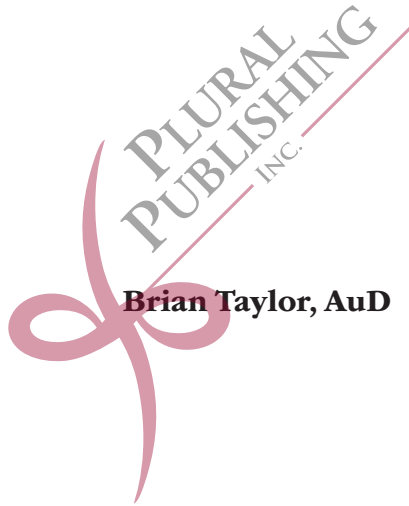


# Marketing in an Audiology Practice



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# 1

## DEVELOPING A STRATEGY AND BRAND FOR YOUR PRACTICE: PILLAR-OF-COMMUNITY MARKETING

*Brian Taylor*

Something is happening in our practices, and although we cannot be certain what it is, it probably has something to do with customers having an abundance of information at their fingertips, more choices, and access to improved technology—all a direct result of a global economy. In every industry, power is shifting from sellers to buyers. The business of audiology is no different. For our profession, the “seller” is the clinical audiologist providing expert services and guidance, mainly centered on the hearing aid, while the “buyer” is the patient who has unprecedented access to information and an abundance of choices. The purpose of Chapter 1 is to provide audiologists, hearing instruments

specialists, and others associated with these professions practical guidance on the development of a strategy and brand in this era of economic change and uncertainty. The pertinent question is the following: How will our value to the marketplace evolve in the context of these larger forces, such as globalization and digital innovation? In today's era of economic uncertainty, there is an abundance of challenges facing many hearing aid dispensing practices, including trying to understand the wants and needs of their potential buyers and how they approach the buying process. By the end of this chapter, you should have a better idea of the importance of pillar-of-community marketing and how to put it into action.

Every business, practice, and medical center has a brand. Brand is the name, design, symbol, or any other feature that identifies and differentiates one business's product or service from those of another business. In a profession such as audiology, brand is probably best described as your reputation and status among the patients within your community. One of the things that sets a local brand, like an audiology practice, from, let's say, Coca-Cola is reach. Coca-Cola is a product that can be purchased anywhere—and the target audience for a sweet, fizzy beverage is far greater than that of hearing care services. On the other hand, even though audiologists dispense medical devices that can be obtained virtually anywhere on the planet, the delivery of a service experience that accompanies the hearing aids has the potential to be totally unique to the audiologist delivering it. Through the lens of the service delivery experience provided to patients, your brand is you!

Since your brand is you, let's take a look at the current status of the industry and how its evolution may be affecting your brand. For various reasons, the industry has been plagued with an inability to convert qualified leads into loyal patients. First, there is the relatively small number of people in need of the services of an audiologist. Consider that about 10% of adults have enough hearing loss to warrant the use of amplification. Also, consider that many of these hearing-impaired adults with acquired hearing loss already own hearing aids, especially those with moderate to severe hearing loss. Among the nonowners of amplification, some will be in denial for the proverbial 7 to 10 years, whereas others in this group refuse to try hearing

aids because of stigma or because they simply cannot afford them. Recently published benchmarking studies suggest that the typical practice often attracts less than 100 motivated hearing-impaired individuals over a 3- to 4-month window of time. Additionally, the typical practice may have only fitted 100 patients with hearing aids over the course of the entire year.

Consider that once a motivated hearing-impaired prospect inquires about your product and services, many practices are faced with a litany of potential landmines that can diminish the overall productivity of their business, not to mention the final outcome of the fitting. Among these landmines are the following:

- An inability to schedule appointments for prospects inquiring about services
- An inability to convert qualified prospects into hearing aid users (Taylor, 2009)
- A combined hearing aid in-the-drawer, return for credit, and low daily use rate of 30% (Kochkin, 2009)
- Lower than expected benefit from hearing aids for patients who experience a minimalist clinical protocol (Kochkin et al., 2010)

If those statistics aren't enough to rankle you, also consider that over the past 5 to 10 years, two gradual societal transformations have occurred. These slow-moving societal transformations have occurred largely beyond the purview of the audiology community. It is only recently that both have begun to have a growing presence within our own industry.

