

Step-by-Step Guide to Calculating ROI from Online Healthcare Marketing

Author: Janyer Dominguez, Owner eM3 Marketing (www.em3marketing.com)

Calculating return on investment from online marketing initiatives is challenging. Proper planning is a key step:

- Create a high-level “mind map” of your strategy and goals (I prefer www.mindmeister.com.)
- Create a detailed checklist of necessary steps and metrics (Microsoft Excel)

Review your plan with all responsible parties and stakeholders before you begin. Now it’s time to execute:

- Choose a Customer Relation Management (CRM) solution
- Configure lead capture and return messaging
- Track conversions and resulting treatment/revenue
- Identify acquisition costs and calculate ROI
- Optimize campaign to increase ROI

Customer Relationship Manager (CRM)

While there are many options when choosing a CRM, I recommend a feature-rich hosted solution such as www.infusionsoft.com. Your CRM should at minimum include email marketing automation capabilities like auto-responders, segmentation, custom query building, duplicate contact merging, etc.

Once your CRM is in place, you need to make sure all your website forms and/or campaign landing page forms are being captured by your CRM, including URL tracking data. Set up your auto-responders and drip communication for each form, as you may want specific messaging for each. The URL tracking data will allow you to identify things such as the campaign, date and time, A/B ad variant, ad placement and keyword that was responsible for capturing the lead. *This is very powerful.* It will allow you to identify your most effect marketing initiatives and continually optimize your campaigns to increase ROI over time.

After setting up your CRM, integrating data capture and marketing automation, you are ready to track and analyze your campaigns. As the leads come in through your sales funnel, you need to identify those leads that have “converted” into patients. You need to identify and engage the personnel in your institution that can provide you with patient registration/admission data, so you can query against your leads and identify conversions. Once you have identified conversion patients, you need to track their consumption of medical services over a properly large period of time, as some health conditions take several doctors visits and months of care to resolve.

Now let’s assume you have identified the patients and all the doctor’s visits, tests and procedures. Next, add all the marketing/advertising expenses from all channels and divide it by the total number of conversions (patients) to calculate the *acquisition cost per patient*.

So now you know the total expenses of your marketing/advertising campaigns and the total amount of revenue generated by the converting patients. Subtract those two figures and you got a “ballpark” ROI. Obviously the total amount of revenue generated changes as the reimbursement payments from the patient’s health insurance are applied to the total amount of the hospital bill.

To increase ROI, monitor and optimize campaigns over time for more conversions and lower conversion costs.