



zimmer



OUT OF THE BOX

The formerly sleepy business of marketing devices and diagnostics is getting much savvier amid technological innovations, empowered patients and an ever-more complicated healthcare system, reports **Matthew Arnold**

Zimmer's Ayaz Malik, director, global marketing communications

becular Metal depicted bone and metal extending hands to one another under the words “Give bone a hold.”

“A lot of the device industry has used what I would call tribal knowledge, or institutional knowledge,” says Malik. “Over 25 years, we’ve formed beliefs and opinions about what we think the surgeon wants to hear from us. We actually went out and reviewed our concepts and ideas with surgeons and did informal research with reps to understand what’s compelling, what’s credible, what’s memorable, and that really borrows from the pharma model. We’re not inventing anything. We’re just applying classic principles of advertising and marketing that frankly our industry didn’t have to do in the past, but communications challenges are changing rapidly.”

Zimmer was, at the time, like all its peers apart from Stryker, operating under an 18-month deferred prosecution agreement (part of the settlement of an anti-kickback case against five orthopedics firms prosecuted by then-US Attorney Chris Christie of New Jersey). The company had pulled back sharply on promotion as a result, and part of the import of the efforts was to trumpet their corporate brand and motivate the sales force by generating excitement about their products. For device companies, corporate advertising makes a lot more sense than it does for pharmas, where the focus is on building brands for individual products. Covidien, the \$10 billion company formerly known as Tyco Healthcare, was spun off from its scandalized parent as an independent public company in 2007 and is now cementing its new corporate identity.

“By spinning ourselves off, we started off as a new entity,” says Cynthia Ward, VP corporate marketing at Covidien. “That gives us a chance to brand a company built by acquisition.”

The company, says Ward, had cobbled together a host of strong surgical device brands, “but there was nothing to tie them together.” Global packaging launches in February, and corporate advertising, with the tagline “Positive results for life,” is being refreshed. “It’s important that the clinician understands what’s the value offering of the company,” says Ward.



For GE Monitoring Solutions and other device makers that sell to hospitals, IT is increasingly in the driver’s seat and marketing is the linchpin of a vital feedback loop keeping manufacturers on top of customer needs. The company has built features into its systems anticipating the need for more data mobility



Medtronic launched its “Innovating for life” journal ad campaign in January. “Because a lot of our physicians only know us in the specialty they’re in, one of the goals of this campaign is to broaden their awareness and help them understand the breadth and depth of our portfolio,” says Tammy Johnson, senior director and head of global brand at Medtronic.

In the device world, marketing can also facilitate a vital feedback loop between manufacturers and hospitals that allows for leaps in design.

“In the last five years, the role of marketing has really increased in importance, and driving that is that our customers are facing more restraints, so understanding what they need has become much more important,” says Derek Wagner, CMO, GE Monitoring Solutions, which has built features into its systems anticipating the need for data mobility, backward compatibility and fast training to help

Top 10 device & diagnostics areas, by 2009 US sales, and biggest companies within each

Rank	Therapeutic area	US sales dollars (billions)	% change vs. prior year	Top 3 companies by market share*
1	Cardiac Rhythm Management Devices	\$6.8	5%	Boston Scientific, Medtronic, St. Jude Medical
2	Large-Joint Reconstructive Implants	\$6.7	5%	Depuy, Stryker, Zimmer
3	Diagnostic Imaging Systems	\$5.3	1%	GE Healthcare, Philips Healthcare, Siemens Healthcare
4	Spinal Implants	\$4.4	6%	DePuy Spine, Medtronic, Synthes Spine
5	Interventional Cardiology Devices	\$3.2	5%	Boston Scientific, Cordis, Medtronic
6	Laparoscopic Devices	\$2.7	2%	Allergan, Covidien, Ethicon Endo-Surgery
7	Trauma Devices	\$2.7	9%	Smith & Nephew, Stryker, Synthes
8	Infusion Pumps	\$2.5	10%	Cardinal Health, Hospira, Medtronic
9	Peripheral Vascular Devices	\$2.3	8%	Cook Medical, Cordis, W.L. Gore
10	Urology Devices	\$2.2	12%	American Medical Systems, Boston Scientific, C. R. Bard

