



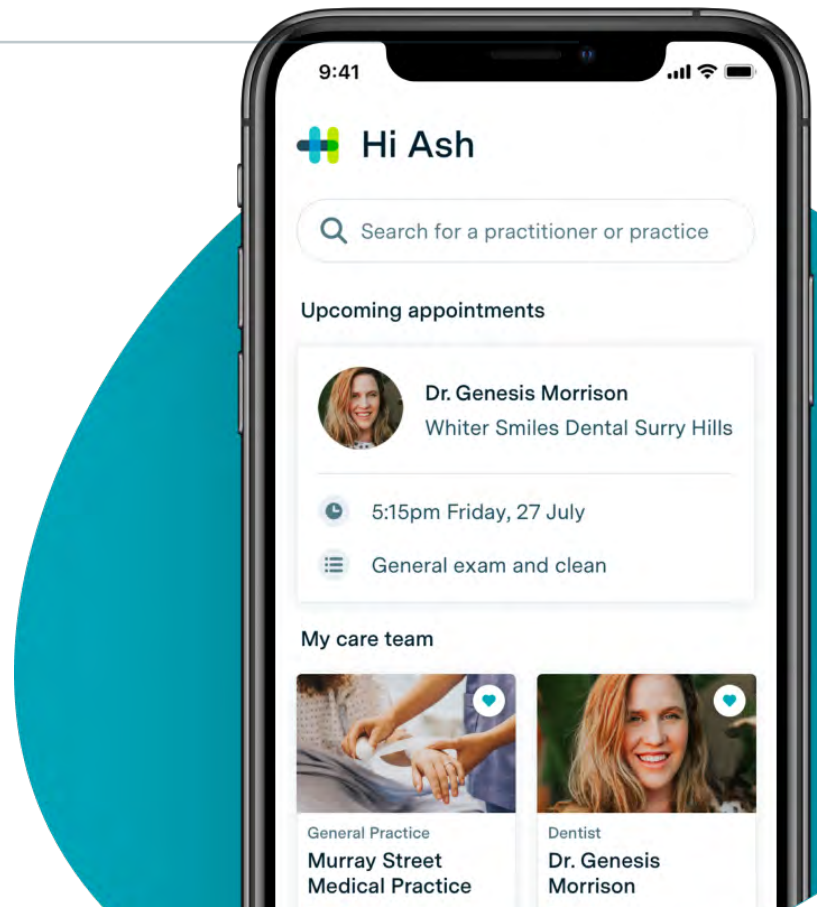
2020

The State of Dental in Australia

An overview of Australia's dental industry

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About HealthEngine



HealthEngine is Australia's home for healthcare with more than 3.6 million Aussies visiting us every month.

As Australia's #1 go-to for healthcare bookings, we're the nation's largest patient network. And we're on a mission to transform Australia's healthcare by making it easier.

Easier for patients to connect with all their healthcare providers online, and book appointments at their convenience. Anytime. Like after hours. In the middle of the night. In the moment they need it most.

Easier for practitioners to step up their patient experience game, either via the HealthEngine Network, or with a whole raft of time, cost and effort-saving tools. And what drives our healthy obsession with making everything easier?

We believe in the power of connectivity, simplicity and positive patient experiences to create better healthcare outcomes for all.



This report provides insight into both dental practitioners' and patients' relationship with the practice, with each other, and their adoption of digital technology.

Introduction

In our State of Dental in Australia 2020 report, we aim to provide dentistry professionals with a digestible overview of Australia's dental industry, coupling our own in-house data with data sourced from reports, articles and statistics. We look at the state of the dental industry in Australia based on insight sourced directly from close to 150 practices and 1,000 patients.

The dental industry in Australia has undergone some fundamental shifts in recent years where we have seen:

- ✓ A continuous evolution of digital technology,
- ✓ An increase in the number of dental schools across Australia,
- ✓ An overcrowded marketplace, with most dental professionals under the impression that the industry is flooded by dentists in practice,
- ✓ A rise in corporate dentistry, which created a whole new market of competition. (Many corporate entities in the dentistry business are owned by insurance companies, who market directly to their members.¹)

This report provides insight into both dental practitioners' and patients' relationship with the practice, with each other, and their adoption of digital technology. It also offers advice to dental professionals about how digital technology can be a tool to maximise practice profitability and efficiency while improving patient retention and experience.

