THE CORNER SERIES

Episode 91: Can AI Level the Playing Field in Dental Marketing? With Ryan Torresan

Episode Summary

"The hot topic right now is how AI fits into dental marketing," says Ryan Torresan, chief marketing officer at Peak Dental Services. With 14 years of experience across multiple dental service organizations (DSOs), Ryan predicts AI will be a market "leveler" that benefits large and small practices while blurring traditional lines between marketing and operations functions.

Tune in for his insights about new markets, creating efficient lead generation systems and measuring marketing success with McGuireWoods partner and host Geoff Cockrell.

Transcript

Voice Over (00:00):

This is The Corner Series, a McGuireWoods series, exploring business and legal issues prevalent in today's private equity industry. Tune in with McGuireWoods partner Geoff Cockrell, as he and specialists share real-world insight to help enhance your knowledge.

Geoff Cockrell (00:20):

Thank you for joining another episode of The Corner Series. I'm your host, Geoff Cockrell, a partner at McGuireWoods. Here at The Corner Series, we try to bring together deal makers and thought leaders at the intersection of healthcare and private equity across a host of different sectors and a host of different viewpoints. Today I'm thrilled to be joined by Ryan Torresan. Ryan is the chief marketing officer at Peak Dental Services. Ryan, if you could kind of introduce yourself and Peak, that would be great, and then we'll jump into some questions.

Ryan Torresan (00:49):

Yeah. My name is Ryan Torresan, chief marketing officer for Peak Dental Services. We're about 60 plus offices in the states of Colorado and Texas, handle all services from general dentistry to

orthodontics, all the way to oral surgery and all-on-fours. Myself, I've been in the dental industry DSO space for about 14 years. Four different DSOs during that timeframe as well.

Geoff Cockrell (01:10):

So Ryan, from a marketing perspective, what are some of the main topics that come into play from your perspective?

Ryan Torresan (01:17):

Yeah, the common question amongst every dental group is always, "Hey, how can we get new patients and how can we be more efficient at it?" Everyone wants to either grow it or everybody's struggling with it a little bit. And then the hot topic right now is, "Hey, how's AI fitting in there?" And whether it be within my Peak or when other dental groups talk to me, that's always the question of like, we're really good at generating a cost per lead, but they're not getting on the schedule for some reason or they're not showing up. So really it's over the last year, I've really just kind of noticed a shift from as much as we do as marketers try to bring them through the door, we got to work more closely with operations to say, "Great, we're not just responsible for scheduling them, but let's actually get them to show up." And how can we work together to figure that out.

Geoff Cockrell (01:59):

So if Peak is entering a new market, a new municipality, what are your kind of leading objectives as you just begin that process of entering a new market?

Ryan Torresan (02:08):

Well, I think anytime we enter a new market from a marketing standpoint, we want to understand the consumer, the customer, the patient that's going to be supporting our offices. So that's one thing that we're going to look at. Of course, whenever we're entering a new market, if it's an acquisition, is it a solo doctor in the office? Is it multiple doctors in the office? And what's that payer mix look like is going to come into question as well. So I'm going to look at all those things from a marketing standpoint. And then one of the big ones that we look at from a pure marketing standpoint is, great, if we're going to put our office here, whether it's a new build or we're going to acquire, let's say we're acquiring, how far out does that patient base come from?

(02:45):

Typically, it's going to be an eight to 10 mile radius, it's like 80 to 90% of your patients. But we want to understand that so we can understand what are we pulling from and then understand the nuances in those zip codes. Is there a lot of Medicaid there? Is there not Medicaid? Does it fit our model, et cetera. So we're going to look at all those different aspects.

Geoff Cockrell (03:01):

So once you've kind of assessed the market, the demographics, economic aspects of those demographics, all of it, what are the levers that you can pull? What are the forms of marketing? What can you do to kind of initiate that?

