

IMC Plan for HealthSource Chiropractic

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## **IMC Plan for HealthSource Chiropractic**

### **Introduction**

This is an integrated marketing communications plan for HealthSource Chiropractic and Progressive Rehab, a wellness center that treats physical conditions through treatment plans that include chiropractic adjustments, supervised exercises, and lifestyle changes monitored through daily, weekly, bi-weekly, monthly, or semi-annual appointments. They are a franchise with over 400 clinics nationwide, including three in South Dakota with Spearfish being the only west river clinic though another will be opening in Rapid City in May 2015.

HealthSource of Spearfish is unique from the standard HealthSource franchise plan in that they offer occupational testing services such as urinary analysis testing, DOT testing, blood work, and physicals. They also foster a sub-company NuWeight, a weight-loss regimen consisting of a protein based diet and exercise.

In addition to the services they offer, HealthSource also sells wellness supplements such as vitamins, clothing designed for posture improvement, small exercise equipment, and protein shakes and supplements for NuWeight. This IMC plan has been designed with the purpose of being implemented in the Rapid City HealthSource Clinic, to open in May 2015.

The data throughout has been obtained from analytics of HealthSource of Spearfish's Facebook, Twitter, and YouTube pages, company website, personal interviews, observation, and second-hand internet sources.

**Current IMC strategy.**

The current IMC strategy for HealthSource includes monthly promotional giveaways relevant to seasonal holidays such as Turkey Day (certificates for free turkeys for clients who schedule over Thanksgiving weekend) and a drawing for a chocolate basket in February. These promotions are featured on 30 second YouTube videos and on a flyer in the office.

The Condition of the Week is a featured physical ailment that can be treated with chiropractic care. One of the chiropractors discusses the Condition of the Week on 60 second radio spots every Wednesday at 7:10 a.m. on The Eagle, a Spearfish country radio station. The Condition is also featured as a YouTube ad, on an office flyer, and related to another promotion, Got Pain Days. Got Pain Day is once a week; clients who come in on the day of the promotion receive a referral card to give to an acquaintance who suffers from the Condition of the Week.

Social media outreach for HealthSource includes the YouTube ads and Facebook and Twitter posting. They have one YouTube subscriber and 571 Likes on Facebook.

HealthSource of Spearfish also participates in community outreach projects such as the yearly Health Fair, where they offer Stress Break massages, giveaways, and NuWeight sign up. Current outreach projects include the implementation of b-cycles--bicycle rental hubs--and a Walk and Work grant, in which 12 local businesses are competing to win a treadmill desk.

HealthSource has three major problems with their current IMC plan; a poor social media presence, a lack of local brand recognition, and a lack of recognition of NuWeight and the occupational testing services offered.

### **IMC Situational Analysis**

Though HealthSource's marketing plan does use a variety of medias, it is not as effective as it could be given the previously mentioned IMC problems.

#### **Strengths.**

HealthSource has a diverse IMC program, thanks to having two symbiotic plans: the promotions and strategies handed down from corporate, and the personalized local IMC plan developed by the franchisee Chiropractor.

Between consistent adjustment plans and rehab plans, their client base is strong enough that patients can be scheduled out up to a month in advance. Each employee performs multiple functions within the clinic and maintains consistency through use of scripts developed by corporate when interacting with clients over the phone or at the clinic.