Digital is the new normal

Technology has changed how we communicate, find information, and buy and receive professional services. It's becoming part of our lives more and more, with mobile applications taking over countless everyday functions. And it's not only Gen Z who are tech-savvy. According to a study by the Australian Government's Office of the eSafety Commissioner in 2018, the population aged 50 years and over are rather digitally literate: 36% have comparatively higher levels of digital literacy relative to others in their age range, transacting online at least once a week. 31% have moderate digital literacy, including people who performed online transactions less frequently than once a week.²

The technology-empowered economy we live in allows businesses to increase efficiency, strengthen customer relationships and improve customer satisfaction. The same applies to healthcare businesses. When medical practices focus on enhancing their online experience, they can reach a broader audience, provide additional services, and strengthen patient satisfaction.

According to a report by the Agency for Healthcare Research and Quality, leaders of healthcare organisations should not question the value of measuring and improving the patient's experience with care – using corporate tools.

Powerful market and regulatory trends, combined with increasing evidence linking patient experience to important clinical and business outcomes, make a compelling case for improving patient experience as measured by Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys.³

It's clear that an increasing importance exists for dental practitioners to dive head-first into online marketing of their services, and use **digital platforms** to attract and manage patient bookings.



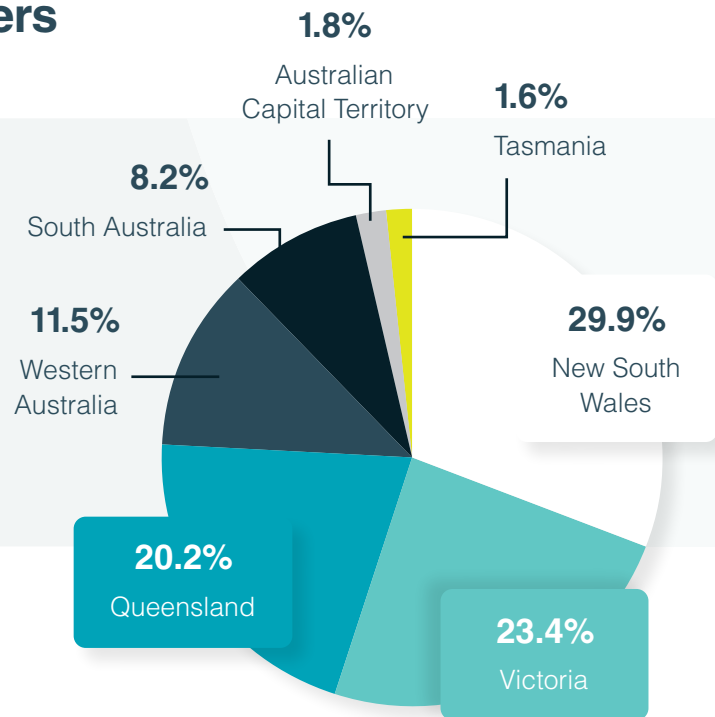
Dental practices and practitioners

An overview of Australian Dental Practices and Practitioners

There has been a tendency in recent years for the number of dentists per 100,000 people in the population to increase. Studies of the dental workforce completed by the Australian Research Centre for Population Oral Health (ARCPOH) at the University of Adelaide in 2008 projected that there would be a shortage of dentists through the projection period to 2020. The gap, however, considerably narrowed due to the opening of three new dental schools in regional universities.

Where are they located?

New South Wales is the state with the highest number of dental practitioners. According to data reported by the Dental Board of Australia Registrant for the period 1 July 2019 to 30 September 2019, New South Wales has 29.9% of the country's total number of practices. Victoria follows with 23.4%, and Queensland at 20.2%. Western Australia has 11.5% of the continent's practices, and South Australia 8.2%. Australian Capital Territory has 1.8% and Tasmania 1.6%.¹¹



DENTAL PRACTICE LOCATIONS

The highest percentage of our respondents who took part in this survey are located in Western Australia (28%) and Victoria (26%). 17% of the respondents are located in New South Wales, nearly 12% in Queensland, 14% in South Australia and 3% in the Capital Territory. The majority (91%) of the respondents in our survey own practices in non-rural locations, with the remaining 9% located in rural towns.