Ryan Torresan (03:15):

Most of the times, most of these DSOs, or Peak ourselves, most of them are going to be backed by the Google pay-per-click side, that's usually the backbone to a lot of their marketing. When you're first entering a market, of course you're going to look at some other tactics, put the word out, could be direct mail, it could be press release, it could be stream television. But really when you're trying to track the ROI, it's really been on this Google pay-per-click side. Again, that's where most of the DSOs put a lot of their money. Whether you're efficient at it or not is a different question. And then just as you see the younger generation changing their consuming habits, we have to start looking at things like people are researching dentists through TikTok, if you're in your twenties. If you're in your twenties, you're going to ChatGPT or Gemini to do your search now. So how does our marketing strategy start to take those things into play as we're trying to reach that audience moving forward?

Geoff Cockrell (04:04):

What does an inefficient version of that look like?

Ryan Torresan (04:07):

So I always say, you look at it... You say, "Hey, let's get a peek under the hood and see what your metrics are telling you." So you know, step one, when we go in there and we look at marketing, it's, hey, how do you define what a new patient is? How do you define what a lead is? That's always question number one. And where you start to see the inefficiencies, if listen, you define it wrong at the top and then that cost per lead number, all of a sudden it looks a little weird because people are like, "Well, I'm just counting all traffic to my website." And you're like, "Well, that's not really a lead. A lead is somebody who's scheduled or somebody who called, submitted a form fill or maybe chatted with you versus they just came to my website."

(04:43):

So geez, if you're measuring this thing wrong or if your definition is wrong, you're going to be inefficient right off the top. And as you kind of go further down that funnel, Geoff, you just started seeing things like if they're doing the old form fill game, which is somebody comes to the website, fills in the form, fill the submit button to request an appointment. But your office doesn't reply to them for four or five, six hours or maybe until next day, you have an inefficiency there because you're not going to get to the leads timely. And so we like a software like a PureLogic or a Resonate who's really AI advanced helps you figure that stuff out, can connect the lead really fast within 60 seconds or less.

(05:18):

So we look at those types of things and then, you can get further into the funnel of, hey, great, Geoff booked an appointment, but did we book him four weeks out and we didn't get him in same week? Because there's a good chance that patient might go somewhere else all of a sudden. Or is it that

could be because of operation in our offices or we're not open convenient hours, et cetera? Or is it, we have Geoff on the schedule but we didn't send him a reminder and there's a broken cadence there? He totally forgets about it. And that's why some of your no-show rates are higher up. So when you look at this thing, that's what I mean, like it goes from marketing straight into operations nowadays. You got to really start tightening up in each area and seeing like this is where our inefficiencies can be.

Geoff Cockrell (05:59):

Often you're competing with smaller shops, given that the dental market to this day, even with all the consolidation, is still very fragmented. And a lot of the businesses are very much kind of single location businesses that have been in operation for a long time. Some of the stuff you're describing is pretty advanced. As you kind of enter a market or you're in a market, what does the competitive environment look like in the areas that you're describing? You bring a lot of kind of technical expertise around some of these things. Other folks are bringing a knife to a gunfight. Well, what does that competition look like?

Ryan Torresan (06:32):

It varies all over the map. You'll have other DSOs within your market and they could be the very large players, they can be smaller DSOs. And then to your point, what we maybe consider an individual practice, they're all out there. The reality is typically the radius is an eight to 10 mile radius around a general dentistry is what you're trying to pull from. Sure, an all-on-four practice might pull from a hundred-mile radius, something like that. But just speaking, typically general dentistry, it was within an eight to 10 mile radius you could have anywhere between 20 and 50 different dental offices in there. Now if you're a small town, you might be one of three players. Of course that changes things. But either way, whether you're that small town or you're in that market where there's 25 players all competing for that consumer or that patient, it's going to be, one, how do they find you?