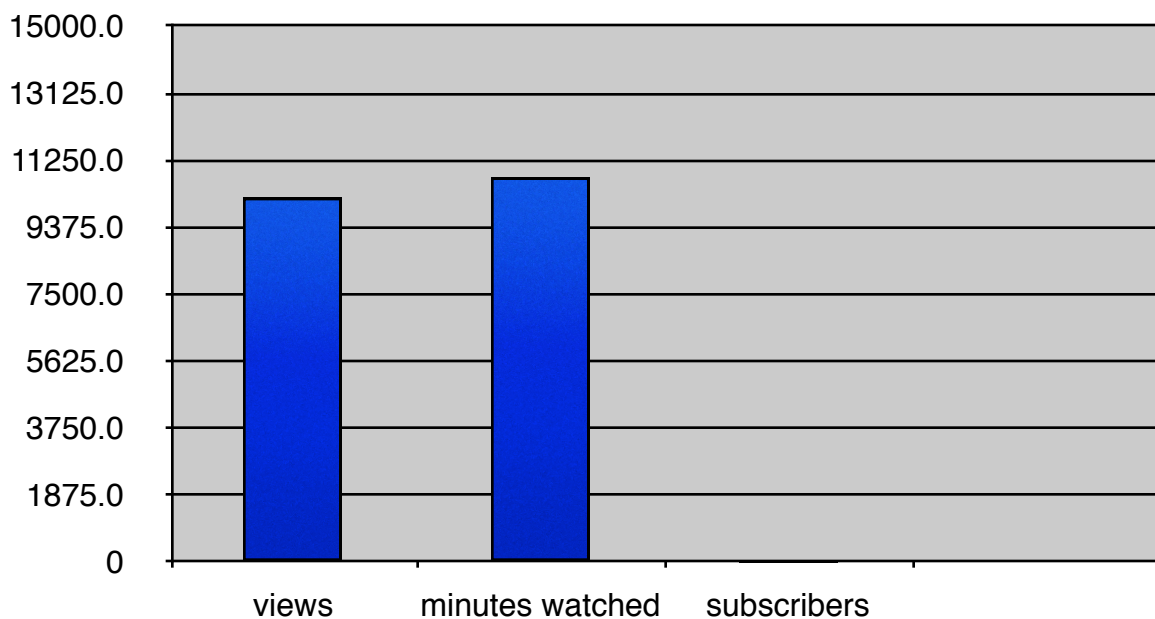
No patients are seen on Tuesday or Thursday mornings to leave time for weekly training and in house marketing, respectively. This time helps develop the skills necessary to grow professionally as well as grow the business. It keeps everybody operating on the same level and gives staff an opportunity to learn more about the industry. Yet it is a weakness because of the execution; the timing can be an inconvenience to clients, and walk-ins are always unaware of this schedule and take their business elsewhere.

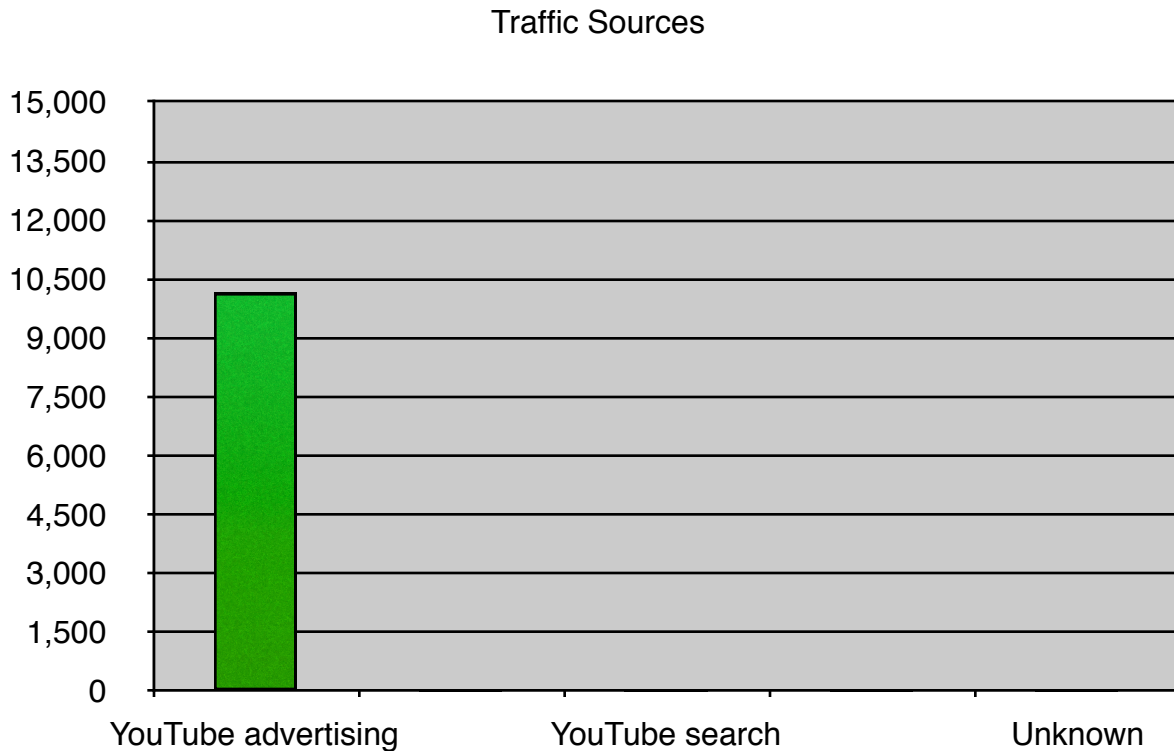
Members of the HealthSource team have weekly marketing goals to meet, such as asking ten businesses if they will allow the HealthSource business cards to be given out at their business; often in exchange for the display of their marketing materials at HealthSource. This is a strength because of the reach, but it is also a weakness since any foreign advertisement placed within HealthSource detracts from the supplements and services offered in house.

