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BioMarketing Insight



Creating markets & marketing
strategies

Newsletter

September 15, 2016

Dear Regina,

Welcome to BioMarketing Insight's monthly newsletter.

We have a new mobile friendly newsletter. Love to receive your [feedback](#).

Last month I covered "Why is CAR-T Therapy a Hot Topic Today? Part 2." If you missed last month's article, click [here](#) to read it. This month's newsletter will cover, Five (5) Must-Dos That Create Success in the (Connected) Wearable Health Device Market.

Read on to learn more about this topic and other current news. The next newsletter will be published on October 15th.

We encourage you to share this newsletter with your colleagues by using the social media icons at the top, or by simply forwarding this newsletter or use the link at the bottom of this newsletter. Should you or your colleagues want to join my mailing list, click on the icon below or scan the QR code.

Please email [me](#), Regina Au, if you have questions, comments or suggestions.

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Developing a Product? Commercializing a Product?

If you are developing a product and have not conducted the business due diligence to determine commercial viability or success, contact [me](#) for an appointment. For successful commercial adoption of your product or looking to grow your business, contact [me](#) for an appointment.



For more information on our services, click on the links below:

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To Cloud Compute, or Not to Cloud Compute?

I am pleased to announce that my article "To Cloud Compute, or Not to Cloud Compute?" on the Pros and Cons of using Cloud Computing and Storage has been published in *Innovations in Pharmaceutical Technology (IPT) Journal*, July 2016, pages 32-35 © Samedan Ltd. To read an electronic version, click [here](#).



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14th Annual Tri - State Trek for amyotrophic lateral sclerosis (ALS)



The Tri-State Trek is a 3-day bike ride fund raising event for amyotrophic lateral sclerosis (ALS or Lou Gehrig's Disease) that took place June 24- 26, 2016. This event entailed a 270 mile bike ride through 3 states (MA, CT and NY), starting at Boston College and finishing in Greenwich, CT. There were 454 participants, about half of them riders and the other half crew members there to support the riders. Click [here](#) for my Tri-State Trek fundraising page.

This is my second year volunteering as a crew member. I am not an avid rider, so I decided to expand my support of this worthy cause and become a donor/fundraiser. I normally wouldn't post a fundraiser in this newsletter, but since we're all about life sciences here and I participated, I decided to go off-script and hope that you are not offended. If you believe in this cause and would like to donate (any amount is appreciated), please click on my fundraising page [here](#). This year's fundraiser goes until October 31st. I would like to thank you in advance for your donation. For more information on ALS, click [here](#).

Many scientist from academic institutions and pharma/biotech companies such as Sanofi-Aventis, Biogen and ALSTDI (nonprofit company raising money for research), have been doing research for a long time (14th annual Tri-State Trek) to develop a treatment/cure for ALS (Lou Gehrig's Disease), but as of this date, there is no long term treatment for ALS. The only drug on the market, Rilutek[®], increases the survival rate by only 2-3 months. This neuro-degenerative disease attacks certain cells in the brain and spinal cord needed to keep our muscles moving and affects mostly men. The average survival rate from the first symptom of ALS is 2 - 5 years.

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The Ascent of Precision Medicine

I am pleased to announce that I was interviewed to identify the trailblazers in personalize medicine for an article entitled "The Ascent of Precision Medicine" in PharmIQ. To read the article, click [here](#) to log in (free).

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Five (5) Must-Dos That Create Success in the (Connected) Wearable Health Device Market

It is projected that the demand for connected wearable devices or monitoring systems will grow from \$123 billion (2015) to \$612 billion globally in 2024, with 39% of the market share coming from North America, according to a new report by [Grand View Research](#). The demand for these devices is growing for four (4) main reasons:



- 1) Patient Engagement - Consumers want personalized healthcare plans;
- 2) Coordinated Care and Interoperability - Healthcare providers want access to patients' data to coordinate better care, account for inefficiencies within their own systems and transfer to and access information from EMRs seamlessly;
- 3) Wellness Programs - Insurance providers are trying to find methods that will keep the patient healthy, with incentives resulting in decreased healthcare expenditures for treatment of diseases. Wellness products account for 45% of the market share and growing;
- 4) Market Opportunity and Competition - Many significant market players (i.e. Philips Healthcare, Medtronic, McKesson, Fitbit) have entered the market and are capturing this significant opportunity globally.

This market is attractive for the following: 1) the market opportunity is enormous, 2) the market needs tools, such as an app for better coordinated care or wellness programs, and 3) the barriers to entry is relatively low, it

doesn't require much capital to start. There are literally 100 apps launched every month in the U.S. and the majority will not be successful, because they do not meet the criteria for the three reasons noted and there is serious competition from significant players who dominate the market. In order to succeed, one must meet all three criteria by meeting the needs of all stakeholders and build a better mousetrap than the competition.

