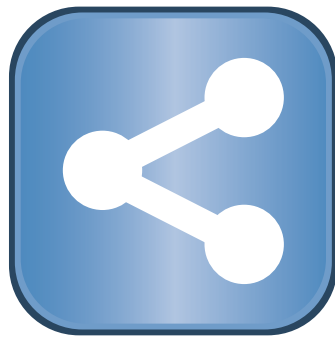


Social Marketing and the Medical Device Industry



Introduction

Social media venues, such as Facebook, Twitter, YouTube, blogs, and microblogs to name a few, have experienced exponential growth, as a means for sharing and discussing ideas, information, and trends. One need only visit any number of consumer sites to see the familiar icons indicating that the host is now a member of the social media world.

Businesses that market goods and services to other businesses have lagged businesses that target consumers. The medical device industry has a history of lagging even other business-to-business concerns when it comes to adopting new technologies. This measured approach may result from a number of factors, not the least of which is the regulatory constraints under which the medical device industry operates.



Objective

Our primary objective was to learn whether and how medical device companies are using social media to communicate with prospects and customers, and the effect that FDA regulation or the lack thereof, is having on these activities.

Methodology

We developed an online survey to learn more about what types of medical device companies are using social media, how they're using it, what they hope to accomplish, and how they will measure success. We partnered with medical device trade associations and on-line social communities to distribute the survey and solicit participation. Then, we conducted qualitative interviews with a subset of respondents to learn more about how their companies were using social media. This subset encompassed individuals working for an FDA-regulated concern that are using social media as a company.

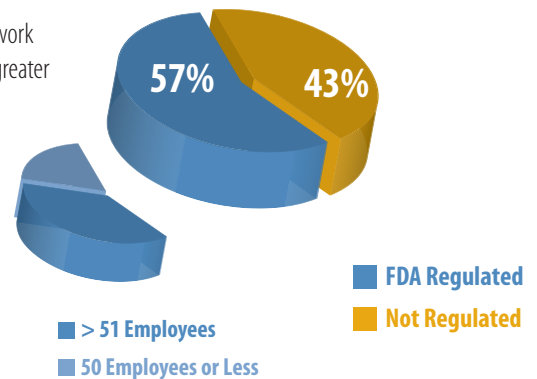
Sample

The sample was self-selected in that members of the groups that participated in the survey could opt whether or not to participate. The trade associations we partnered with are in California, Massachusetts, and Minnesota. We focused on these three areas due to the heavy representation of medical device companies within these geographies. Most of the social communities were sponsored by LinkedIn and focus on the medical device industry. A couple of the groups are associated with the partner trade associations. We specifically excluded pharmaceutical concerns, as this segment, unlike the medical device industry, has traditionally been more aggressive in directly pursuing consumers.

There were 251 people who participated in the survey. Fifty-seven percent of the total respondents work for regulated medical device companies and of the regulated group, 67% work for companies with greater than 51 employees.

The individual participants worked in a number of functions. Our report, however, focused on those whose jobs included communications with customers or prospects. Of these, only 11% work for companies that include social media in the marketing mix.

We conducted follow-up interviews with five survey respondents, all of whom work for FDA-regulated companies and use social media to communicate with customers and prospects.

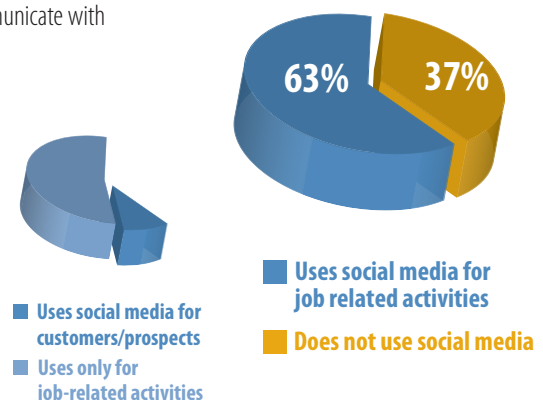


Findings from the Quantitative Research

Our analysis focused on respondents who work for FDA-regulated companies. Of these, 63% use social media for job-related activities, and only a subset, (16%), use social media to communicate with customers and prospects.

Of the FDA-regulated companies that use social media to communicate with customers and prospects, most have been using social media for less than six months. They are still in the early stages and are testing multiple social media venues.

In most of these companies, the Marketing Department initiates these communications. Only one company, among the 18 that use social media to communicate with customers or prospects, indicated that they have been able to quantify success. Nevertheless, all plan to continue funding at current levels or increase the funding for their social media programs.



