

Client and Branding

During this talk I would try to approach to what positioning of a business means and the different types of clients, to help finding the best for us.

Positioning

Our company positioning has to be an efficient idea, if we take it seriously will affect all the strategies and decisions we make.

The “*perceived positioning*” is the first idea that comes to the mind of the consumer when he or she hears or watches the brand. In a vet business this is as important as it could be in any other company.

To understand this better I would like you to write down what the following car brands mean to you:

- Mercedes
- BMW
- Ford
- Volvo
- Skoda
- Kia
- Mitsubishi

We all agree that the same car manufactures bring us the same thoughts.

With that in mind there are 4 things we need to check regarding our positioning:

1. Primary target, who is our client
2. Competence, who is our rival, what do they sell?
3. Differential point, location, facilities, ultrasound...
4. Reason “why”, here we need to choose what we want the clients to remember us by

To develop this we can use some basic strategies, based in the internal or external competitive advantage.

- External: differentiates us from the rest, taking us, in some cases to the extreme of

becoming specialist.

- Internal: a well greased machine works better and more importantly saves money.

In any market, your positioning is your decision and once you made it, you need to stick to it. You can choose to be a leader, a follower, a specialist...

There is a well known business axiom that says:

“If you are not different, the second best is to be the cheapest”

There is not a problem on being cheap, but you need to do it because you are efficient, because you get good deals of the drug companies... If you do it based on cutting your employees salaries, giving a poor client care you will not succeed on the long run.

To decide what is your main strength, you need to choose among one of these business possibilities :

1. Leader in prices
 - ➔ Big volumes
 - ➔ Decrease expenses
 - ➔ Control of indirect expenses
 - ➔ Minimise cost in R+D, services...
2. Differentiation
 - ➔ Control of expenses, but it is not the main aim
 - ➔ Faithful clients
 - ➔ Better profit margins
3. Specialisation, it gives good profit despite smaller volume of sales

And there is always the possibility of positioning your clinic, choosing two of them, but not focusing at 100%.

The three choices do carry risks:

1. Leader in prices
 - ➔ Unable to see the need of change
 - ➔ Increase of cost

- Competence in prices
- 2. Differentiation
 - Client chooses price over service
 - Buyer unable to appreciate the difference
- 3. Specialisation
 - Increase of costs
 - Unable to find enough demand

It is important to talk about market share better than total sells. The reason is that in periods of crisis like now, we may not be losing market share, it is just that clients do not spend as much as before.

Ideally we would follow the 5 step ladder of sales:

Be known → Get attention → Sell → Satisfy needs → Loyal Client

After talking a little about positioning, let's get down to the serious matter : Clients!!!

There are different types of clients. They start belonging to the "main public", moving into "potential client", then to "sporadic buyer" to become a "regular" or "user"

A practice has the clients that they deserve. So, if you want good clients, you have the ability to choose them.

We are meant to provide care for the welfare of the animals and many times when they come to us, their owners are under a great deal of distress.

If a total stranger starts shouting at you in a stressful situation, you would not be impressed with it, unlike a close relative or a friend does the same, you would understand and try to help him or her with the problem.

We need to get our clients to that level of familiarity, so that when we encounter those stressful situations we can deal with them in an appropriate way.

It is important to know that 20% of the clients, will use 80% of our time. We are all familiar with this situation in which this client who has not even come to the vet for the annual booster turns up on the practice on a Friday at 10 to 7 with a dog has not been eating for 3 days demanding every possible test and complaining about the price.

Types of Clients

The first differentiation possible is external or internal clients. The external ones are easy to identify. The internal one, on the other hand, is hard to recognise. They are the employees of the company that are constantly interacting with other employees and more importantly with the external client.

In the majority of companies the internal client opinion is ignored and this should be avoided as their opinion is an important aspect when trying to sell anything.

Another type of internal clients are the providers and it is important to control them as this would mean a saving by anticipating any problems. For example, having an efficient stock would mean having the ability to penalise your supplier if they fail to deliver the goods on time.

The aim of the company is to keep all the clients satisfy. To analyse the satisfaction of the internal clients (employees) the following indicators can be used:

- Type of job; this point refers to how fulfilling is the duty and how much feedback allows.
- Team work; it improves the satisfaction by increasing the participation
- Bonus scheme; it should encourage the client care and not only the sales
- Work place conditions; it is important that the clinic is safe, clean, comfortable...
- Working conditions; things like reasonable rota, out of hours...

