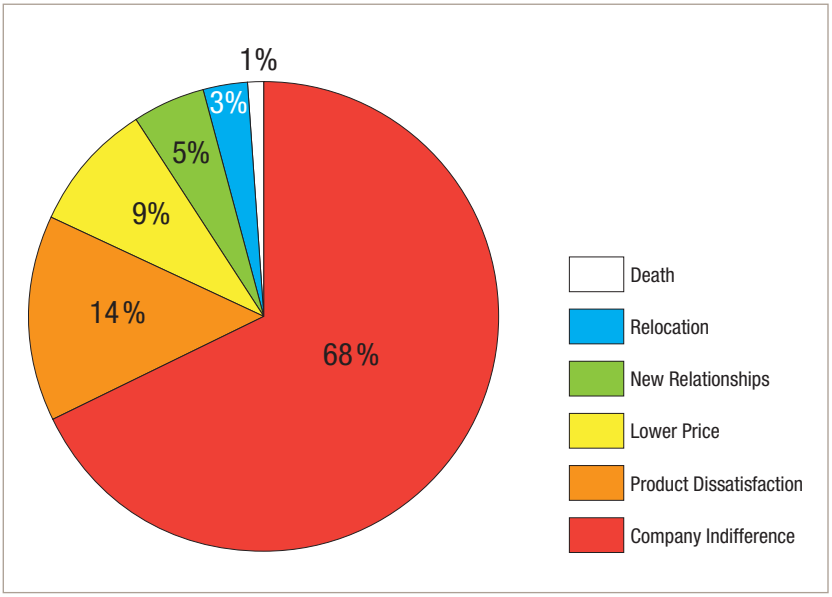
Gain power at your laser clinics!

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_During the last two issues we have discussed the importance of marketing in our clinics starting with the first element of marketing mix-service. Let's move on now to the second P of the marketing mix-Price!

First we should decide upon our pricing method. Our possible options are the following:

- Competition-Oriented Pricing: We set up the price based on ours key competitors' prices.
- Cost-Oriented Pricing: First we calculate our costs and then we add in a suitable profit margin.
- Demand-Oriented Pricing: Different prices for the service according to the type of
  a) Patients (for example, we give discounted prices to an insurance)
  b) Service version (We might charge less if we have our own CAD/CAM machine in our practice)
  c) Place (different prices for patients in a village than in a town)
  d) Time (20 years ago, an implant was very expensive in relation to others applied in recent years)



The pricing method that we choose is based upon our:

- Competitive advantage (how our patients perceive us when they compare us to our colleagues)
- Patient reaction – based on their demand
- Competitive reaction (how our colleagues react)

A very sensitive and very important issue that needs our attention is to avoid Price wars – Why?

a) Our patients' expectations are distorted
b) Price advantage is short-lived
c) Patients will become sensitive to price at the expense of value and benefits

Price is what we are going to charge for our treatments and actually represents the value of our service. Value is expressed as equal to benefits received (= tangible or emotional) over expectations (=price).

Benefits can be tangible or emotional. Tangible benefits for our patients are the larger amount of fillings that we can finish in one session due to our lasers. Emotional benefits are when they feel that they belong in an exclusive or expensive clinic.

Value = benefits/price

There are two ways that we can change the value of our services:

1. The "boring" way: We increase the benefits without changing the price or reduce the price without changing the benefits

2. The creative way: By being different! This is the way that we will be able to gain the desirable competitive advantage!

What is a competitive advantage? It is our ability to perform better than our colleagues and to maintain being different (superior longevity = remain in the market longer in superiority).

Since we are talking about performance we can achieve the highest in two ways: differentiation and cost. Being a cost leader requires offering the lowest prices in the market. This business level strategy has two main disadvantages: Firstly, a colleague will imitate us sooner or later by offering lower prices than we do. Secondly our patients will not perceive us as professionals in the long run since will not upgrade our services by investing in new technologies or in further education due to the low cost. Let us remember that research has proven that the reason that companies/clinics loose customers/patients are divided into many aspects (Fig. 1).

Clearly, the most profound cause of loosing patients is our company's lack of difference towards our colleagues. It is so obvious that the most creative strategy to attract more patients, to create value and to gain the desirable competitive advantages, is by being different, by being unique. It is by being faster than other offices (easily achieved with our lasers) or also by being more exclusive or expensive.

Why do people queue for hours and pay hundreds of Euros to buy a Louis Vuitton or a Jimmy Choo handbag? Why do you think? The real answer is: because of its emotional benefits! For these brand names and many more, people are willing to pay more than for the functional benefits in order to gain a feeling of belonging to a higher social class, a feeling of uniqueness, of their position, an item or a service that makes them feel exceptional.

How can we create those feelings and competitive advantages for our services?

