

# Navigating the challenges of the consumer health universe

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Consumerhealth, the proliferation of products and services at the intersection of the medical sector and the consumer sector, holds astronomical promise. Fitness trackers. Dietary apps. Home blood pressure monitors. Telemedicine. You'd think that, in 2016, this constellation of offerings would have exploded, in a Big Bang of commerce and transformed into the enormous industry it promises to become.

In my estimation, we are seeing a slow burning fuse. It's true that the consumer health category has tremendous potential and has grown significantly in the last five years. There are efficacious physical and digital products that help people lead healthier and happier lives. However, the category is being held back -- and, in some cases, the products and services are providing marginal value to consumers. This has pushed some authorities, such as the American Medical Association's CEO , to say that the variable nature of consumer health products is the " digital snake oil of the early 21st century."

While Madara might be overstating the case, consumer health has received mixed reviews. But why is this happening? Why aren't there more highly effective and consumer delighting products on the market that bridge the gap between medical devices and over-the-counter consumer products? There are several meta-reasons for this that are beyond the control of companies that create consumer health products and services. These include privacy and security concerns, medical health record infrastructure challenges and healthcare practitioner resistance to new methods -- to name a few. However, I propose there are some barriers that are within the control of the companies making these products. Three main challenges baring <https://assignbuster.com/navigating-the-challenges-of-the-consumer-health-universe/>

down on companies in the consumer health orbit, all threatening to knock them off course: poor relationships with regulators, cross-industry misunderstandings and not appreciating the differences between users and buyers.

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To better understand the contemporary consumer health situation, I spoke with three leaders in the consumer health space: Ranndy Kellogg, president and CEO of Omron Healthcare; Sonny Vu, president and CTO of Connected Devices at Fossil Group, Inc. and Sridhar Iyengar, CEO at Elemental Machines. Based on these conversations, and my experience developing consumer and medical products for the last 25 years, I offer below advice for companies that choose to sail into the challenging, promising consumer health space.

## **1. Befriend regulators.**

A common mistake organizations make when moving into consumer health is to view regulatory groups such as the FDA as adversaries, entities to be ignored or creatively circumvented. According to Kellogg this is the wrong move. The story is instructive here.

“ The FDA is not the enemy,” says Kellogg. “ If you know how to work with them effectively, it doesn't add years to the process. It can actually help the process and get you to market with a safer and more effective product.”

The challenge: many companies lack experience in knowing how to work with regulatory groups. For this reason Kellogg has seen the most success

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when traditional medical companies move into the consumer health space, rather than the opposite.

Which isn't to say that consumer companies can't or shouldn't move into regulated space, but they will face an uphill battle in understanding how to work with groups such as the FDA. The good news is that this all might be getting a bit easier.

Iyengar of Elemental Machines says: " the FDA is making huge leaps forward and has built several groups that are dedicated to digital health and getting smart phones into the health care process." He added that companies need to start talking early on with the federal agency.

" Even if the product is not intended to be a medical device, just engaging with the FDA can shed light on where that boundary is," says Iyengar. " Getting FDA clearance is not a mystery and in fact it can be a great asset."

## **2. Develop cross-industry understanding.**

Medical device- and consumer product- company culture, approach and development cycles can be drastically different. Medical devices require significant patient understanding, technology development and, as mentioned earlier, regulatory approvals. Consumer product companies are built to be more nimble, risk taking and faster to market. Indeed, time-to-market for a medical device can be greater than three times longer than that of a consumer device.

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To anyone who has worked in these worlds, this is well known. The challenge is that as traditional consumer companies move into medical space and vice-versa, they struggle to adapt to these new thought processes and development cycles. As Sonny Vu puts it: “ Medtech folks have a hard time dealing with consumer cycles (seasonal within a year) and consumer folks have a hard time dealing with long development, testing, and regulatory cycles.” So what happens when the groups clash? “ They just end up not really working together and not really talking with each other,” says Vu.

Vu says that in order for the newly formed consumer health industry to succeed, there must be “ cross-pollination between medtech-savvy teams with consumer-savvy teams.”

Until these different groups make efforts to understand each other, we will continue to struggle to get efficacious and consumer-delighting consumer Health products into the market. If you’re looking to go consumer health, you must insist that your teams understand and communicate with each other. And, if you don’t have teams with both consumer product and medical device experience onboard, it’s important to establish partnerships that will help fill the gaps in your development teams. Consumer Health is not a category that can be developed in isolation

### **3. Know that users and buyers are different.**

A significant challenge for consumer health products is that people don’t need consumer products and, in many cases, don’t want to use medical devices.

“ The nature of medical devices is that you start with the user not wanting to you use your product!” says Iyengar. “ With normal consumer products, the user generally wants to use your product so s/he goes out and pays to purchase it. When a user has to use a medical device, it is more than likely they are not thrilled to have to use it -- again, another barrier to commercial success.”

So the consumer health space is stranded in this middle ground: products and services that aren't critical for an individual's survival and, at the same time, aren't always a high desire purchase. As a result, a common mistake that medical companies make when moving into the consumer health space is that they don't sufficiently modify their offerings and message to their intended audience.

Since most medical companies don't sell direct to consumer, they're accustomed to focusing on performance specs, efficacy, cost and a competitive audit. Although these factors remain important, it is a significantly different sales and marketing strategy when selling direct to consumers. Consumer product companies have learned that this conversation needs to be focused on emotional values and specific user benefits.

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And this isn't just the logistical and financial challenges of becoming more of a consumer marketing-driven organization. I've seen one of the main hurdles

to be a medical company's resistance to accepting that they need to speak more directly to consumer's needs and desires.

To break out of this middle ground, these products also need to evolve beyond being personal gadgets and become a more important part of people's lives.

Although I've been slightly disappointed that consumerism of healthcare products and services has not grown at the anticipated pace, I remain optimistic. Optimistic that data sharing, infrastructure and human acceptance will soon enable seamless information transfer. Optimistic too that, as medical and consumer companies stretch in the blended consumer health space, they will learn from each other and create solutions that more effectively resonate with their target users. And that will lead to the birth of a whole new galaxy of consumer health opportunities.