

It's the Value

By Tom Bowen, President

Staff: “So your total, Mrs. Jones (fidgeting nervously), is two-hundred dollars.”

Mrs. Jones: “Two-hundred dollars (gasping, choking)! You’ve got to be kidding me!”

You’ve heard this, or something like it, in your own practice. Maybe once in awhile; maybe once a day. Either way, it makes the team uneasy.

Sometimes you wonder if your fees are too high. You want to increase your average transaction, but perceptions of being expensive could hinder competitiveness...What to do?

The fact is price has nothing to do with it. It’s the value. Study after study show consumers opt for a better level of health care, and pay accordingly when they understand the differences. These differences are fundamental components of value.

That’s all great, but what exactly is value? Simply stated, value is the extent to which clients/consumers perceive what you do as good.

O.K. then. If value is the extent to which people perceive what you do as good, you can logically assume the better people perceive what you do; the higher they perceive its value. And the higher they perceive its value, the more they’re willing to pay without questioning your fee.

In these changing times, we’re seeing consumption preferences polarizing. People either want what’s cheapest, or what’s best. Not what’s in the middle. And although they may not know it (because we haven’t taught them!), they can’t get both. Nowhere is this truer than veterinary medicine.

This brings me to a concept we call the triplicate of choice. This concept holds that you balance three things in a service business: quality, price and service. You can be the best at any two, but if you try to be best at all three, you’re out of business.

So it’s really very simple. You either have to be the cheapest, or you have to be the best. Period. Both are marketable niches, but we know 75% of healthcare consumers will opt for what is best, if they understand the differences.

Well, since you are the best, so far so good, right? But here’s the tricky part. Many people end up choosing their provider on price, even though differences in quality and thoroughness are more important to them. How could this be? Simple. They didn’t perceive the differences!

You can be the best provider in your town. You can be the best in your state - the world! That does you no good if your clients don’t know how to understand those differences.

Remember this truism: Perception is reality. You can give the most wonderful and complete spay program in the world, but if Mrs. Jones doesn't understand it as such, and specifics about what makes your program unique, it's simply the most expensive in town. So pick one. Be the cheapest; or be the best. If you pick price as your niche', don't be second – be the cheapest. And if you pick best, don't just be “good” - be the very best. And whichever you pick, make sure Mrs. Jones understands it that way. Not by being critical of your competition, but by deliberately teaching her how to value your practice and the relationship she has with it.

Clients of Practice Coach pick best, which they already are on their own. But they also undertake very deliberate programs to actively teach clients how to know that. Clients don't know what they don't know.

And remember, value is not literal –it is a perception. And perception is reality. So as we established earlier, you might know you're the best, but without specific client education programs that build that value throughout the production cycle, Mrs. Jones may or may not perceive it that way. And that's when we run into trouble with fees.

To improve value perception takes action first. If it is so, you must show me. It takes words second. If it is so, you must then tell me. This means education, and education takes teaching. We must teach our clients how to value our programs, AND how to value the relationship within which they come.

Everyone's hollering about client education, but too few are assuming the actual role of teacher. Managing perceptions of your practice, your people, your services, your products and your commitments requires show-and-tell. Don't assume I'll figure it out on my own. Make sure you also tell me. Set specific objectives for what you want clients to know at every level in your production cycle, then plan specific communication to teach them exactly that.

In closing, think about last time you had a client complain about a fee. Chances are, you were able to teach them something about the service or program they didn't understand as such, and eventually win a favorable nod. Now comes the million dollar question (literally): Why didn't you teach them whatever you taught them to win them over before they complained in the first place?

Marketing, or building value, is just like medicine. Prevention is better than cure. List what you want your clients to know at every level of the production cycle, and then program your services so they include deliberate methods for doctors and staff teaching those very things at each rung in the ladder. The difference between a client being unhappy with a fee or elated with the same is real simple. It's what they know. And that translates into what you taught them long before fees were discussed.