



**PART FOUR  
IN A SERIES**

# What are you selling, products or services?

Strategies for boosting your business, your image and your profits

By Dr Genna Levitch

**P**roducts or services, what do we provide? This looks easy, everyone has an opinion, a quick answer to this simple question. If you've read any of the articles in this series, you'll already know that they are about the "marketing of professional services". This position was not reached by speculation or argument, rather by applying established academic knowledge.

Why is it important to go back to basics rather than get excited about the latest marketing craze? Simply because to evaluate the importance of the latest craze you need to be clear on how it applies to you in your practice. The basics provide a context and guidelines for you to be able to evaluate for yourself. Tertiary education is not about rote memorising of information, its aim is to equip you with sufficient knowledge of the problem solving process so that you can go back to basics in any given situation and develop a rational solution to any professional problem.

I think most of the profession is unsure of the definition of what we do. With less than a decade of marketing experience available to us since the Dental Act allowed us to join the rest of society, it is not surprising we are still exploring a way to adequately and successfully present ourselves to the public. If we think we're marketing products, our ads and our attitudes will reflect that. The underlying assumptions about the nature of the problem will define the direction our problem solving will take.

**Table 1. Goods and Services - What is the difference?**

Goods	Services
Physical	Intangible
No provider	Service provider/inseparability
Set functions	Operator variables
Non-perishable	Time based
Re-sale potential	No re-sale
Function/satisfaction	Credibility/satisfaction

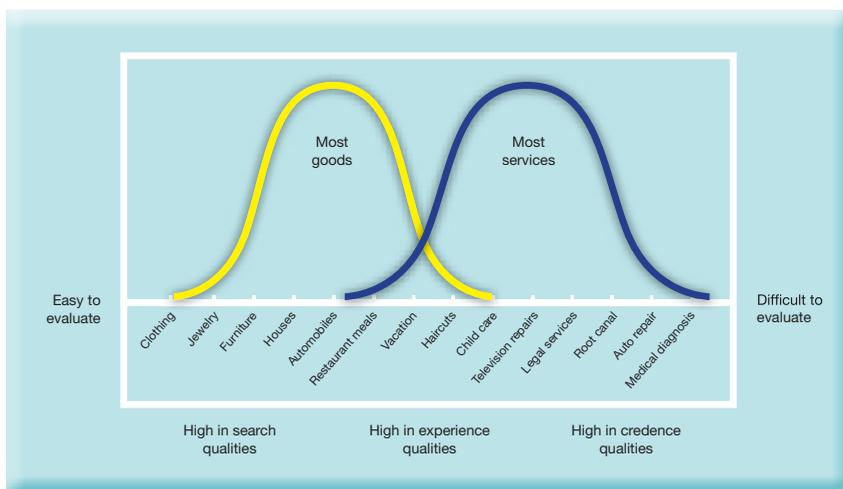


Figure 1. Tangibility vs Intangibility.

When I take a medical history, I assume the patient is giving me a full and honest disclosure. I would assume that anything less from the patient is incomprehensibly stupid as it is potentially putting the patient at risk as a result of his own actions. Having spent some time in

Arnhem Land with traditional aborigines, I have found this to be a potentially fatal assumption. The purpose of an interaction in aboriginal society with a stranger is not about gathering information. The prime focus is avoiding confrontation with the newcomer. Perhaps it is more important



Figure 2. Pitching credibility.



Figure 3. Typical Yellow Pages ad.

to find common ground with an unknown hunter when you bump into him at a distant billabong. The elders would try and intuit what answers they thought I wanted rather than answer in a way which might lead to further cross examination i.e. being challenged. It was “crazy-making” difficult and led some whites to call them all liars. From our cultural perspective, that may have been a valid observation. In their culture, we were being uncommonly rude. There was no point in getting frustrated that they didn’t know the rules of the game; resolution was only reached but by addressing the underlying assumptions taken by both parties.

In the same way, assuming that dentistry is about providing a product may come from the fact that we are on firm ground when we charge item numbers for fillings, crowns, etc, but do not feel as robust when queried why we charge for consultations. Somehow products have more real value than services. Unfortunately, the definitions place dentistry firmly in the services camp as Table 1 illustrates.