A statistic that may surprise many, is that a quarter of the practice owners in our survey received their qualifications in countries other than Australia. 73% of practice owners graduated from Australian institutes.

Practice size

Of the close to 150 practices that formed part of our study, only 21% are a solo-practitioner dental practice. 29% have two practitioners, and 43% (the majority) are practices with three to five practitioners. Only 7% of the respondents have five or more practitioners working in the practice.

97% of the respondents' practices are privately owned, with 3% being part of a corporate group.

What are they concerned about?

Before we explore recent insights sourced from dental practices across Australia, let's take a look at two important issues most dental practices are facing, according to Perception Agency founder and dental practice owner, Kaine Harling.

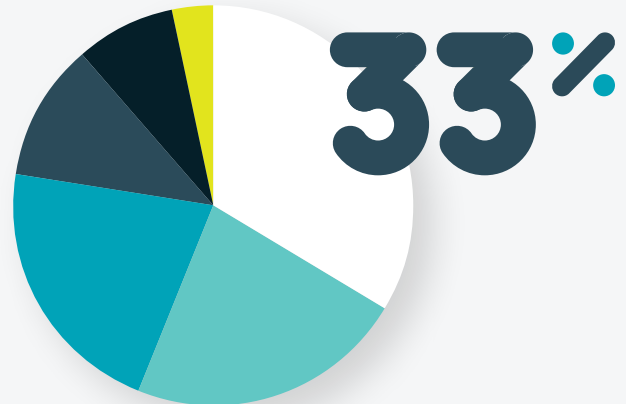
- 1. Retention.** You can generate as many leads as you like, but it's important that the patient experience is of high standard so you don't lose them after just one visit. The average retention rate for a practice is often around 30-50% which is not a sustainable model.
- 2. Following competitors.** It's been quite the tradition in the dental industry for some time. Dentistry has always taken and should always take a very conservative approach. Subsequently, a lot of practices find it hard to deviate from their ways in an effective way that still respects the industry.

Harling believes an integrated approach to marketing is of utmost importance. "The patient experience often begins online and really needs to flow seamlessly through into the practice setting."⁴

Sitting at the top of the list for practices concerns, according to our survey, are two quite similar issues:

Acquiring new patients (33%)
and growing the practice and its
revenue (22%).

PRACTICES CONCERNS



Coming in third, is the issue of patient retention. 21% of the respondents have said that this is an area of concern to them. Other concerns include rising competition (11%), high capital costs (8%) and keeping up with technology (3%).



55%

of dental practices have seen an increase in booking numbers in 2019 compared to 2018.

How do patients book appointments?

The stats show that although 98% of the practices have the option for their patients to make bookings online, the most common method of booking according to the practices surveyed was via phone with 75% of their patients using this method. This is in direct contrast to results from our patient survey with only 34.9% of patients choosing phone as their preferred method compared to 52.2% for online bookings.

Booking numbers on the rise

According to our results, 2019 has been a good year for most of the dental practices in terms of booking numbers. More than half of them (55%) have seen an increase in booking numbers in 2019 compared to 2018, and 21% have remained roughly the same. Only 2% stated that they have not seen an increase in bookings, and the rest mentioned that they are unsure whether their bookings have increased, remained the same or decreased during this time. Having an online booking system could easily solve this type of uncertainty by offering practices an easy way to digitally track their bookings.

What role does technology play in their practice?

The role played by digital technology in dental practices across Australia looks promising. 47% of the respondents are of the opinion that the quality of care they've been able to provide to their patients has significantly improved due to the use of digital technology. Nearly 48% say the quality of care has somewhat improved, while the rest are divided between showing no improvement, and not being entirely sure whether there was any improvement.

There were, however, certain barriers experienced by the respondents to adopting new digital practice management and/or marketing technology in their practices. 48% of the respondents say the main concern is funding and implementation costs. This was followed by 24% saying they are struggling with integrating with IT systems within their practices. To a lesser extent, there are some who mentioned that they experience issues surrounding patient confidentiality and privacy, difficulties in integrating with current processes or procedures at their practices, and hesitation of staff to accept changes.

How do they market their practice?