(07:18):

So typically if you're taking insurances, yeah you got to be in the insurance directories. But I think it's changed a lot in the last 10 years where you've got to be top of mind and people got to be able to find you. So kind of the comment I made earlier about TikTok, social media, just people knowing that, hey, I'm a dental office. I'm open Monday through Friday, maybe I have some late hours. Because when you get into the consumer psychology, what they really care about is, if I have insurance, you take it, number one, can you get me in conveniently like when I want to get in? And do I think that you're credible in the space?

(07:50):

So your online reviews and everything mean a whole heck of a lot these days all of a sudden. So those are all the things that you got to take into consideration. Again, whether I'm going against a very large DSO or that one solo practice up the road, that's what I'm competing with. And if I'm not offering convenient hours or I don't have great Google reviews or Yelp reviews, et cetera, this now starts to play against me and I got to figure out how I could win, to your point, knife or gun fight, whatever you want to kind of call it. You got a lot of them coming at you from different angles.

Geoff Cockrell (08:20):

What is the impact of a density in a market? How does that kind of change the tactics that you have or the success that you're able to achieve? How significant is density?

Ryan Torresan (08:30):

You mean density from us having like as a group having a lot of practices in the market?

Geoff Cockrell (08:34):

Correct.

Ryan Torresan (08:35):

Yeah. So if you have density in the market, you kind of get over like 5, 6, 7 locations, then you can start to set up a nice referral base from your own network. That density becomes huge for you because now all of a sudden, hey, I got 70 practices within a market, let's say now I can stand up an orthodontist. Now I can put the oral surgeon in the market and I can essentially build my own referral network. If I operate my offices really smartly and say, "Hey, we have a pediatric office here, age seven or slightly above should be seeing the orthodontist, let's refer them straight in." Comes back to getting your schedules and columns and making sure that the patient can get in there. But yeah, once you have that density model that makes building your referral network a lot easier.

(09:21):

And then I'm less dependent on external referrals because all my referrals are coming internally and I want my doctors to get to know each other. I want them to get comfortable with each other. If I'm commonly branded, I can promote that as a marketer. Hey, you know we have 15 locations here in Jacksonville, Florida. We have orthodontist, etcetera. If you're not commonly branded, you can't really go to the market with that full message. So it's more of a neighborhood play. But I can say, "Hey, good news is I have this great office up the road. He or she is the perfect orthodontist. Let me make sure you can get in there today." But it really, that referral network becomes huge. And if you're commonly branded, you get some economies of scale when it comes to marketing. My Google buy can be a lot more efficient. My social media stuff can be a lot more efficient, etc.

Geoff Cockrell (10:08):

I do want to talk about kind of evolving new things including AI. But before we do that, maybe one more look backwards, what are some older tactics from not even five years ago, but just a couple of years ago that used to work that now kind of don't?

Ryan Torresan (10:25):

Yeah, that's a good question. It's going to depend a little bit on the service line. So look, when I got into this 12, 13 years ago and I was at Great Expressions Dental Centers, yeah, there was Google of course, but television and radio and direct mail were a lot of the mainstays at that time. And what

we've seen the shift over, listen, some practices buy into it, some markets it still works, but broadcast TV, as we all know, 'cause everyone's streaming these days and they're spending a lot more time on their phone. Broadcast TV has really not been as impactful going forward. I think you can carve out a little of exception if you're doing the all-on-four space there. Radio impact has kind of come down. Direct mail is way more hit or miss. I still see success in the new mover bucket depending on the demographic and the number of new builds going into a neighborhood.

(11:15):

But you take some of those tactics that they have really shrank down in terms of impact. Old-school tactics that still work, hey, your dental office, you got to support the community. Doing some type of community marketing out there, still really impactful. People still want to know your name and your face and all that good stuff. But yeah, when you look at it and you just say, "Hey, what was the budget line item share before?" TV was way more robust. It's way, way smaller now. Same thing with radio, same thing with direct mail.

Geoff Cockrell (11:41):

So everyone is now trying to figure out how disruptive AI is going to be on their industry. Both how they execute and how they acquire business. It's happening in my industry for sure. What is the impact of AI in dental or perhaps other kind of retail healthcare sectors?