*Firms listed in alphabetical order
Source: Millennium Research Group

Top 10 device & diagnostics firms by media spend, 2009

Rank	Parent Company	Subsidiary	US media spend dollars (thousands)*	Media spend % change vs. prior year
1	Allergan Inc.	Allergan Inc.	\$140,225.00	46%
2	General Electric Co.	GE Healthcare	\$22,818.57	-31%
3	Johnson & Johnson	Ethicon Endo-Surgery Inc.	\$16,392.10	6%
4	Johnson & Johnson	DePuy Orthopaedics Inc.	\$3,307.30	-86%
5	WL Gore & Assoc. Inc.	WL Gore & Assoc. Inc.	\$3,144.34	-32%
6	Medtronic Inc.	Medtronic Inc.	\$2,534.13	129%
7	Covidien Plc.	Covidien Plc.	\$2,212.49	21%
8	Stryker Corp.	Stryker Corp.	\$547.37	-61%
9	Boston Scientific Corp.	Boston Scientific Corp.	\$402.41	-6%
10	Cardinal Health Inc.	Cardinal Health Inc.	\$159.92	-70%

*DTC/professional combined
Source: The Nielsen Company

accommodate nursing shortages, based on customer input. “We also have more stakeholders,” says Wagner, noting that chief information officers and IT departments are now calling the shots on the technology his division provides.

DTC: still a novelty for devices, diagnostics

Until recently, device and diagnostics makers didn’t advertise to consumers at all. Some early efforts—like Myriad Genetics’ BRAC Analysis ads or Cordis’ “Life Wide Open” campaign for its Cypher stent, both from 2007—have drawn flak. *The New England Journal of Medicine* responded to the Cypher ads with a May 22, 2008, editorial titled “DTCA for PTCA—Crossing the Line in Consumer Health Education?”

Cypher, the *NEJM* noted, was “being promoted to millions of people who are ill-equipped to make judgments about the many clinically relevant but subtle and complex therapeutic issues that even specialists continue to debate.”

“It seems almost unimaginable that a patient would challenge an interventional cardiologist’s judgment about the use of a particular stent or that a cardiologist would accede to a patient’s request for a particular stent on the basis of the information gleaned from a television ad,” scoffed the authors. “Indeed, the notion that television viewers, inspired by such an ad, would go to their physicians and request not only a stent but a specific brand and model of stent is frightening, if not utterly absurd.”

True, perhaps, for stents, and certainly for MRI machines, but not hips and knees or a number of other categories.

“I work in infusion pumps,” says Baxter’s Nelson Patterson, senior director, marketing for global infusion systems, “and patients don’t go in and say, ‘I want X,’ but I could see a day when people might say [to the surgeon], ‘I chose you because of X.’” As consumers are asked to bear more of the cost of their treatment, says Patterson, they’re showing up to doctor appointments having done their homework.

The editorial’s authors need not have worried too much about the Cypher TV campaign, which wound down shortly thereafter, amidst category-wide worries about the safety and efficacy of drug-eluting stents. Stent makers pulled back as a group and refocused on their outreach to professionals amid a chorus of “What were they thinking?” pieces in the medical trades and blogs.

For other categories, however, advertising to consumers might make more sense.

“Personalized medicine will rapidly change outreach for those manufacturers,” says Steve Coldiron, principal and creative director at Bay Area ad agency Jocoto, which has several diagnostics clients considering DTC campaigns. “That’s become a big topic and will be more so thanks to the Human Genome Project. I think diagnostics companies will get patients walking in and saying ‘I want that test.’ That’s the missing link.”

Devices are another story, says Coldiron, “because you’re selling a product that the end user is, in most cases, completely unaware of. It’s obviously more expensive than advertising to a clinician audience, which can be reached much more efficiently, so there needs to be a clear path.” ■



Medtronic’s “Innovating for life” journal ad campaign, launched in January, sought to broaden awareness of the device company