There seems to have been a shift in the way dental practices market themselves with digital marketing channels overtaking traditional methods. The biggest marketing tool for the practices that took part in this survey is social media with more than 70% relying on this tool to grow their practice. This is followed by online directories (60%) and Google Ads (58%). To a lesser extent, many of these practices still rely on traditional marketing, like letter drops (38%) and newspaper or magazine ads (34%). 15% of the respondents make use of all the methods mentioned in this paragraph.

Some other methods pointed out by respondents include word-of-mouth, cinema advertising, networking groups, preferred provider and Google reviews.

47% of the practices manage their own marketing, while 15% have outsourced it to specialist companies.

38%

are doing a **combination of both.**



58%

of practices **could not put a figure**
on their marketing efforts

How much do practices spend on their marketing?

On average, most dental practices (1 in 3) spend between \$2,000 and \$5,000 per month on marketing. A small percentage of practices spend \$5,000 or more, with an even smaller percentage spending over \$10,000 per month on their marketing. A large number of the respondents (58%) could not put a figure on their marketing efforts which is a must when it comes to calculating practice profitability.

Patients of dental practices

What's important to patients?

To understand the thinking patterns and behaviour of dental patients in Australia, one has to first understand what is important to them. According to author Carolyn S. Dean in her book *Fully Booked!*, getting to know your patients is critical.

According to studies, the most important factors for dental patients are:

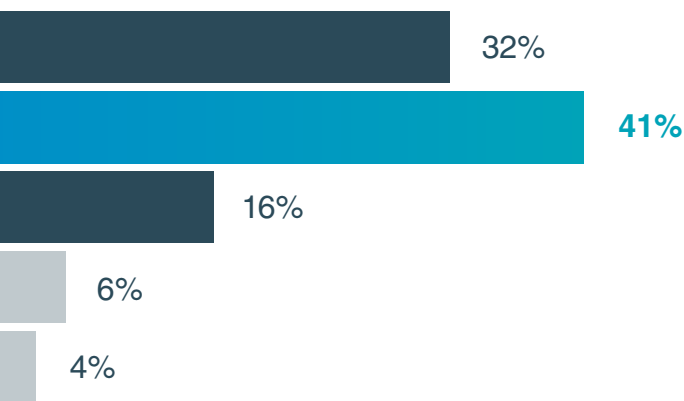
- ✓ **Pricing** – What does the treatment or appointment cost?
- ✓ **Responsiveness** – How easy or difficult is it to get an appointment?
- ✓ **Patient comfort** – Does the patient experience any anxiety or pain during a treatment?
- ✓ **Perceived professionalism** – Is the patient adequately informed about treatments?
- ✓ **Practice ambience** – What impact does the physical characteristics of the practice have on the patient? (Décor, equipment, uniforms, marketing material, etc.)¹

In our study, it has been found that affordability is the most important aspect when making a booking.

This is followed by the location of the practice, the option to book online, reviews of previous and current patients, and whether the dental practitioner is well-qualified, trusted and compassionate.

The data from our recent survey in which nearly a thousand Australian dental patients took part, highlighted certain interesting facts regarding dental patient behaviour. They are outlined below:

SATISFIED WITH DENTAL SERVICES



Overall dental health and satisfaction with dental services

32% feel extremely satisfied with their dental services and access to care, while 41% say they are satisfied. 16% feel quite neutral about the situation, and 6% are dissatisfied. The remaining 4% are extremely dissatisfied.

Another 41% describe their current overall dental health as “good”, with 31% saying it’s “under control”. 17% claim their dental health is excellent, 9% say it’s really bad.

ONLINE IS THE PREFERRED BOOKING METHOD



Preferred practices and booking methods

Dental patients are loyal patients with over 77% of the nearly 1,000 patients saying they have a preferred, regular dental practice. Booking online is the preferred booking method with 52.2% compared to only 34.9% who prefer to book over the phone.

Booking and spending behaviour

According to our survey, the main reason for patient bookings was for general check-up and teeth cleaning (64%), however 25% booked a dental appointment to have emergency treatment. Surprisingly, findings from our 2018 HealthEngine booking data has revealed that roughly 50% of dental bookings on HealthEngine were for emergencies.

The largest number of patient respondents in this study are relatively low spenders when it comes to dentistry. More than half of the respondents had an annual spend of just \$500 or less in the past twelve months, while 28% said they spent between \$500 and \$1,500. The rest of the respondents—altogether 16%—had dental bills of above \$1,500.