1. By promoting care and compassion. This of course cannot be achieved by words – we cannot only say to our patients that we care. People have to walk out of our office and be absolutely shocked by how much we care about them.
2. By our competitive advantage based on the number of services we offer.
3. By our level of customer service. Is our team composed by incredible people, so that when patients walk in our clinic, they are overwhelmed by the

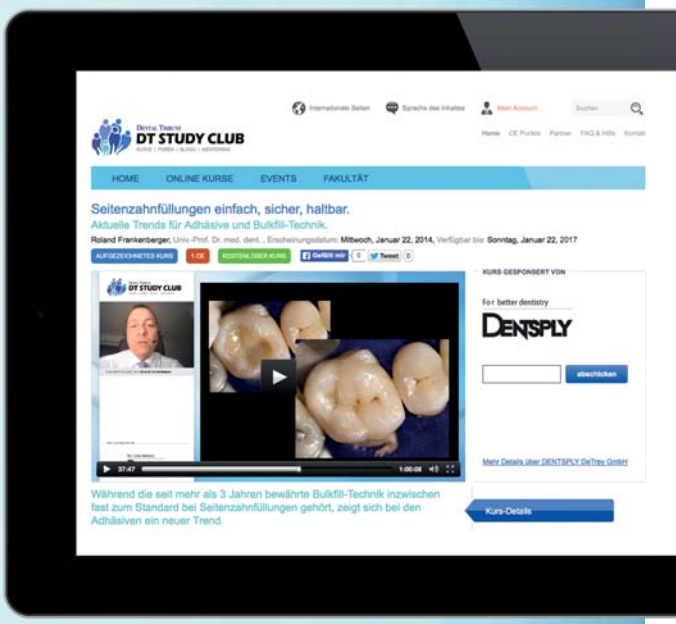
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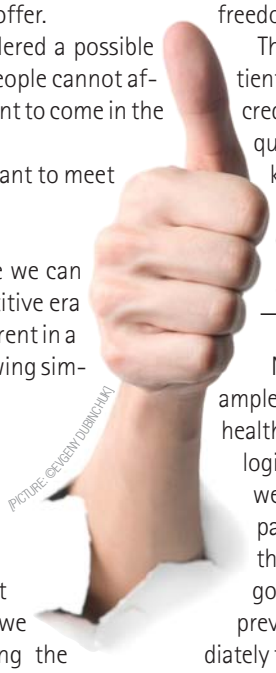
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hospitability and our team? Will our team go the extra mile for our patients and let them know how much they care?

4. Another potential competitive advantage could be our location. We need to have a location that is vibrant, growing; populated with people who can afford the dentistry we want to offer.
5. Convenience can also be considered a possible competitive advantage. Many people cannot afford to take time off and they want to come in the evening or on a weekend.
6. It is our choice of course if we want to meet their demand.

We are professionals, therefore we can increase our profits in this competitive era that we are working in and be different in a creative way by applying the following simple formula:
laser equipment + continuous education


PICTURE: ©EVGENY DUBINCHAK

This will lead to our specialization in the field of lasers, resulting in our uniqueness. To continue, let us also refer to the moments that we do not feel comfortable of telling the price—when we might be afraid that the patient might react negatively. We have high-tech clinics, we offer exclusive treatments, therefore premium services. Let us not forget to charge for them!

Now, more practically: For example, we have the patient on the chair how do we present the price? It would be better to tell the price dividing it in units—let the patient do the calculations for the whole cost of the treatment. We could also use the sandwich technique to present the price.

_The sandwich technique

This technique sandwiches the price between positive statements. For example if we are dealing with laser treatments, we say one benefit at the beginning, for example "Using a laser is a very relaxed experience since we avoid drilling" and then we add the second benefit, "You will be very satisfied because we perform the treatments without anaesthesia"— and then we add the price in the middle— "The cost of the treatment will be 400€". Then, without a break, we insert the last benefit on top— "You will also feel very comfortable since the procedure will be without the need of sutures".

Finally, remember never to argue about the price — do not forget that there is no objective price — for one patient the price can be perceived cheap and for another one extremely expensive.

Studies have shown that:

a) Consumer behavior is often based on the individual's perception and other psychological characteristics.
b) The more unique a product/service offering is perceived by the consumer, the greater is a company's freedom to set prices above those of competitors'.

Therefore, the value is affected by what the patient perceives — If our patients perceive us as a credible office, offering services based on high quality and technology, derived from our knowledge from our premium studies, then they will have a good reason to pay the requested amount for the treatments.

_The patient says Yes!

Never forget to praise them—saying for example—"Mr Smith, your decision is the best for the health of your mouth and your wellbeing". Psychological experiments have shown that whatever we say the next 25 sec. will be registered in the patient's long-term memory, meaning that they will never forget it. And when Mr Smith goes home and tries to recall what happened previously in our clinic, he will remember immediately that he made the best possible choice!

All the above topics and proposals can be elaborated further and new conclusions and ideas can be created from them. Our medical studies leave a gap where the business department of our clinics is concerned. That is why we have created DBA. DBA is the new innovative Dental Business Administration Mastership Course by AALZ. It is created exclusively from dentists for dentists, dental managers/administrators and will be launched in Aachen, Germany, on the 5 May 2014. It is all about preparing dentists to undertake their business as entrepreneurs, presenting all the business-oriented material they will need in order to be managers and directors of their own clinic and have full control and maximum utilization of resources and team. The course will be launched at 5 May 2014, immediately after the completion of the 2nd WALED Congress at AALZ — RWTH Aachen University Campus._

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