Ryan Torresan (12:01):

Yeah, well, it's the buzzword, that's for sure. And so half the audience is afraid that AI is here and robots are going to run the world. The other half is figuring out AI. They know the buzzword and they're just probing at it right now. I think realistically, AI, it's here, it's here to stay, it's not going anywhere. So I tell all dental groups or any dentist or marketer out there, it's like you got to start exploring it. You got to start playing with it. It reminds me of when the internet first came out and people were like, "Oh, people aren't going to go online and shop and you're not going to have food sent to your house or any of that type of stuff." They were wrong. You still have brick and mortar retail stores, but clearly the internet changed the game. For dental, hey, look, there's stuff where there's AI solutions that can read x-rays and pinpoint things and help the doctor diagnose. That's the good news.

(12:51):

It's better for the patient. There's AI solutions, like I mentioned before, like a PureLogic or a Resonate that can take a missed call rate within your office. If you have a 30% missed call rate, which isn't that necessarily unheard of in dental, it's high, but it's not unheard of. It can take that missed call rate down to like a zero because it automatically texts the missed call, communicates with that patient for you through an AI knowledge base. You can book your appointment right through it because it can schedule directly into your PMS. And then there's things like AI agents that are popping up, AI solutions, things like, I can write content for my website now I can create videos through it. So as a marketer, we should be playing with all those. As a dental group, you should be exploring it. And what I tell everyone is whether you're the front desk, you're the marketer, you're the CEO of the group, you

just need to be playing with AI in some fashion every single day and getting used to it because your consumer is going to be using it.

Geoff Cockrell (13:49):

One of the things when I think about kind of AI's influence in business is whether or not those solutions are going to favor the larger established groups, meaning the folks that have a little bit of scale, a little bit more money to invest in some of these new evolving technologies. Or will AI be a leveler that kind of takes away that advantage and gives all the tools to smaller participants. So do you think that the evolution of AI is going to favor the large or favor the small?

Ryan Torresan (14:21):

I think it's a leveler and I think it favors the small. So when you look at it, a lot of times it's going to come down to, hey, geez, what's your marketing budget? What can you afford to do? And there's some more robust tools out there, but I can go get an AI SEO tool, whether I'm a huge player or a small player, spend a thousand dollars a year and figure out my SEO, play around with it. Maybe I was a dental group that couldn't afford SEO before because it was two, $3,000 per location.

(14:53):

Maybe I'm just a one-off office and I couldn't afford it before, but now all of a sudden for a thousand dollars a year and a little sweat equity, if you will, I can play around with this and figure it out. And maybe it's 80% of the SEO I would have got had I bought it on my own five years ago, but it's way better. So I think it brings a lot more things into fold. At the end of the day, I think it helps everybody. I just think it's going to come down to how smart are you when you play around with it and interact it within your group.

Geoff Cockrell (15:19):

So Ryan, one additional kind of aspect of the evolution of AI. We talked a little bit about it from a marketing perspective. Can you speak a little to how AI can also bridge sometimes a large divide between the marketing apparatus and the operations and execution side?

Ryan Torresan (15:37):

Yeah, it's a great question. Realistically, I think AI, what it's exposing, and as we look at structures of departments and groups and how marketing helps support operations, that straight line that was there before where there's more of a marketing handoff to operations, I think that line goes away. And I call the concept mops, it's marketing operations together. And as a marketer, if you want to be successful in marketing, I think going forward you're going to have to really start getting an operations mindset and partnering really strong with them going forward. And what I mean by that is, if you take a look at a marketing department, let's say 10 years ago in a dental group, we would have things like, hey, maybe have a graphic designer down the hallway. It might have somebody else that just writes content down the hallway, have an analyst down the hallway and they all fit within marketing.