Do patients trust online booking systems?

Patients are mostly confident about using online booking systems in the dental industry. 92% say they have absolutely no difficulties using online booking platforms, while 2% claim it's difficult to use, and another 3% say they don't trust online platforms due to privacy concerns.

According to the survey, 42% of patients say they are confident in the security of their personal information, while 32% find it hard to say whether they are confident or not that their information is secure. 17% are extremely confident, and 7% are wary of the use of digital technology in the dental industry.



roughly

50%

of dental bookings on HealthEngine in 2018 were for emergencies.

What do patients want from digital health?

Through developing a National Digital Health Strategy in Australia, the Australian Digital Health Agency spoke with healthcare users to find out what patients want from digital health—and healthcare in general.⁵

Four key themes were identified:

1. Patients want to feel empowered. To take control of decisions regarding their health, and to have access to their own personal health records. They want digital services to improve their access to healthcare, with increased convenience.

2. More efficient and wide use of patients' healthcare information. Australians are tired of sharing their full medical history every time they consult with a new healthcare provider. Patients believe that digital technology can and should facilitate this information being captured once and shared among all their healthcare providers. This drives the importance for clinicians and healthcare providers to have trust and confidence in the accuracy and completeness of their patients' information.

3. High hopes for a better overall healthcare experience through the use of technology. Patients have an expectation that innovative digital technologies will continue to improve their experience with the health system, as they have in many other industries. 69% of respondents said they want to access their personal health information through their laptop or desktop computer.

4. Healthcare consumers want to know that their health information is protected. Australians expect strong safeguards to ensure their health information is safe and secure and that their data is used only when necessary and when they choose.





Patient experience

Dentistry has changed dramatically over the last 10 years. Perception Agency founder and dental practice owner Kaine Harling writes that patient expectations are a lot different today. In the past, most new patients to a practice came through word-of-mouth. But today there's a greater demand for a much more informed and personalised process, therefore every step of the patient experience has become even more important.

The patient's needs come first

This is a fundamental business principal that should be heard by dental practitioners: the patient is always right (within reason, of course). Carolyn S. Dean writes in her book *Fully Booked!* that in today's highly competitive arena, it is imperative that practitioners start listening to and understanding their existing and potential patients. For the practice to survive and thrive, the patients have to come first. The business needs to adapt to account for patients' needs, wants and fears. This includes the need for more sophisticated and trusted online booking and healthcare systems, as seen earlier in the stats. Keep lines of communication open and honest between dental practice staff and patients.

Why should patients be kept happy?

Improving patient experience has an inherent value to patients and families and is therefore an important outcome in its own right, according to an article by the Agency for Healthcare Research and Quality. Good patient experience is also associated with important clinical processes and outcomes. For example: at both the practice and individual provider levels, good patient experience means good care processes for both prevention and disease management. Think about people suffering from diabetes. They demonstrate greater self-management skills and quality of life when they report positive interactions with their providers. Patients with better care experiences often have better health outcomes.⁷

Keeping your existing patients happy is just as important — or maybe even more — than acquiring new ones. Carolyn S. Dean, author of *Fully Booked!* writes online that, in the dental industry, it's far easier to sell to existing patients than to new prospects.

A 2% increase in patient retention **has the same effect** as decreasing costs by 10%.

Some stats on the value of existing patient reactivation versus new patient acquisition include:

