

# Reward your Clients to Grow your Practice

By Stacey Santi, DVM and CEO/Founder of Vet2Pet



Nearly everywhere you look, businesses are offering loyalty programs and over 70% of millennials and Gen X'ers belong to a loyalty program. What's all the buzz about? The answer is clear—increased visit frequency and increased average transaction charge. These are two things that that strongly impact the health of a veterinary practice.

In 2017, Vet2Pet, in collaboration with VetSuccess, released the very first veterinary industry loyalty report. In this report, 28 U.S. small animal practices were examined after implementing an identical loyalty program for 12 months. Transactional data was harvested from the practice management software and annual client spending was analyzed (a combination of average client transaction charge and client visits) to determine the impact. The results were undeniable. Pet owners that participated in a loyalty program spent an average of \$621 more per year than they did the year prior and visited 3 additional times than the year prior when they belonged to a loyalty program.

Read more about the study [here](#).

## Why does this happen?

People love getting rewarded. Take a moment and remember the last time you won a contest or received a compliment. When the reward center is activated in the nucleus accumbens by dopamine via the mesolimbic pathway in the brain, hormones like oxytocin and progesterone surge. These are hormones that help form feelings and opinions around trust, bonding and happiness. When we can pair paying an invoice at the veterinary office with these hormones, magic happens.

## ***What are the key elements of a successful loyalty program?***

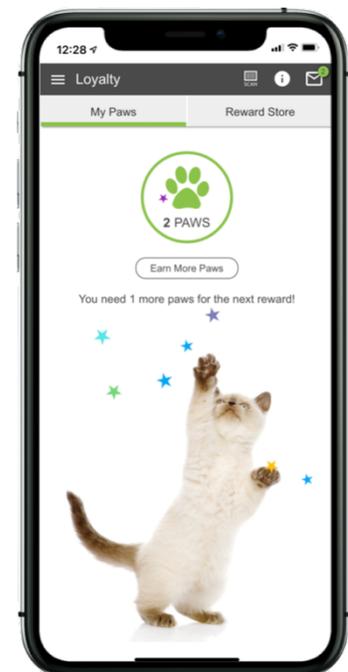
Not all loyalty programs are created equal and if not designed strategically to drive compliance and spending, a loyalty program will be nothing more than a fancy discounting program resulting in revenue loss. It is imperative to hit all 5 of the following key components when designing a successful loyalty program.

1. ***Keep it simple.*** If the program is too difficult to understand, then the pet owner won't take action because they don't know what to do. Your loyalty program should be straight forward and easy to explain in 15 seconds or less.
2. ***Make it universal.*** Whether the client owns a 6-month Golden Retriever or a 16-year old hyperthyroid cat, they need to be able to participate. This is the Achilles heel of the wellness plans on the market. They only target the well. A powerful loyalty program will target all clients.
3. ***The goal needs to be attainable.*** Your top 10-20% of clients need to be able to achieve the reward in a reasonable amount of time. Otherwise, clients will lose interest if there is no hope of achieving the reward.
4. ***The reward needs to be enticing and desirable.*** If the reward is not something the pet owner wants or value, then they will not be motivated to change their behavior. In my experience, pet owners don't want a gift basket, a T-shirt with your logo on it or even a free wellness exam. The most successful loyalty programs I have seen involve cash rewards.
5. ***Make it fun.*** Gamifying a loyalty program keeps clients interested and involved. When it feels like a game, achieving the reward feels more like an accomplishment resulting in feelings of pride and success. This is a very important factor to differentiate a loyalty program from a discount program.

## **My favorite loyalty program**

Over the years I have built hundreds of loyalty programs and seen many different designs. Hands down, the most successful program to date is the following:

- Clients will earn a stamp (or punch) for every \$100 spent per invoice. This means if the invoice is \$395, the client will earn 3 stamps but if they spend \$5 more, they will earn 4 stamps. This will drive the ATC as owners will be asking "What else can I buy?" when they check out at the front desk. This is particularly powerful if the client has been purchasing pet goods at other businesses (retail shops, online, etc) because they will be incentivized to move all of their shopping to the veterinary practice.
- When the client accumulates 16 stamps, they will "unlock" a \$100 credit on account to use towards a FUTURE visit. This will drive additional visits because psychologically the barrier of a future visit is removed and clients will perceive



it as “free” since there is no anticipated out of pocket expense to bring their pet in next time.

### ***Add bonus months!***

Keep your program exciting by adding on a “bonus month” to accompany your fiscal compliance goals. The most effective programs will add a 30-day bonus stamp every other month. For example, March could be designated as “heartworm awareness month” and any client that purchase 12-month supply of heartworm prevention will earn a bonus stamp. Want to drive it even more? Then make it 3 bonus stamps!

### ***An experiment***

In an A/B experiment in one practice, 300 clients were sent a special offer:

Group A: “Take this quiz\* to test your knowledge about heart worm disease and earn \$20 off your next visit.”

Then 300 different clients were sent a different offer:

Group B: “Take this quiz\* to test your knowledge about heart worm disease and earn a bonus loyalty stamp.”

*\*(The quiz was 5 simple questions about heartworm disease)*

In Group A, 3% of clients took the quiz. In Group B, 15% of clients took the quiz. This suggests that clients prefer to be rewarded rather than refunded and opens the door to more creative ways to engage clients, drive compliance and boost revenue in the veterinary practice.

**Purchase the 2019 Well-Managed Practice Benchmark Study [HERE](#).**

*Dr. Stacey Santi is the CEO and Founder of [Vet2Pet](#). In 2013, Dr. Santi founded [Vet2Pet](#) and began working on new contemporary strategies to connect with clients—the first being a custom veterinary app. She can be reached at [stacey@vet2pet.com](mailto:stacey@vet2pet.com).*