(16:24):

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And our goal was really to drive cost per lead and make sure that technically people got scheduled and that was kind of like the handoff and you were done. Now all of a sudden you can say, "Well, my marketing manager or coordinator can write the content through AI. Maybe I don't need that copywriter down the hallway." So we can limit some roles, but where are we going to want to start focusing our marketing in? What is every boardroom asking about right now? What's cost per lead? What's cost per shown? What's the treatment acceptance rate? Guys, how can we make this whole funnel more efficient? And as a marketer, and the reason why I say it's a mops concept, as a marketer, you're going to have to start answering those questions.

(17:02):

You're going to have to start figuring out and getting into, Jesus, my office running two columns, or are they running three or four columns? What's the availability look like? There's a hygienist shortage generally in the industry, how's that impacting capacity? 'Cause as a marketer, geez man, if I have five offices that don't have the capacity, can't take anything on, maybe I should shift my funds for the next month, boil them down a little bit, but shift them to an office that has more funds available. But now I'm getting into scheduling things like that. Or when we mentioned AI software scheduling directly into the practice management software. I as a marketer now need to know the schedule of the office and reserve out slots so that the AI can read directly into it. So I think marketing operations are definitely going to start blending together and working way closer together.

Geoff Cockrell (17:46):

Yeah, another kind of evolution in that is that you read a lot about the big AI solutions, whether that's Claude or other tools that can do amazing things. But the real evolution to me is as the products get much more tailored to actual business processes as they wheel around and start looking at what the actual operational pain points are and build AI solutions around that, it's going to be transformative and continue to evolve.

Ryan Torresan (18:17):

Yeah, it's going to be huge. Like you said, when you look at it, I haven't sat in one board meeting in the last five years or somebody's asked me about impressions, like how many impressions did you get as a marketer? That doesn't come up. Everyone's focused on kind of like what you said is, hey, what's the pain point? How can we resolve that pain point? And like you said, I think AI just helps expose a lot of that and figures out the solutions, gives us the business people the intel, and then we can act on that. And it's going to come down to how well do we execute it.

Geoff Cockrell (18:45):

Right and it'll be interesting to see how that plays out in a competitive environment because all of these kinds of marketing tools don't really expand the dental market. It just informs how you compete for it. So as the competitive environment continues to change, it'll be interesting to see how that plays out.

Ryan Torresan (19:02):

Yeah, I agree. That's why I always say like if you bucket yourself as a pure marketer, like I'm a branding specialist and that type of stuff, I think that kind of fades away. I think if you want to have success in marketing, if that's what we want to call it's really marketing and operations working together. And then look, as much as I can give somebody a tool, you still have to have a smart human being, smart people down the hallway that can take this information layered in with the strategy, build it correctly, et cetera. Like I don't think AI will one day just run everything in a dental office. You're still going to need people to figure this out. If I go back to like when I was popping out of college and the internet was around a little bit, there used to be a [inaudible 00:19:42] used to deliver the mail down the hallway at the ad agency or literally hand you your paycheck on the Fridays. Generally those roles don't exist anymore. And so I just think AI starts shifting things just like that.

(19:53):

Certain roles will go away and how the business operates and functions is going to become way more intriguing. And then what I always kind of leave with, if you take right now, like just video content, we can create video content from a central location, don't have to necessarily do the shoot live and you can save a bunch of money. But I can probably, and we've been playing around with it, you can create AI people. Now, how do you know whether they're real or fake? How does that play into healthcare going forward? Is it a fake patient that's all of a sudden doing it? Is a fake doctor on screen? How does the blockchain come in to be able to start proofing videos and content like that? That I think starts to become huge. 'Cause I think you'll see the fraudsters try to get in there, how do you block it out? But then how do you always establish credibility with like, this is a real thing. Like we are real people. We're doing real services here.

Geoff Cockrell (20:43):

It's going to be a brave new world. Well, Ryan, thank you for spending a few minutes with me. This has been a ton of fun.

Ryan Torresan (20:50):

Great. Thank you. I totally appreciate it, Geoff. Thanks for having me on.

Voice Over (20:55):

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