We do provide some physical goods but it is quite different to buying a fridge. A fridge can be viewed, opened and tested before purchase. An individual going through cosmetic dentistry has no way of being certain of the result before completion. As a result, the patient aims to reduce uncertainty by looking for ‘signals’ of service quality. Before and after pictures convey no certainty of success as there are so many variables to dental procedures. Patients draw conclusions based on the surroundings, equipment used, or the communication they have been exposed to. As service providers, we need to provide a tangible representation that communicates the likely quality of the service process and outcome.

In a patient’s mind, who a dentist is and what he does, is one and the same thing. The service a dentist provides is inseparable from the dentist. When you buy a DVD, the maker of the DVD is somewhere back in the factory. Who he is and what his personal demeanour may be, is of no relevance.

The DVD has everything you need to know. Because a filling cannot be felt, tested and compared, you as a service provider, your professional demeanour and appearance are instead used to judge the quality of your services.

A DVD is bought on the basis of its functions in relation to its price. It has set functions that become the criteria for its relative price. What we provide is affected by a myriad of variables, not the least being operator error. The public is well aware service providers are human. Even the best surgeon can have a bad day. What they look for is what preventative systems are in place to minimise mistakes and what recovery measures are in place in order to maintain the trust of the service users. Patients don’t sue because a provider makes a mistake. They sue because they perceive a cover up and lose faith, as they cannot see the prevention and recovery systems at work.

The DVD player we look at is priced on the basis of what it costs to make. Professional fees are based on the time taken to perform the service. Services cannot be

stored for use at a later time. You can't sell a missed appointment; its value only exists when it appears and disappears when the patient does not show up. Perishability means we sell performance, yet that performance can fluctuate. We have set appointments to convey the impression that each patient will receive due attention. One of the reasons patients get agitated when kept waiting is the growing concern that the dentist will not be giving them due attention because the dentist is late, stressed, overworked, or all of the above. The perceived value of the service falls the longer a patient waits.

An OK fridge can be resold when we move, but a filling has no resale value. We have charged for a service not a filling, even if the item said: 533 - 3 Surface Composite. McDonald's are in a service industry; their medium happens to be hamburgers. Dentists are in a service industry, our medium happens to be clinical dentistry. The fact that they are in the fast food SERVICE industry and we are in the healthcare SERVICE industry means we agree. The selling, production and consumption of the filling occurs at the same time and without prior testing, so the criterion for satisfaction is different. Instead of the product providing satisfaction (wow this DVD is way-cool), the overall experience of dentistry creates an impression about the service. It is known as a moment of truth, when a patient just knows it is all-OK or they are not coming back. In fact, there are 17 individual moments of truth in a dental experience. They will be covered in a later article.

Before you can get a potential patient to enjoy your unique dental experience, you need to get them through the door. There is only one thing that can do that: credibility. The Tangibility/Intangibility chart in Figure 1 shows why. Dental services are bought on the basis of credibility not price or treating services like a product.

A person can call around on the phone comparing furniture prices but a phone shopper who calls about crown prices is asking the wrong question because the most difficult service to evaluate is healthcare. Price will not give you the answer. Credibility will. That is why giving a ridiculous discount to a phone shopper will still not swing the deal. The lower the price, the less the credibility. Engaging the shopper in conversation and establishing some credibility will be more successful.

In fact, our credibility is the only thing we can present to bring patients through the door. Third party credibility (word of mouth, health fund recommendation, etc) is even more effective.

Have a look at the ad in Figure 2. It is only selling credibility. The message the ad sends is: "I am like you: a young, funky mother. I make the decisions about my family's health. I trust this dentist, so can you". There are no lists, yucky photos of teeth, difficult terms or technology.

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#### About the author

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Using before and after shots is a waste of time. We are not selling a standard manufactured item so what is the purpose? Invariably, pictures of teeth put off Joe Public. We may be proud of our handiwork, but they are repulsed by it. Look at the ad in Figure 3. Taken from any *Yellow Pages*®, the ad is desperately trying to turn dentistry into a list of products. Why? It says, choose anything you want! We have it all! Everyone knows it takes years of training and experience to make these sort of decisions so it's not a shopping list, the public has choice of access, that's all.

Some purchases have both product and service components like restaurants and holidays. Price influences the service and product expectations, which then combine to form an experience on which a judgement is made.

Having established that the professions are active and powerful marketers, we went back to the seven P's of marketing to understand how we actually do it. What we do is provide a service, so it is important to emphasise credibility in our marketing as that is the basis for making a choice of service provider. Unfortunately there are 10 Deadly Sins of Marketing that are unique to the professions. Commit one of these and your reputation is dashed! In the next article, we will look at these and how they are unique to us.