In order to succeed, one has to do five (5) things that answer these questions:

1) Talk to patients and physicians before you start developing your device or technology?

While a lot of inventions are developed to solve someone's personal problem in a particular therapeutic area, a good starting point, your solution to the problem is only one opinion or data point. You need to talk to many patients and physicians to determine whether this problem is universal for majority of patients and physicians (market opportunity). This will also save you time and money in developing a solution for a problem that is not a universal problem.

2) Create a solution that is a "must-have," rather than merely a "nice to have"?

There are many problems in healthcare but the important question is, is this problem or pain point a minor pain or a critical point, where the patient is crying for the oxycontin or morphine? If the pain point requires oxycontin or morphine, then this is a "must-have" and the patient/physician is ready to buy your product. If it's a minor pain and they can live with it, or there's an acceptable therapy easily available, then yours is just a "nice to have" solution and it will be an uphill climb to convince the patient/physician to buy or use it. If you talk to patients and physicians early in the process, you will be able to determine which category pertains to your solution.

3) Provide a value proposition strong enough to achieve long term benefits?

One of the challenges with connected wearable or health devices is compliance in using the device; Make yours easy to use and include a strong enough incentives for the end user that promotes compliance over

the long-term, so that treatment goals will be achieved. If a device is not easy to use or uncomfortable, patients will not use it.

Even if the device is easy to use and comfortable, what incentives might persuade end users to wear the device on a long-term basis? There are many wellness devices and programs in the market that some patients may use in the beginning because it is new and they feel good about doing something to improve their health. But as the novelty wears off and there is no compelling short-term incentive to encourage them to hang in to receive the long-term benefits, they will abandon it.

We live in an instant gratification society and both short-term and long-term incentives must be in place, to encourage patient loyalty and promote product sales. The Fitbit provides an example. In the beginning, everyone wanted a Fitbit because it was novel and cool and people felt good about being able to track their steps. Some companies were promoting wellness by offering this device at a discount, to incentivize their employees to use it.

Today, I don't hear a lot of people talking about the Fitbit, other than fitness tech enthusiasts. Fitbit has done quite well with this demographic because they value product features (long-term incentives) that allow them to count the steps they take while walking or running, monitor their heart rate and sleep patterns, and track their exercise stats automatically (easy to use and personalized), with all the numbers synced to their cell phone and other devices with Caller ID + watch. An appealing variety of accessories to make the Fitbit more attractive or fashionable are also offered, so the fitness enthusiast will want to wear it 24/7 (short-term incentives). All of the above was developed as a result of customer feedback.

4) Is your solution cost-effective?

Whether you are marketing your product to patients directly or indirectly if it's a medical device that is prescribed by a physician and reimbursed by insurance, cost is always an issue.

The Fitbit is a good example of a direct-to-consumer wearable connected health device. The Fitbit is moderately priced, starting at \$80 for the basic wrist band tracker and go as high as \$250, depending on the number of features you want on the device, and for a fitness tech enthusiast, the product is well worth the investment. For the non-fitness tech enthusiasts,

there is a lower price point of \$60 for the basic pedometer, that may persuade this demographic to try it.

If the device/product is to be prescribed by the physician and reimbursed by insurance, then regulatory approval will probably be needed. On top of that, the device company will have demonstrate to insurance companies that the product will save the insurance companies money through significant positive outcomes. If the device can demonstrate overall cost savings and is medically effective, only then will reimburse for the device be granted.

5) Differentiate yourself to successfully compete with the big boys?

The fitness tracker market currently has three major players: 1) [Fitbit](#), with 70% of the market; Jawbone Up fitness tracker, with 19% of the market; and Nike's discontinued FuelBand, making up 97 percent of the fitness-tracker market worth [\\$330 million](#) in 2013 .

However, Samsung, Apple, LG, Motorola and Intel will enter the market along with carrier partners such as AT&T and Verizon. The question here is, can Fitbit maintain its dominance in the field? Only time will tell.

If you are considering entering the fitness market, there is a lot of competition with significant players. Can you offer and demonstrate significant short- and long-term benefits that will differentiate your product from the rest of the pack? Otherwise, it will be very difficult to compete in this market.

If you are evaluating whether to enter the wearable medical device market, which includes both diagnostic and therapeutic devices, there will likewise be formidable competition from significant players such as Medtronic, Philips, Boston Scientific and numerous smaller players. Can you demonstrate superior efficacy and cost saving to insurance companies that will differentiate your product from the rest of the pack, in order to obtain regulatory approval and insurance reimbursement? Can you raise the resources to make it happen?

If your answer is "yes" to all five questions, you may be able to successfully compete in this market.

If you answer is "no" to one of more of these questions, let's talk about the obstacles you face and how they might be overcome. Contact me at 781-

935-1462 and I can help you to be successful in the market.

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