The first transformation is related to the increasing availability of low-cost digital technology. In the hearing care sector, this is evident in the growing number of over-the-counter personal sound amplification products (PSAPs). Although PSAPs have been available for quite some time, it is relatively recently that they have become available through third-party insurance providers and big-box electronic outlets. The second societal transformation is the rise of big-box retail and their disruptive business model, which maximizes operational efficiency and offers consumers goods at extremely low prices. Many segments of the "mom-and-pop shop" economy have been unable to directly compete on price with big-box retail, and it is a relatively

recent occurrence that audiology practices have been faced with these new market players. Both directly and indirectly, these innovations—PSAPs and big-box retail—present hurdles that have a direct impact on your brand reputation, which we discuss later in this chapter.

## THE AGE OF DISRUPTIVE INNOVATION

We associate disruptive innovation with technology, such as PSAPs. PSAPs, along with the rise of big-box retail represent a growing trend in disruptive innovation that has challenged virtually every industry at one time or another since the Industrial Revolution. Recently, however, the combination of low-cost electronics and the Internet has enabled disruptive innovations to challenge many elective medical procedure markets, including hearing care and audiology.

According to Christensen (2003), there are two types of disruptive innovations. Low-end disruptions target customers who do not need or desire to have the full performance valued by customers already using the product or technology. Low-end disruption commonly overtakes a traditional product or technology when the rate of product improvement exceeds the rate at which customers can adapt to new performance features. Low-cost cameras and laptop computers with limited features are two prime examples of low-end disruptive technology.

The second type of disruptive innovation is referred to as a new market disruption. This occurs when the needs of a specific group of customers go underserved for a prolonged period of time. Thus, a new and often less expensive technology can capture untapped sectors of the market. One example of a new market disruption is the Sony pocket radio, which introduced a large group of teenagers who could not afford or lacked the space for a tabletop radio to the pleasures of rock and roll in the late 1950s.

Over-the-counter PSAPs and amplifier apps downloaded to a smartphone represent both low-end and new market disruptions. Given the relative low market penetration rates of hearing aid adaptation, 30% “failure rate,” and cost barriers associated

with hearing aid use for some individuals, audiologists need to understand and potentially find ways to unleash the power of disruptive technology in their practices to grow their business without cannibalizing their existing core patient base. More effective marketing and branding strategies are needed in order for audiologists to find an audience for their services.

A significant part of branding and marketing involves understanding your target audience. Audiologists may begin the process of embracing disruptive innovations through a better understanding of market segmentation and identifying their target audience. Traditionally, market segmentation involves compartmentalizing patients based on age, degree of hearing loss, or income. Once segmented along age, hearing loss, or income, audiologists can devise marketing strategies to reach various segments of the market. To leverage the concept of disruptive innovation, however, audiologists must segment their patients in a different way. By asking, “What jobs do hearing-impaired patients hire me to do?” audiologists can begin to better understand the role disruptive innovations might have in their practice. The answer to this important question often leads to one of a few possible unexpected answers:

- Provide a no-frills product without service support at a very low price point
- Deliver a stand-alone service (unbundled from the product) that has value to the market
- Provide expert advice, outstanding service, and emotional engagement wrapped around a product; in other words, engross the patient in a memorable service experience

Any of these nontraditional answers may lead audiologists to offer products, services, and experiences to an underserved segment of their market. Additionally, these changes to the traditional value proposition of hearing care professionals, which revolved around the sale of hearing aids, is forcing many in the profession to rethink how they market. The good news is that audiologists and other hearing care professionals have an opportunity to differentiate their offerings by providing unique and emotionally engaging experiences. This process starts with understanding a little something about building a brand.