When measuring the satisfaction level on the external clients, you can divide it in three areas:

1. Related to the person: presence, contact, language control...
2. Related to the service: waiting time, right diagnosis...
3. Related to the clinic: hygiene, tidiness, comfort...

It is important to create a questionnaire, easy to fill, that covers all the areas and make it available to all the clients, regardless of the reason they came. It would work as a good measurement of client satisfaction. It will help to improve in the areas in which clients give the worse grades and also as a boost morale for the staff. It is very common to have clients complaining about receptionists, nurses or vets, but it is difficult to get compliments.

Now let's focus on those weird animals that are the pet owners also known as clients...

All of us have had a mum and a dad, and because of that we are all different, so the attention varies. Our first duty is to find what makes each client distinct.

1.- How good is him or her for my as a client? We will talk about this later, but how good really is a client that only comes to us on a Sunday because our Out of Hours service is cheaper or closer, but he goes to the vaccination clinic because is cheaper and buys the dog food at Tesco?

2.- Second identification is specific about the type of client, dog or cat owner? Has children or he is retired? Knowing these things we would be able to give a more personalised service and also make personal offers. It is important to keep a good database of our clients, updated and use the IT facilities for it.

3.- The third one is about what of your resources are the best to serve specific clients. Perhaps it would be a good idea to get the old lady with her Yorkshire terrier with the partner, but a young professional couple may want a younger vet for her domestic short hair. There may be a very organised receptionist which works really well with the clients, but another is really good at chasing debts.

Once that we have identify what the client wants, then we have at least 4 ways to increase their annual revenue when the client is recurrent. See that I have refer the client as recurrent and no faithful. A recurrent client comes not only for their annual booster, but also to buy food or flea treatment, and unless we always give the same standards, he may perfectly leave as he is not faithful yet... These ways are:

1. Increase on revenue is natural, as the client gets familiarised with the clinic and comes often to buy
2. Cut of expenses, a known client is easier to deal with, quicker access to records, known allergies...

3. If he becomes a faithful client, he will be our best advertisers and hopefully recommend to his friends or park buddies
4. A recurrent soon to be faithful client will be less reluctant to pay a little bit more for services. It will be easier to convince to do an ultrasound.

It is important to remark that because a client is not spending as much in the clinic, we should treat them badly. It is just how we assign the resources.

If Mrs. Smith phones to let us know that she is going to be late to have her fructosamine test for her little dog "Fluffy", who was here last month for a dental and will be taken home the ID diet for her other dog that she ordered yesterday, we will be more than happy to wait.

If Mr. Smith wants to come for his annual booster on a Saturday morning when we only do emergencies, but he has not been to the clinic since last year and he complained about the rise of prices, we will be extremely polite but explain to him that unfortunately we are fully booked and offer him another spot.

When a clinic has been in business for a while, they tend to have a huge variety of clients and can not afford the manpower to have a very narrow classification, but we can have an idea of types of clients to know how to deal when they come through the door...

The first way to sort our client is rather simple:

- Actual clients: those are the ones that come to us and make an expense, regardless of the area
- Potential clients: those that could be coming to us, but not only those, but for example, Mr. Smith is a potential client for food, flea treatment...

We should focus on keeping the current clients and convert the potential clients on them... I know this appears to be obvious, but it is key for the success of a company, specially in busy markets with high competence.

Now I will try to separate the actual clients based on different properties and how can we use them:

- Validity:
 - Active; those are the clients that have bought recently so we need to find ways to retain them (service) as they are the ones producing the income
 - Inactive: these have not bought recently so they are either unhappy with the service received or do not need any other service or moved with the competence. We need to think of ways to stop these problems from happening.
- Frequency:
 - Frequent buyer: we need to make them feel important
 - Regular: we need to find ways to improve their satisfaction so they become frequent
 - Occasional: we need to get their feedback to learn why they are leaving
- Volume: high, medium and low volume, we need to make them feel important, try to increase the volume within the clients limit and get some data from them to try to integrate even the occasional buyer into our system.
- Satisfaction:
 - Happy: those clients that received a service with a better standard than expected. This creates an emotional link which is stronger than the rational. We need to keep the standard with a personalised offer.
 - Satisfy: clients receive what they expect, they can easily change if they find something slightly better
 - Unsatisfied: we need to find why they are this way so we can rectify and avoid other clients getting into this category, it would cost an investment.
- Influence level: high , regular and familiar. If we have a local celebrity as a client, we can use this as an advantage. It is important that we treat all the clients as our best publicity.

