



How to increase demand for **medical devices** in today's changing and challenging market

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How to increase demand for **medical devices** in today's changing and challenging market.

By Kathleen Malaspina and Tom Searce

For medical device marketers (MDMs), 2009 was a year of profound and challenging shifts in market dynamics.

The legislative front saw a protracted and inconclusive healthcare reform debate in Congress and renewed downward pressure on Medicare reimbursement rates. On the buy side, large acute care (AC) organizations continued to consolidate purchasing power that was previously the province of primary care (PC) organizations. Due to increased workloads, changing media consumption habits and other new factors, it is harder than ever to engage this smaller pool of decision makers in real-time sales conversations. Accordingly, so much of what we think we know as marketers needs to be re-examined as we acclimate to the new realities of the market.

This paper blends timely industry-specific insights with thoroughly modern and adaptive strategies that can be used effectively to help medical device marketers increase demand for their products and streamline access to potential buyers.

Today there are fewer decision makers, and those who remain are more difficult to reach.

Let's look at what our recent series of interviews with MDM executives reveals about what **Buyers are thinking and doing today:**

- **The market for medical devices is shifting toward Acute Care**, as more AC organizations are buying up PC groups.
- **Acute Care organizations have become less likely to do business with anyone with whom they don't have a well-established relationship.** In practice, this means incumbents often tend to be at or near the top of preferred vendor lists.

- **Everyone is trying to do more, with less.** That means they're much less likely to make time to attend trade shows, read mailed solicitations, or even take a call from a salesperson.
- **Most people are less concerned about the latest medical technology than they are in simply keeping their jobs.** To the extent they're listening to any "pitches," they're most interested in ideas they perceive as clearly (and immediately) beneficial to their companies – ideas that help their businesses add value and increase their chances of survival and success.

Over the past year, Kathleen Malaspina
has interviewed dozens of MDM executives.
In a word, they're *frustrated*.

Here are some of the more common sentiments expressed about the challenges of creating, developing and running an effective demand generation program:

- **What used to work isn't working anymore** – at least not as well. Buyers simply aren't responding to traditional marketing strategies. Conversion rates are down.
- **Traditional marketing techniques are still employed, despite their demonstrated loss of effectiveness.** Marketers cite a lack of useful data, an uncoordinated sales force and the absence of well-developed Customer Relationship Marketing programs. Old habits die hard, however, so many marketers continue to resort to "old school" incentive-driven and product-centric promotions, hoping for the market to respond as it once did.
- **Everyone seems curious – but suspicious – of new marketing tactics.** They're worried that what may work in other industries won't work in healthcare. Many interpret "new marketing" as a wholesale investment in online advertising, and they're unconvinced that buyers are responsive to that medium.

*"The goal is not to get the buyer into your sales process.
The goal is to get into your prospect's buying process."*

Tom Scearce

In response to the information they gathered and evaluated, Tom and Kathleen have developed three carefully considered ideas on how marketers can move forward, and how these ideas can pay off.

IDEA 1

Sponsor a comprehensive research study and resulting white paper on a topic your buyers care about. Engage them as participants in the study, and offer to share the results with them as a benefit of participation. Be certain to retain a trusted independent research firm for the project. This will better legitimize your efforts. Plus, a good firm will help you find more ways to re-purpose and capitalize on the results.

The advantages of using IDEA 1

You stop *selling*, and start *helping*. By bringing your buyers timely and useful research and insights, you show that you are listening and concerned about their survival and success. Don't worry about making the sale on the first engagement. Become part of the conversation and be perceived as part of the solution. The goal is not to get the buyer into your sales process. The goal is to get into your prospect's buying process.

IDEA 2

Go opt-in, multi-touch and multi-channel with your marketing. Instead of call-blitzing a target list, start by publishing content that your specific buyer needs, distributing that content through e-mail and targeted web properties, and using the responses from that campaign to build a list of people who download that content. Then conduct a phone, e-mail, and web follow-up campaign to convert this "opt-in" list to sales-ready leads. The challenges marketers report with telemarketing don't mean that telemarketing no longer has a place in the marketing mix. It just means that businesses can no longer rely solely on the phone to engage a buyer who increasingly uses e-mail and the Internet to communicate.

The advantages of using Idea 2

By adopting multi-channel, multi-touch tactics, you learn exactly how buyers get their information. In addition, you have more opportunities to measure response, and in-turn learn the optimal mix of channels and/or content in driving leads and sales.

IDEA 3

Find out where your product is being discussed, and advertise there in a low-risk way. There was a funny [cars.com commercial](#) a few years ago where a wife tells her husband that no one is ever going to buy his lime-green hatchback. The next scene cuts to a lime-green clad man in a lime-green adorned apartment who, upon seeing the online ad for the hatchback, is immediately compelled to enquire about it. The point of the ad is that the Internet allows niche buyers find

niche products with minimal friction. Of course, a medical device to be used in a clinical setting is a more considered (and collaborative) purchase decision than buying a lime-green hatchback. But the essential premise is still valid – that niche product marketers can find hard-to-reach buyers using the Internet, *if they take a smart approach to targeting*.

But how do you find out where your version of the lime-green-hatchback-buyer is hanging out? Start by testing a Google AdSense campaign.

Google AdSense ads are not the paid or organic results that come from a search engine query. They are the “sidebar” ads that appear on web pages where the main article or discussion contains keywords that have caused that specific ad to appear. This creates an opportunity for MDMs because the language that is used to describe, say, portable ultrasound equipment, is very specific. This means that AdSense ads running next to articles about cardiac monitoring devices will be well-targeted to the reader of that article.

The advantages of using Idea 3

Google AdSense provides a directly attributable and measurable method of determining effectiveness, as you can instantly track the number of exposures (page views) and interactions (“click throughs” to your web site). Less measurable, but certainly beneficial, is the positive branding that results in having your company/product appear alongside relevant content.

AdSense can be used as a cost-per-click advertising platform, and click-through rates on AdSense ads are usually well below 1%. This means that 99.5% of the time, you’re getting free branding, and .5% of the time, you’re paying for a very well-targeted click. Also, Google AdSense is controllable, and it doesn’t require a lot of effort to get started.

Some simple cost of acquisition math is recommended upfront to help you gauge the success of your effort. For example, if you know that you need to sell 10 units of X to make a \$10,000 investment in AdSense pay for itself, you simply need to build a closed loop test of that investment. Ask your web team to help you with this, or bring in outside help if needed.

Conclusion

Today’s buyers are deluged with information but lack insights to help them make better decisions. In healthcare markets, the requirement for reliable, clinically relevant information raises the bar for MDMs. We recommend that MDMs invest in programs that help buyers obtain the knowledge needed to make good decisions. That way, you build trust in your brand and gain permission to enter the purchase process as a partner, instead of as a vendor.