

Eli's Rehab Report

Business Strategies: Take Your Marketing to a New Level With Groupon

Plan wisely, or it could do more harm than good.

Groupon has hit the country by storm, and it may have a place in your independent therapy practice. Groupon (as well as Living Social) are companies that sell daily email vouchers featuring a local company's goods or services at a highly discounted rate. Groupon can be a powerful marketing tool but can also put you in a bind if you're not careful. Follow these tips to make it work in your favor.

1) Watch what you're selling. First, make sure you're in a state where direct access is legal. Second, "don't use Groupon for an actual professional PT evaluation or treatment -- it devalues our skilled care," says **Lynn Steffes, PT, DPT**, president of Steffes & Associates in New Berlin, Wis.

Therapists, however, can use Groupon creatively. Try, for example, selling a fitness and posture evaluation, or a class on preventing back pain, Steffes suggests.

More ideas: "We're considering a prepaid wellness program for our next Groupon," says **Maurice Dumit, PT**, owner of Invivo Wellness in Milwaukee, Wis. Invivo, a wellness center with PT at its core, offered a yoga class for its first Groupon. "You could even offer an ergonomics evaluation," Dumit suggests.

2) Do your homework. Many business owners have horror stories of losing big money from selling a Groupon, thanks to heavily discounting their services. But "there's no reason to lose money if you plan ahead," Dumit says. "Set your price points accordingly and ensure your costs are covered even with the Groupon discount."

"Ask yourself if you can break even or make money by offering the product or service at 50 percent less," says **Doug Sparks**, owner of Advanced Physical Therapy Concepts (APTC), a Houston-based firm that consults and partners with other PT companies.

Hidden trap: "Groupon also takes 50 percent of what you collect on a service or a product," Sparks says.

Tip: "Pick a service that has limited cost to deliver but gives maximum exposure to staff expertise, personal connection," Steffes suggests. For example, group activities are low-cost and can be highly lucrative if you sell enough Groupons. Dumit's center, for example, netted \$14,000 in 24 hours selling the yoga class Groupon.

Plan for success too. For example, if your Groupon is so popular that it sells more than 200 vouchers in 24 hours, will your facility and staff be able to handle a sudden surge in volume? If not, you could end up with bad PR from having to turn people away, Dumit says. Limit the number of Groupons you're willing to sell up front, to manage volume.

Worth considering: Groupon attracts bargain seekers and is commonly said to cheapen your brand, Sparks notes.

"We've seen this recently with the massage and spa industry," Dumit agrees. "There are so many Groupons for massages and that people are willing to pay only \$35-\$50 for a massage now because all they have to do is wait for the next Groupon."

3) Milk Groupon for all it's worth. Groupon can do so much more for you than just getting your name out there. "Stay in touch with your new customers and build a community with them," Dumit recommends. "Because of Groupon, we now have an email list that's easily more than 3,200 names."

Idea: Dumit also gives his Groupon customers additional coupons when they first visit, to entice them to return. "Groupon is a good launching pad, but it's totally up to you to continue that momentum," he says.

