

US RETAIL

E To Your Advantage

by Chuck Mancino

When it comes to in-practice retailing much has changed for chiropractors. And there's absolutely no doubt that the proliferation of smartphones and other technology has altered the way people in general, and perhaps specifically your patients, buy products and services. Of course you don't need to hear from players in the chiropractic niche to know this; there are a plethora of reports and articles about the hemorrhaging of brick-and-mortar retail businesses, and we're regularly hearing of one more major retailer having to close a number of stores or going out of business altogether.

Yes, the Internet and digital devices have changed consumers' shopping habits. It was one thing to shop online from your desktop computer — that alone has taken a nice bite out of retail stores — but now that seemingly anyone can buy via their phone, the trend to buying online has greatly accelerated.

And retailers of chiropractic products say fewer and fewer patients are buying products from their chiropractic practice. A typical scenario, for example, is that you offer your patients ABC pillow for \$80, and they immediately check online to see if and/or where they can get that same pillow for less.

Does brand still matter?

Yes and no, it depends. I'll use my own experience as an example. My wife and I have often purchased various pillows from a chiropractic source, oftentimes at tradeshow. We've probably bought over 10

different brands and models over the years, in addition to buying traditional/regular pillows. We've found that pillow consumers are a very fickle breed; no one pillow is best for everyone. Some swear by a particular brand or model, while others claim that very same pillow causes terrible neck aches.

We've probably tried most of what's out there. Personally, I don't have a heavy pillow need; I can get by with just your typical pillow but my wife, with her long, thin neck, needs to be

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more "pillow-aware." Anyway, my wife ran across one of those circular pillows filled with some kind of beads, made in China, and costing only \$10. Now I'm sure that someone could lecture me about it not being a "quality American-made" product, and sometimes they would have a point, but in this case they'd be wrong. Using this unit combined with traditional pillows is the best comfort, pillow-wise, I've ever had. And, cheap or not, it is still in one piece after 3 years. And let's say that it falls apart tomorrow. Well, no big deal if it does, because it only cost \$10.

The fact is that certain product categories don't lend themselves to the "quality American-made" pitch. Yes, perhaps a matter of opinion, but does this mean that you should shut down retail efforts? Not just yet. Like many things, there are challenges in the retail space for chiropractors but

that doesn't mean you should "throw out the baby with the bathwater." There are still plenty of benefits in offering certain categories of retail in a chiropractic office, so let's first consider the benefits and then look at the realistic applications.

The benefits of retailing

1. Retailing in your practice provides extra income. This is hardly a news-flash but it's worth keeping in mind that for many chiropractors their retail income adds significantly to their bottom line. Moreover, a good

many doctors report that, without their retail income, they would barely be in the black.

2. Providing quality products is basically free advertising, e.g. let's say you sell sleeping pillows and your practice name is displayed on the units' packaging. When Mrs. Smith is raving to her bridge club partners about how her new sleeping pillow has helped relieve her stiff neck condition, her friends are bound to ask where she got it. This is powerful word-of-mouth advertising, particularly when your practice name is on the product, and there's the likelihood that some of her friends will come to buy your pillows and may end up becoming full-time patients.

3. An engaged patient is a better patient. When a patient "signs on" to being part of the solution to their own wellbeing they're generally more likely to remain a patient, since they will

typically experience superior results. Offering a variety of therapeutic products is one way to achieve this. Whether it's a nutritional supplement, back support belt or custom foot orthotic, these products can help make your patients more compliant, resulting in better health outcomes. And, of course, satisfied patients are more likely to refer others to you.

Combating the Amazons of the world

Yes, the Internet and digital devices have changed the world forever, no one can escape it, and there's no doubt that it impacts your efforts to retail products. Typically, if you present a product, your patient will google it right in your parking lot after they leave your office. And in the past you may have enjoyed a 60% profit margin, but reality dictates you simply can't enjoy those margins these days. A marketer for a major product manufacturer put it this way, "I tell our doctor customers that a 60% profit margin just isn't realistic anymore. If you don't offer a price that's only 10% higher than Amazon, you'll likely lose the sale; however, if you do stay within 10% of the online price, they may decide to buy it from you. Once you go over 10% of Amazon's price chances become slimmer."

Another way to combat losing sales to Amazon is to provide value, in terms of teaching patients to use these products by offering them tips and other detailed information they wouldn't get from buying online. Commented a VP of a major company in chiropractic, "I tell our doctors that you've got to actually demonstrate our units and explain how they work and the best manner to use them. And you have to settle for making 30% margins, not 60%. So, some doctors respond with, 'You mean I have to work harder to make less?' And I say, 'Well, yes, don't we all have to nowadays?'"

How to choose the best products for your practice

Choosing the right "partners" for your practice is critical, both in

terms of the product itself and how the company manages and balances its efforts. For instance, some sellers will go online and offer products cheaper than the manufacturer would allow. And it takes a colossal amount of time to combat this ongoing issue, so you want your vendors to constantly go to battle with these "under-cutters." If not, the price will be reduced to levels you cannot compete with. You don't want to align yourself with vendors who don't focus on keeping the price to at least the lowest advertised rate. That isn't to say that anyone can completely battle the low-bidders with a 100% success rate; however, if a vendor applies steady effort on this front they can establish an environment where low-bidding online is minimal.

How can you determine if a vendor is successful at engaging these under-cutters? Check their price structure and then look at the same units online. If you find a consistent price pretty much all over the Internet (still allowing you a decent ROI with that end-user price) then you know the company is actively involved in combatting the low-bidders. If you see prices that won't allow you to make any margins, then you need to find another vendor in that particular product category.

Tried-and-true retail game plan

Indeed, with the emergence of the Internet and smart devices, retailing is a whole new world. However, this hasn't completely diminished retail efforts that work and ultimately produce extra income for your practice. Here are some tips:

1. Choose the right vendor and products. You want vendors who act as your partner, providing you with selling aids such as free brochures, free samples (if applicable) and a suitable level of training. And obviously you want to offer high quality products that are both effective and popular. Too many doctors worry about ROI before they think to ask "Is this a quality product I can confidently offer to my patients?"



2. Hand out literature at patient sign-in. You'll find that, as patients wait for their treatment, a considerable number will readily read brochures and other product information materials you have on display.

3. Generate a cheerleader for your flagship product(s). There is nothing more effective than having your CA, or other staff member, tell actual stories about a product. "My grandma swears by this pillow. She wakes up refreshed and without any headaches or neck pain like she used to have. She won't even travel without it." Even if you have to offer free units to form a cheerleader it will be well worth it.

4. Don't hide your products. This may sound like a trivial suggestion but I've interviewed doctors who, when asked why they didn't order any more products, replied "Because I still have the previous units here in my drawer and in our storage room." In your drawer or in storage? So in other words, if you don't have patients with x-ray vision, they will never know what products you have to offer. You must display your offerings. I realize that some practices have little space for display, but if you don't display anything then it is virtually impossible for you to use retail to your advantage.

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