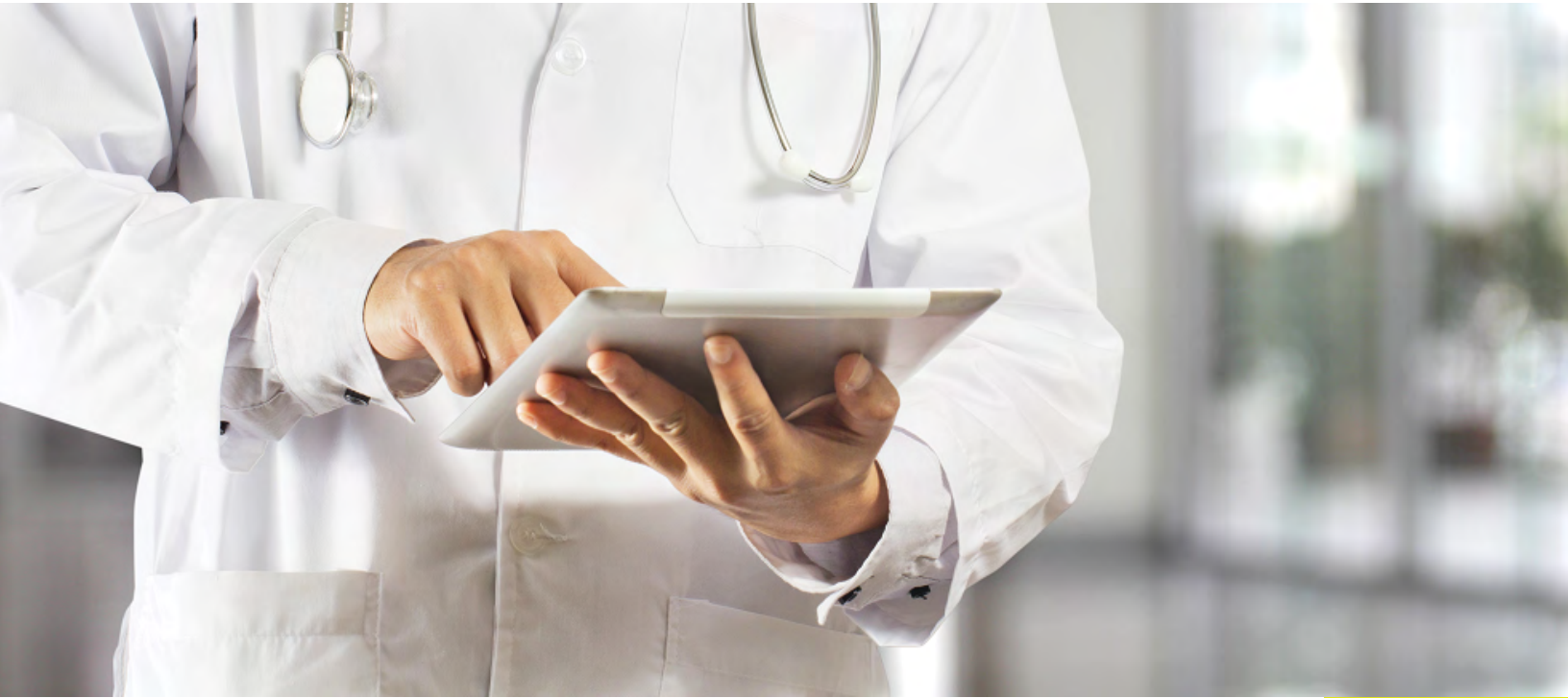
- ✓ The probability of selling to an existing patient is **60 to 70%**, while the probability of selling to a new prospect is 5 to 20%.
- ✓ A **2% increase in patient retention** has the same effect as decreasing costs by 10%.
- ✓ A 5% reduction in the patient defection rate can increase profits by **5 to 95%**.⁸

The way forward: digital health

The George Institute for Global Health compiled a Health Policy Report in 2018, outlining behaviours of healthcare users in Australia in a digital sphere. Firstly, the report emphasised the importance for users to know what digital health is. Digital health literacy is the ability to seek, find, understand and appraise health information from electronic sources, and apply the knowledge gained to address or solve a health problem. It encompasses user, healthcare and task-oriented dimensions. Strategies to increase awareness of digital health technologies alone are insufficient in increasing adoption. The report mentions that more intensive efforts are needed to

understand and overcome digital health literacy gaps for particular population groups, particularly those from culturally and linguistically diverse communities.

Naturally, ensuring a high level of digital health literacy among health professionals and healthcare organisations is fundamental to the success of digital health initiatives. While pockets of digital innovation exist throughout Australian health services, many healthcare organisations require a significant cultural shift to accept and embrace digital technology.⁶



The way forward: digital health (Continued)

To get insight into what patients want from digital technology incorporated in their practice, practitioners can begin by looking at the current state of patient satisfaction in their practices. To collect patient feedback, physicians and their team members can offer patient-satisfaction surveys and questions regarding the use of digital technology. This creates an opportunity for patients to share their feedback anonymously and can be used to make necessary changes, writes Sara Berg, Senior News Writer for the American Medical Association.⁹

Another option is to get members of your team to have brief, casual conversations with patients during their visit. Staff can ask patients about their visit, whether they have any feedback for the physician or what their thoughts are on the integration of digital technology. These questions can be asked on the walk from the exam room, at reception or at any point that a team member interacts with a patient after their visit.