The potential clients can also be divided regarding their frequency, volume or influence and we need to do a market study and a marketing investment to get them to be actual clients.

The clients can use different tactics when approaching to buying and it is important to know them, so we know how to provide the best client care.

- Faithful client: they have a preference and stick to it. They are our favourite clients, but we need to realise that apart of faithful, client needs to be recurrent. A faithful client can come to us every year for the booster, we would need to think of ways to get him or her to come also to get other products and services
- “If” buyer: clients are attached to us, but only if the price is right
- “Bidder” or unfaithful client: they only buy to the cheaper provider. Very rarely are profitable and they are never faithful. They would change to another vet as soon as a cheaper one comes into the area. We really need to think if we want these clients, knowing that as soon as a cheaper or closer place to them opens, they will stop buying.
- “Offer chaser” client: they are happy with the service, but if another clinic offers them a good deal, they will move. They are only faithful for convenience.
- “Anarchic” clients: no buying criteria

When we have a faithful client, the cost of any sale can be up to 20 times cheaper because they are less affected by the price, can consume more products or services, they are more sensible to get new services, they accept the mistakes better than an occasional client and they can be our best PR’s talking other clients into joining the practice.

It is important to create a relation with the client, assign a vet to them, for example, so if they are thinking on going to a different vet, they would be feeling bad for a person that they have been seeing for a while, they have build an emotional bridge.

The other thing that we need to measure the value of a client is by how profitable they are. We need to get our profitable clients and get them to be faithful. A faithful client is one that comes every year for the booster, but buys the pet food somewhere else. We need to use our relation to make them more profitable.

It is important to think that we need to keep the best clients, the profitable ones, against the popular belief of getting as many clients as possible. If we have too many “bad”

(and be aware that we put it in between brackets as all the clients are good as far as they pay) say clients, we will have less time for the “good” clients. We should make the bad clients into good ones, and if that it is not possible, we need to focus on the good ones (frequent buyers, profitable buyers, happy buyers, active buyers...)

We need to know our clients:

- Faithful and profitable clients: the company needs to focus on them, deepening the relation. Client that comes for booster, food, worming, regular blood tests...
- Faithful client, but not so profitable: we need to maintain the relation and try to increase the profitability with cross sales. Example is the client that comes once a year for a booster, or just when they need treatment as they get everything else from other places
- Profitable client, but not faithful: company needs to improve the relation. They come to use because our service is good, so if we slip our standards, they can move somewhere else
- Client is neither faithful non profitable: do we really want to keep this client?

Among the “bad” clients, there also different types and we need how to address them:

- Wrongly informed: client that is getting a service and we suspect that is not going to be satisfied and it is likely that we will not know about their reasons.

How to treat them: we need to inform them very carefully, asking them once and again if they have any questions.

- Badly payers: clients that delayed the payment

How to treat them: be very clear about estimates, surgical costs... getting the client details and making them to sign the necessary documents. This is a receptionist job, so the emotional relation with the vet is not interfered with economical matters. We can also make them pay them up front...

- Abusive clients: they make false statements about the staff, they like to shout in reception... all with the hope of getting free or discount treatment. We recognise

them because they change vets often, they complaint about prices...

How to treat them: pay attention to them, but it is important that they are referred quickly to the right person in the practice (partner, practice manager, complaint manager...). They usually fit in the following category (clients with excessive attention cost)

- Excessive attention cost clients: clients that generate too much attention cost for their profitability. The classic example is the owner that comes every year for a booster, but wants to have it done on Sunday because is more convenient. Or that one that only uses for house visits because is cheaper, but does not want to spend enough for us to come to visit them.

How to treat them: use of the weekend surcharge, explain them that the to provide out of hours we need to have them register...

- Offer and promotion chasers: clients that only use our service if we offer a booster amnesty, or similar things and as soon as the offer is over, they become inactive clients again.

How to treat them: change type of offers, remind them that there are also other products, try to get cross sales. Stop making them offers.

- Risk clients: clients that are going to be bad debtors, abusive...

How to treat them: credit check, higher prices...

- Bad image: clients that do not belong to the clients that the company is looking for

How to treat them: High prices

- Incidental or polemic clients: clients that are very vocal in reception about their problems

How to treat them: those clients sometimes need to be invited to leave, apologising for the inconvenience and settling the bill before forwarding the history to the new vet