

# Rethink Your Perception of Loyalty Strategies

06/27/2024 by Naren Arulrajah, President and CEO of Ekwa Marketing



## The value of a guide to building truly rewarding programmes

Loyalty programs are big business and are no longer just the domain of restaurants and retailers. More service providers, including those in health care and wellness, are reaping the opportunities associated with strategically endearing existing clients and patients, attracting new “advocates,” and so much more. Plus, health care is marked by change. There is no better way to demonstrate a practice’s dynamism than to evolve with rewards that ultimately contribute to closer, trusted relationships and healthier, happier, and highly satisfied patients.

## The Loyalty Boom

In its updated Global Loyalty Programs Survey (April 2023), Research and Markets found that loyalty and associated rewards programmes are growing at a rate of 12.7% annually and are expected to retain keen growth of 12.2% – climbing from a nearly \$136 billion business today to more than \$215 billion in 2027.

Researchers attributed gains partly to “digitalization” and the appeal of savings, good value propositions, and rewards in a high inflation-rate environment.

The global research giant in Canada reported that the loyalty programs market is growing at nearly 12% and is expected to reach \$6.7 billion by 2026.

As noted in the Canada-specific report, the market has recorded strong growth since at least 2017 – 12.3% through 2021 – partly due to brands’ focus on customer/client retention.

Notably, accounting giant KPMG isolated in 2019 that Canadians’ engagement with loyalty programs is among the highest worldwide. In its Truth About Customer Loyalty report, KPMG researchers noted that 56% of Canadians purchase products and services that earn rewards or other associated benefits within a loyalty framework, and we do this “several times a week.” Only Australia outpaced us on this front (at 61%). The global average was 52%.

Factors reportedly cited as most likely to keep us loyal include (in order of most to minor importance) Quality, Value, Consistency, Service delivery, Experience, Service options, and Pricing. Remembering these attributes when launching or building upon existing programmes is critical.

## Steps to a Rewarding Programme for Your Practice

So, you do not think such formal or structured loyalty programmes are right for you? Think again!

You are probably using elements of formally structured programmes right now. Do you, for instance, offer promotions that entice patients to refer your practice to their friends and family in return for discounts or other perks? Or, have you earnestly considered embarking on membership savings plans as an option to reduce reliance on patients with dental insurance and as an offering for individuals who do not have insurance? If you answered “yes” to any of these items, you already have a good understanding and some familiarity with related loyalty programme strategies.

Generally, we mention the above as an exercise stretching one’s mind about a loyalty program and how it can be structured. It is not any one type of opportunity. In fact, not unlike other types of service providers or health care providers in different disciplines, you may be drawn toward one or a blend of the following structural framework(s):

**Special rewards or offerings for VIPs** – Your practice’s “frequent fliers” deserve something special. You may opt for the more typical enticements (such as complimentary whitening gels at recall appointments) or more beyond-the-box rewards (like premium parking if ample, close parking spaces in your area are in short supply). Consider your demographics and what might appeal to and further endear quality patients. When in doubt, seek insights through formal or informal surveys of your patient base. Be sure to convey this programme’s select and unique nature to those you invite.

**Co-branding** – Think of the adjacencies or complementarities one’s practice may have with other providers or businesses in the neighbourhood or area. Dentists may join a programme with other wellness providers, such as medical spas or aesthetics services. Dentists and practice managers may also engage with gyms or other fitness studios to further reinforce the oral-overall health connection. This has the added benefit of appealing further to existing patients while also spreading your brand beyond the four walls of the practice – to the patients, customers, and patrons who frequent those spas, gyms, or clubs.

**Cumulative and point-based programmes** – Both these programmes involve accruing either a flat dollar amount or points based on dollars spent, which can then be parlayed into discounts or other perks. Depending on your tolerance for complexity within these programs, you may offer a discount of 2% on the next service after every \$300 spent. With points programmes, you may base this on spending and dollar amounts; however, you can also have some fun with this setup. For instance, you can encourage more engagement on your social pages by extending points for “shares” on news about your practice or for leaving reviews. You can also inspire better health by rewarding points for certain preventative services or for cavity-free recall visits.

Multi-level programmes are a “twist” on the first type mentioned here, the **VIP**, in that patients can climb from one level to the next based on visits and engagement with the practice. Naturally, the rewards and perks become more enticing as one works from one level to the next. You could establish a “One Smile” club with discounts on services and a higher “Two Smile” club level with both discounts on dental services and services and products available through partners or vendors; for instance, you may work out something with the healthy grocer down the street (to reinforce the connection between diet and tooth-friendly foods and excellent oral and systemic health).

Do not let these offerings sit on a shelf. As with other benefits, they must be promoted on your websites and other channels. It is also beneficial to send out email blasts and mailers, as these may “get noticed” in a way that an onslaught of social content may not. Remember to mention the offers during recall appointments and other visits and post information regarding these incentives in your office.

Lastly, glean valuable Customer Relationship Management or business intelligence data from these programs. They can provide considerable insights about your patient base, which can then be used more generally and operationally to acquire new patients and solidify relationships with existing ones.

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### About the Author



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