A digital system that works

Perception Agency founder and dental practice owner Kaine Harling, who integrates [HealthEngine](#) with practices he works with, says “one of the things that really drew me to [HealthEngine](#) was not only the ease of usability but also the comfort of security and privacy. It gives assurity to both practices and patients. The true value of HealthEngine lies in their existing and expansive patient network, along with their ability to help promote your practice online. Being able to integrate their own network directly to your PMS appointment book, means that your outreach to prospective patients is far greater than just linking your available appointments to your website.”

He writes that both the overall patient and practice process is very streamlined, making it simple and easy to implement into practices that are looking to offer online bookings and increase new patient numbers. HealthEngine also has an effective process to ensure patient bookings are as legitimate and authentic as possible.



The true value of HealthEngine lies in their existing and expansive patient network, along with their ability to help promote your practice online.



Key takeaway

The facts are clear. Dental practitioners are increasingly in competition with one another. Their overall reduction in general dental practitioners' fees supports this statement. The importance for dental practitioners to adopt digital technology in their practices is rising. Patients are keen to use online booking systems—it contributes to the notion of taking their healthcare into their own hands.

Dental patients are loyal patients with over 77% of the nearly 1,000 patients saying they have a preferred, regular dental practice. Booking online is the preferred booking method with 52.2% compared to only 34.9% who prefer to book over the phone.

HealthEngine for dental

Over the last 2 years, we've worked tirelessly to build a powerful network for dentists. We've continued to invest in growing the number of patients on the HealthEngine Network, creating more value for our dental customers in the process. In just the last 12 months HealthEngine has seen:

- **63% rise** in the total number of dental bookings
- **40% increase** in the number of new patient bookings per dental practice

But what does this mean for dental practices?

For the average dental practice on HealthEngine, this means the delivery of **6 new patients** per month*.

A powerful marketing channel for dentists

More than just an online bookings provider, HealthEngine is a high-impact, low-cost marketing channel that can be used in replacement of, or alongside, your current provider.

Patient Connect

Patient Connect gives you the ability to connect with the millions of patients who've chosen HealthEngine to help them find, connect, and engage with their preferred providers and practices. For practices, it lets them fill their books by leveraging the 63% rise in the total number of dental bookings and massive 40% increase in the number of new patient bookings per dental practice.



For the average dental practice on HealthEngine, this means the delivery of 6 new patients per month*—a strong return on investment especially when you consider the lifetime value of a patient. When paired with an online booking system, Patient Connect gives your practice an effective and essential end-to-end solution for patient acquisition, management and retention.

**Based on the average number of new patients delivered to dental practices on HealthEngine over the previous 6 months.*



Sources

1. Fully Booked! Dental Marketing Secrets for a Full Appointment Book. Carolyn S. Dean. | 2. <https://www.esafety.gov.au/sites/default/files/2019-08/Understanding-digital-behaviours-older-Australians-summary-report-2018.pdf> | 3. <https://www.ahrq.gov/cahps/about-cahps/index.html> | 4. <https://practices.healthengine.com.au/blog/dental-practice-marketing/> | 5. <https://conversation.digitalhealth.gov.au/what-does-australia-want-digital-health> | 6. <https://www.georgeinstitute.org.au/sites/default/files/documents/going-digital-report-june-2018.pdf> | 7. <https://www.ahrq.gov/cahps/quality-improvement/improvement-guide/2-why-improve/index.html> | 8. <https://mydentalmarketing.com.au/solve-dental-patient-retention-worries> | 9. <https://www.ama-assn.org/delivering-care/patient-support-advocacy/6-steps-improve-patients-experience-your-organization> | 10. https://www.accenture.com/_acnmedia/PDF-46/Accenture-Health-Australia-Consumer-Survey-Cyber-Security.pdf#zoom=50 | 11. <https://www.dentalboard.gov.au/About-the-Board/Statistics.aspx>



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