

Friday, 18 February 2022 09:41

Quality Over Quantity: Determining Demographics & Lead Metrics

Written by Cheryl Whitman (/cherylw/)



(/media/k2/items/cache/a8a5c88bf5b0fdd72025313790d9b703_XL.jpg)

New clients are the lifeblood of any medical spa practice. However, not all new clients are created equally in terms of their profit potential for your practice. To improve one's ability to identify and recruit quality leads which fit the target demographic, a set of metrics designed to measure lead generation needs to be implemented. A process cannot be improved if it is not measured.

Before starting, one needs to consider your practice's demographics and what you are trying to sell. You want to be able to laser target your potential clients. Are you trying to recruit a high volume of clients that want your lower end products and services or a lower volume of clients more likely to partake of your more profitable products and services? To help answer this question, review your products and services and determine what category, type, and cost or margin they fit into. Where do your products and services

fall in terms of category, lower end or premium? Are they more of a luxury purchase or a recurring one? Finally, do you want to promote low cost and low margin products or services that require a high sales volume or focus on high cost and high margin sales that require fewer sales, but higher quality leads?

“Understanding your data will provide you with a powerful, competitive tool that can help identify the demographics or your target market and determine the best lead generation avenues.”¹ Looking at electronic medical record reports can help you with this. Now, let’s take a look at some of the lead generation metrics you will wish to track on a monthly basis.

LEAD TO TOTAL TRAFFIC RATIO

You can use this metric to measure the percentage of leads generated by your website, your online chats, or your telephone conversations. The percentage is calculated by taking the total number of leads, dividing it by the total traffic count, and then multiplying the result by 100. You must exclude returning leads from your data since they have already been converted from lead consults to clients.

If you find a low lead to traffic ratio, you need to identify the causes and correct them. For websites, look at user experience. Is your website difficult to navigate? Is it compelling or does the copy need strengthening to encourage action? Does your landing page load quickly enough? Is there a lead magnet, and is it of sufficient perceived value to the potential lead? Is the magnet relevant to the topic of the page? For conversations or chats, look at the responses your staff provide. Are they courteous, helpful, and timely? Is there a call to action?

LEAD SCORING

Not all leads are of the same value. Developing an internal scoring system allows you to determine how valuable a lead is, which saves you time and money. It also helps make the best use of staff time by allowing them to focus on the higher value leads first. To develop a scoring system, you must determine the traits that are most important in your potential clients. This is most commonly tied to demographic factors such as income level, and more. A great way to start is to define your ideal client and then focus your marketing efforts on those leads that most closely match.

CLOSURE RATE

Leads are important, but if you can’t convert them into sales, they have no value. Measuring your sales closure rate tells you how much revenue to expect from a certain amount of sales activity. To measure this, you simply divide the number of closed sales by the total number of sales calls or sales activities

and multiply the result by 100 to get a percentage. If your sales closure rate is low, there is either a need to provide your sales staff with better training or your need to identify better leads.

Cues that staff training may be an issue include ringing phones, but a low conversion rate. Staff needs to be trained to educate and close those callers. A mystery shopper can help assess staff strengths and weaknesses so you can target your training appropriately.

If you've determined it's not a lack of staff training, then you haven't done a good enough job qualifying your leads. Review your lead scoring methods. Make sure you're identifying the key factors that affect your prospect's purchasing behavior.

Generating leads is critical to maintain a flow of new clients through your doors. To best utilize your marketing resources, measuring the quality of these leads using demographic and lead metrics is essential. Taking the time to identify the metrics most suitable for your practice will allow you to gather data over time and develop a better understanding of your ideal lead. This will ensure you make well-informed decisions regarding your marketing dollars and will lead to better business decisions and greater profitability.

Reference

1. Whitman, Cheryl. *Beautifully Profitable, Forever Profitable*. 6th ed. Cheryl Whitman, 2018.



Internationally recognized aesthetic business development expert Cheryl Whitman is the founder and CEO of Beautiful Forever Consulting. She is a sought-after speaker and industry marketing specialist. With her seasoned team of professionals at Beautiful Forever, Whitman assists physicians and medical spas in creating new profit centers, developing profitable private label product lines, ghost writing articles and eBooks, and identifying and executing new business strategies aimed at improving their bottom line. A celebrated author, Whitman's "Aesthetic Medical Success System," a turnkey educational system, has assisted clients in opening or jumpstarting their current businesses. Her second book, "Beautifully Profitable, Forever Profitable," provides solid, practical information on how to create, launch, and grow successful aesthetic medical practices and related businesses.