### **Weaknesses.**

Facebook and Twitter posts are not liked, favorited, retweeted, or commented on and do not contribute to client attraction or retention. While the 30 second YouTube ads they run do gain HealthSource some local brand recognition, they have a low frequency rating; similarly, the YouTube videos on the HealthSource channel that are not run as ads have few views. Figure 1 illustrates HealthSource channel YouTube activity from March 28, 2015-April 24, 2015.

**Figure 1.** Performance





Collectively, the graphs in Figure 1 show that the low viewership of 10,000 minutes is generated completely through YouTube advertising, and that there is no viewer interaction. While it can be hard to build a brand image online, it is often the quickest and cheapest way to reach clients. HealthSource reports indicate that the average client age is 35; therefore, effective use of social media is a must.

HealthSource has some brand recognition in the community among citizens invested in the wellness industry and followers of the wellness movement. However, the chiropractic client who just “feels out of place” is unaware of HealthSource. There are fifteen chiropractors for the 11,000 people in Spearfish; 733 to 1. Some have a better location, meaning a passerby sees their building and sign every day. Others have been around for years and are better established.

Meanwhile, HealthSource has little physical external marketing presence; the strategies in their current IMC plan described above are mostly internal marketing--with the exception of radio time. The radio spot is always the same day and time but only once a week, and The Eagle does not reach far outside of Spearfish; therefore, the weekly radio spot has a good frequency rate but poor reach.

Many chiropractic clinics offer other services in an effort to raise profit margins. These additional services can range from acupuncture to massage therapy and are typically promoted as much as the chiropractic services. Though HealthSource offers many occupational testing services they suffer from a lack of promotion, bringing in only a couple clients a day for physicals, urinary analysis, blood work, or alcohol testing.

NuWeight also gets left in the dark. The NuWeight equipment and products are hidden in the back of the building and it is not promoted throughout the office, despite HealthSource's intense focus on achieving wellness through balanced diet and exercise. It has fewer than five active clients and its only promotional tool is a Facebook page that is not linked to HealthSource's profile.

Their high cancellation rate of 15% puts a stress on HealthSource, especially since 55% of their client base comes from internal referrals. The Monday after Easter alone, they had 10% of their visits cancel. One of the chiropractors does follow up with the absent client over the phone and all attempts are made to reschedule.

### **Opportunities.**

HealthSource has the opportunity to sell more of their occupational services to businesses and individuals; most occupational services clients are sent by the DOT.

HealthSource has the chance to sell physicals to high school and university athletes as well as employers employers, adjustments to construction workers and desk workers, and urinary analyses to employers.

They also have the opportunities to increase brand recognition through active external promotion and sell more vitamins and supplements, exercise tools, and NuWeight plans through discussion and recommendations to clients.

### **Threats.**

Though HealthSource is a money-making business with a stable IMC plan, they have threats in the form of competitors. Physical therapy is a threat to the HealthSource Rehab Program since their specialists do not have as much education in the field. Other chiropractic clinics, like Eklund (which, like HealthSource, offers a variety of products and services), pose a threat because of the limited client base in Spearfish.

### **Brand/product analysis.**

The HealthSource brand is strong in Spearfish due to their highly competitive nature and diverse services. Their investment in community events and initiation of wellness outreach programs have potential good-will value, but should be covered in reminders of HealthSource's sponsorship. The presence of logos at events and on signs around the region is essential to brand recognition. The positive national reputation of the franchise benefits the local franchisee.

### **Analysis of top competitor.**



Their top competitor is Eklund Chiropractic which, like HealthSource, offers chiropractic adjustments including the drop table and occipital technique and vitamins and supplements. They also capitalize on rehab programs for athletes and offer a wellness class “How To Stay Young for 100 Years.” Facebook and a company website are their only social media tools. The Doctor has four employees. With 456 “Likes” and limited viewer interaction, their Facebook page is on par with HealthSource’s.

### **Consumer behavior analysis.**

Internal reports say that 55% of local HealthSource clientele come from patient referrals, which indicates that clients perceive their programs to be effective and worth the many hours they require. With constant encouragement from HealthSource employees (compliments and follow-up calls), patients schedule multiple appointments weekly, make dietary or spiritual adjustments, and do home exercises to complete Rehab and Wellness programs. 17% of HealthSource consumers come from the radio spot. Given the early hour of the radio spot, this indicates customers are active and driven members of the community.

### **Target markets.**

HealthSource’s primary target market is a man or woman between 35 and 55 years old who has suffered an injury limiting mobility or for some reason is not moving or feeling as well as he or she would like to. This is the point in life where the body begins to break down and requires additional care. People hoping to pay less for medical costs and avoid taking pharmaceuticals are ideal chiropractic clients. This is also currently their most profitable market due to internal referrals, co-sponsorship of community events, BNI membership, and the radio spot.

