

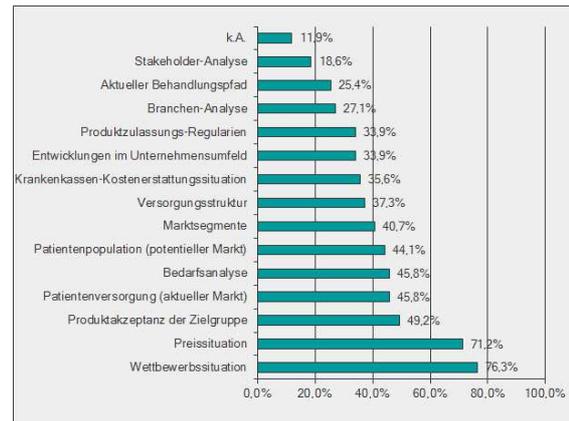
Great Potential for Improvements Remain in Strategic Marketing in German Medical Technology

Study: “Marketing of Innovative Medical Devices in Germany”

24 October 2016

Cologne-In the run-up to the launch of innovative products, manufacturers could obtain significantly more information on the market situation, options for reimbursement of costs, and marketing and sales strategies. This is one of the central conclusions drawn from the results of the “Marketing Monitor Medical Technology 2016” study. Question: Are there weaknesses in this area, and how can they be turned into potentials? Following on from 2011, 2012, and 2014, this study sheds light on the situation of strategic marketing of German medical technology companies for the fourth time. Initiators: Maria Klaas (Klaas consulting, Market Entry and Development), Monika Wisser (DREIFACH Agentur für Kommunikation), and Dr. Stefan Walzer (MARs Market Access & Pricing Strategy GmbH). Summary of the most important results:

In the thematic performance analysis of the questions on market observation, considerable focus was placed on the competitive situation (76.3 percent) and the pricing situation (71.2 percent). Despite becoming more important in recent years, this was followed by product acceptance in the target group(s), with a result of less than 50 percent. In addition to knowledge of current legal and business conditions, demand-oriented data, supported by the appropriate software tools, can shape strategic marketing in a much more effective and sustainable way.



Market Observation: What information is collected on the basis of market research?

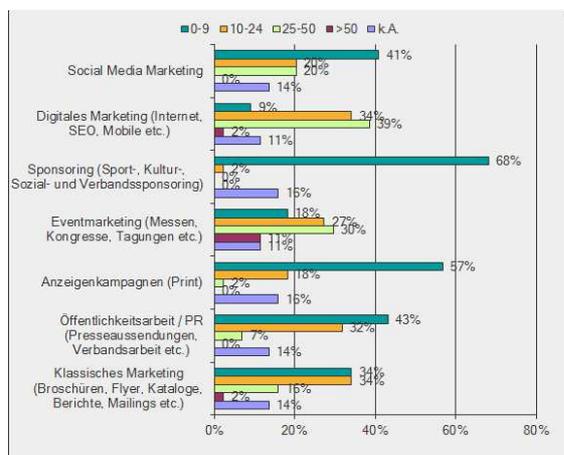
The assessment of the level of knowledge of the company’s own employees with regard to the process of health insurance reimbursement in Germany is in general unsatisfactory. Yet this aspect still has not adequately found its way into strategy developments. In contrast, in comparison to topics ranging from marketing and communication, to target groups, sales and product positioning, and pricing strategy, reimbursement still falls far behind—even though pricing and the related reimbursement negotiations are essential for the success of a product.



Strategy Development: "What decisions are made during the strategy meetings?"

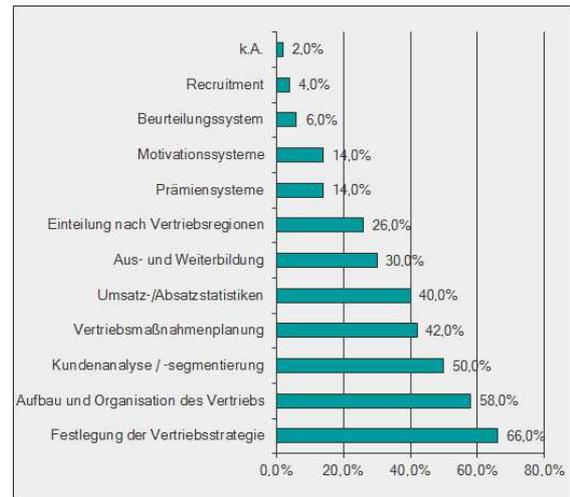
In communication activities, events and classic marketing activities remain the focus, but expenditure on advertising campaigns is

becoming less and less significant. Expenditure on digital communication has not increased to the same extent, but overpriced budgets are being examined more closely, and more innovative communication activities are being considered. For instance, companies with between 10 and 50 employees expect that in the next three years by far the largest increase in percentage of marketing budget will be in the area of social media, where it is expected that the current figure will more or less double, reaching approximately 20 percent.



How high do you estimate the proportion of the marketing budget for the following communication areas in 2019 (in%)?

In Germany, sales and marketing is falling under the responsibility mainly of in-house key account managers (48 percent) and sales representatives (64 percent). As a part of the sales control processes, the development of an efficient sales representative organisation moves to second place. Even though customer analysis, which entails the respective customer classifications, is still a very important factor, 42 percent of the surveyed companies do not have a call centre. Compared with the survey from 2014, satisfaction with the company's own sales control process has increased, but a quarter of the companies still believe there is room for improvement.



Sales management processes: What sales management processes are particularly important to you in your business? (Please select three answers)

The initiators of the study observed a transition, especially in the use of modern technology, which entails a realignment of the companies. These developments will be examined more closely in the fifth "Marketing Monitor Medical Technology" study (scheduled for 2018).

The full report can be downloaded free of charge at www.medtech-monitor.de [available in German only].

Parameter

List of questions: Company information

5 subject areas

37 questions

Soliciting: Canvassing of network partners, customer contacts

-Emailing MedTech contact database

Industry focus: MedTech manufacturers from Germany

Number of companies contacted: A total of 60 completed questionnaires
Approximately 1,200 directly contacted companies

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