Findings from the Qualitative Research

The responses to the follow-up questions were relatively consistent with the quantitative findings. Everyone we interviewed had started using social media relatively recently and most were careful to limit posts to content previously approved for press releases, website, and/or print communications.

All the respondents we interviewed said that Marketing had initiated the company's foray into social media. In one case, the company learned from its customer advisory council that their customers were active users of social media and this company wanted to participate in their customers' conversations. In another case, the company's agency recommended that they begin participating in social media. In the remaining cases, the companies began experimenting with social media because their competition was already actively involved. Most engaged the services of an agency to jumpstart the process.

Most of the respondents researched the market and the competition before jumping into social media. A couple reported the differences in participation levels they are seeing between consumers and clinicians, and more interesting that there are participation differences among clinicians in different roles or medical specialties. At least, one company also established social media guidelines.

The respondents told us they were listening as well as posting. The listening tools they use run the gamut from Google Alerts to one company's decision to pay an agency to listen in their stead.

It was our sense, however, that the listening and the posting were somewhat independent, and not necessarily social conversations per se. That is, companies listened to learn what was important to their prospects and to determine where to post. Nevertheless, because they limited their posts to pre-approved content, outgoing communications were not necessarily in direct response to what others were saying.

"FDA restrictions were not the major concern about jumping into the social media arena."

As for measurement, most expressed the desire to do so, but didn't believe they had a definitive approach. One pointed to retweets and the opportunity to discover, and congratulate a customer about a recent award as early indications of success. Perhaps due to their short social media tenure, and the restrictions they face as a regulated industry, most had relatively few followers.

Perhaps surprising, except in the case of one respondent, FDA restrictions were not the major concern about jumping into the social media arena. It was our impression that these marketers had accepted the fact that medical devices are a regulated industry with a given set of constraints.

Instead, the respondents appeared more concerned about resource limitations. None had a dedicated social media resource, although several commented that their competitors did. One didn't even have time to do much listening on a consistent basis.

Conclusions

The medical device companies that we interviewed are in the early stages of social media participation. Most are optimistic that social media will accelerate their marketing efforts, but few have enough data to measure success. Nevertheless, they feel they must participate to learn or risk being left behind. That said, medical device companies are likely to lag the competition, at least until the FDA clarifies the regulations governing the use of social media. However, medical device companies choosing to engage in communication via social media sites should recognize that, despite the lack of detailed regulatory guidance or clarification, FDA is paying attention to what is posted by companies and their customers.

"I know from recent communications with the FDA that they are monitoring social media sites."

As one participant commented "I am very concerned about information that is posted about my company's products within social media sites such as recommendations exchanged between users promoting off-label use. In addition, I know from recent communications with the FDA that they are monitoring social media sites for issues with products and using that information during inspections to delve deeper into a company's regulatory compliance."

About Us

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Barbara Bix, Principal, is a seasoned business-to-business strategic marketing consultant specializing at the nexus of healthcare and technology. For the ten years immediately before founding BB Marketing Plus, Ms. Bix managed markets and products for EMC, Motorola, General Electric, and Wang.

Ms. Bix graduated The Wharton School with an MBA in Management Information and Control. She earned her Bachelors of Arts in Cognitive Psychology from the University of Pennsylvania. She has also completed post-graduate courses at the Harvard School of Public Health and Northeastern's State-of-the-Art Engineering program.

Ms. Bix has been quoted in the Wall Street Journal as an expert in social media marketing and speaks and writes articles on effective marketing strategies. Her articles have appeared in the Boston Business Journal, Mass High-Tech, Effective Clinical Practices, Health Care Review, Massachusetts Lawyers Weekly, Women's Business, and online on www.marketingprofs.com and www.raintoday.com.

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Robert J. DeSimone is an accomplished designer, writer, and producer with over 25 years experience in the medical device industry. He has worked with the top medical device companies, numerous venture backed start-ups, and all types in between. Whether it's a new product introduction, revitalizing a sagging brand or addressing a unique product education challenge, communications is MediComm's heart and medical devices are our lifeblood.

Prior to founding MediComm in 1992, Mr. DeSimone worked for multinational, Fortune 500, medical device company CR Bard, Inc. in their international and European business units as a writer, producer and marketing communications professional.

Mr. DeSimone graduated Emerson College with a Bachelor of Science degree in Mass Communication. He has also completed graduate courses at Fitchburg State College in Communications/Media Management. He continues his education by studying and designing for the new frontiers of web 2.0 and social marketing applications.