A subset of this target market is a parent who brings in a baby or toddler because of conditions such as ear infections, bed wetting, or torticollis. High school kids are sometimes brought in by their parents as well, if they have a lingering issue after a sports accident or in place of physical therapy. Members of this market live in Northeastern Wyoming and in the Northern Hills area. They are willing to put time and money into their well-being and are ready to make a change.

Currently HealthSource has no secondary target market. The student athlete market could fill this void. Though this is Eklund Chiropractic's target market, HealthSource could easily get a hold on student athletes since they offer adjustments, rehab, and physicals. This could be done through raising awareness of the HealthSource brand at the high school and university level. The high school market has the potential to be profitable because kids get hurt regularly and the lesser cost of chiropractic compared to medical is appealing to their parents. While university students have less disposable cash, they can be persuaded to part with it for the sake of injury prevention. The millennial generation's concern with wellness should be a big selling point for HealthSource's rehab programs.

**Recommendations.**

The message HealthSource should convey to target customers is that the HealthSource programs are essential to living a long and healthful life. Clients should feel as if their wellness is due to HealthSource and like ceasing to follow their recommendations would have a negative impact on their lifestyle.

Effectively conveying this message means altering their marketing communications strategy. HealthSource should be a daily presence in the community, both online and physically.

In order to create a more deliberate online persona, HealthSource's social media program needs a facelift. YouTube videos should be shared onto their Facebook page. They should create an Instagram page to communicate visually, and Instagram photos should also be posted to Facebook. All social media should be posted to daily. Twitter is not as popular in the Black Hills region as in other places; HealthSource should eliminate their twitter account. Online ads should appear on streaming services such as Pandora and be aired three times daily between 6 a.m. and 8 p.m. to reach listeners while at work or in the car.

Advantages of this more intense social media campaign are a wider reach and larger presence with more user interaction. Disadvantages are that a social media campaign does not instantly generate money and takes months to build.

To turn up the competition with Eklund Chiropractic, HealthSource needs to build brand recognition throughout the high school and university communities. This should be done through the aforementioned improvements to their social media program. Wellness and rehab presentations should be done at high schools every May and September. One exercise science intern should be obtained each summer, spring, and fall semester, and presentations about injury prevention should be done for each university athletic team at the start of the next season.

Advantages of poaching Eklund's primary target market include a diversified client base and higher profits, while disadvantages include the expense of obtaining new clients.

**Promotional mix.**

HealthSource should implement a sales premium to obtain additional clients. Since after three appointments (an exam, a report of findings, and a financial) a patient is considered converted to the HealthSource program, a premium of a free rehab grab bag should be advertised on the radio and Facebook and offered after completion of three appointments. This grab bag should contain one of each of the supplements sold at HealthSource as well as equipment such as a lacrosse ball and exercise ball. This is a \$70 retail value, and would cost HealthSource \$45. Giving away small sizes of supplements and vitamins encourages customers to keep buying them throughout their treatment, and after completing their treatment plan. This would be in addition to their monthly seasonal premiums.

To increase awareness of their occupational testing services, HealthSource should begin an 8 week direct marketing program by mailing out one flyer every week to the 100 closest area contractors and construction crews. Each of these flyers should highlight a different occupational testing service offered by HealthSource and be mailed out in the spring when construction season is beginning.

The opening of the Rapid City clinic should be promoted through radio spots on KOTA, the most listened to radio station in South Dakota. These branding ads should air twice daily Monday through Friday for four weeks before the clinic opens in May. This will cost \$360.

**Conclusion**

HealthSource has a comprehensive integrated marketing communications plan. They actively use social media, radio, sales premiums, and internal marketing to promote their brand. However, they have a weak level of regional brand recognition, a poor social media presence, and they do not take full advantage of the occupational testing services or weight-loss regimen they offer. These weaknesses can be addressed by offering premiums to new patients, implementing a more distinct social media plan, direct marketing, and a radio plan with better reach and frequency.

This study has been limited by the small amount of data obtained; all figures that reflect the effectiveness of their IMC plan represent activity over a 30 day period. Other limitations include a lack of information concerning NuWeight and a lack of information about occupational testing, due to privacy laws.

Any further investigation should be directed towards discovering why patients cancel appointments and how this can be prevented, instead of trying to reschedule a cancelled appointment. HealthSource should gather more data and make the necessary changes to their IMC plan. After six months, its effectiveness should be reevaluated and goals and strategies should be adjusted accordingly.

HealthSource should consider finding ways to sell more vitamins and supplements. By increasing their average cost per visit, they do not have to rely on new patients to bring in additional income. Once HealthSource has a clear vision of their goals and has developed their IMC plan accordingly, their already successful business model will be able to increase profits at a minimal cost.

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