Transcript:

Brand Perception for MedTech w/Aaron Hassen

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Michael: Welcome to the health Connective Show. I'm your host, Michael Roberts, and I'm talking to Aaron Hassen today. He is the chief marketer at Aaron Hasson Marketing. Today we're going to be talking about brand perception. And I specifically brought Aaron onto the show to talk about this, because startups have a lot of opportunity whenever they can find a weakness in the armor, so to speak. Aaron works with startups on a regular basis.

So I'm really interested to hear what you have to say to those kind of up and coming companies, whether it's a startup or whether it's just kind of like a smaller tier company, whichever that may be. And then also, what are the big established businesses out there supposed to be doing? So Aaron, thank you for coming, man. Welcome to the show.

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Aaron: This is exciting. Glad to be here, Michael. Thank you.

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Michael: Yeah it's very cool to like get in this digital space and be able to record together. We met last year at the uprising event through Mark Schaefer and that community and everything, and it's been great to just keep on connecting with you throughout the year and into 2024 as well. So thanks for being here, man. Absolutely.

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Aaron: Yeah. You're a marketer I respect and I love that we're going to have a conversation between marketers today.

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Michael: Yeah, it's fun to get back in the marketing space and talk shop so to speak. So we were talking about this this particular topic, this whole concept of brand perception specifically like in the MedTech space is what was where I was kind of thinking and I was like, oh, I'm going to get an outside voice and I'll pull Aaron in and do a degree. You are an outside voice because you're not currently working at a MedTech company, but you have history in the med tech space. Can you walk us through just kind of a quick overview of like what it was that you did and sort of like where you're at now?

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Aaron: Yeah, I was a founder first. So I own my own company for four years. It was an ad company, and we used to do some advertising for the real estate market, ran that for four years. That business was acquired. And then that's when I became a marketer. So I was a founder first, then became a marketer. I've been doing marketing now for 20 years, mostly for venture backed startups. So these are high pressure cooker situations where you have to grow very quickly. So I learned a lot of things about growth through that process.

And in 2015, I actually worked for a company called Sleep Charge, and this was a sleep health service that included a telemedicine app for access to sleep physicians and care teams. It had assessments in IT equipment monitoring, all of that. It was a full scope solution, and we sold to benefits managers at privately insured fortune 500 companies like Coca-Cola and Delta. Sleep charge was acquired by Knox Health in 2019.

Today I lead, as you mentioned, marketing, which is a fractional marketing team for founders, and we currently work with a mental health and addiction recovery technology company that supports clinics across the country. So that's sort of my background in the space. Medical marketing is unique, as you know, and that's what makes me really excited for this conversation.

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Michael: Yeah, it's really interesting because, you know, some of the companies that that we work with as health connective, you know, we end up helping out with sort of those like large capital expenditure kinds of devices. So it's the major thing that sits in the O.R. and it's a major, major investment, and you're selling to the doctors and the administrators and all of those people that have to buy in to such a large purchase. And the stuff that you've done, you've talked about selling to administrators and to, you know, to clinics.

But a lot of at least on the sleep side, you're very focused on, like, what's the patient, what's the consumer dealing with as they're going through this. So it's interesting to kind of hear the I think the more that I get into the med tech space, the more I kind of see like there's like vastly different pockets of MedTech, right? It all kind of like falls into this umbrella. But the, the audiences and sort of end users like are very, very different. The company that you're working with now, you're selling to clinics, they're selling to clinics primarily. And tell me about that one again.

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Aaron: Yeah, so they're called, uh, MAT Recovery Centers and it's medicated assisted treatment. So it's got a very high efficacy rates. And what they use is they balance both technologies and new therapeutics, new treatment techniques with on-site care and ongoing care and things like that in order to just increase the likelihood that folks won't be coming back, because oftentimes with addictions, it's like you're in and out of recovery and we're trying to solve for that.

So there's a lot of new techniques that they use to solve for that. And one of them is actually getting people to recover as a part of their daily lives. Because one of the problems is when you get taken away from reality and you do very well, but then you get back into reality and then you have to cope again. So there are some really great technologies and techniques to make sure that with a good support system around you, like your family and folks that you rely on, along with support from the clinic and the technology that you can succeed and not be back in that care scenario in six months again.

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Michael: That's really incredible. I think what's interesting about that, again, is just this like vastly different end user, right? Like the desire for a product, the desire to get involved in these things, like the motivations are drastically different in each case. And in each case, you're making people's lives better, like it's a very real, tangible result. Out of all that.

Let's switch gears. Let me kind of throw some different scenarios at you. It's been interesting to kind of see whether it's a misstep by a large company or whether it's just people just don't feel as good about the large company as they used to.

So I'll run a few different scenarios here. So one was my boss was at a smaller tradeshow, Scott Zeitzer was at a trade show, and at this smaller event I'm using air quotes that nobody can see. But at this smaller event you had several hundred people instead of thousands and thousands. So you still had a pretty sizable audience. And one of the big companies was notably absent. They didn't have a booth, they didn't have any sort of sponsorship. They just totally didn't show up to this event.

So there was murmurs among the different, you know, attending physicians that, hey, I'm kind of disappointed that this company didn't come. And you know what? I'm going to try to take some of the business that I do with them away, because I'd rather work with other companies that are invested in our space. I'd rather, you know, especially in these spaces where, like, the technology is kind of similar or you've got some kind of product that isn't as pressing. So you've got one group, one company didn't show up to a small trade show, made people mad. They talked about taking business elsewhere. That's one scenario.

Another scenario. We were speaking with somebody about a company. There's this one company is sort of the big frontrunner in this space. They are the dominant one. They carved out this niche and they own it. And everybody knows they own it, including that company. Like they kind of walk with their own swagger. They have the feel of like, this is ours and we can do whatever we want. So for hospitals and for purchasers, they're not as big a fan of this company.

They would really like to see competitors start stepping up because they don't feel like they have much negotiating power. They don't feel like this other company has like the need to keep on, like really pushing on the customer service side as much as the competitors do. So again, not necessarily a misstep on the second one, but they're definitely getting kind of out of touch with what their customer wants. So from the perspective of you're a startup, you're trying to challenge either one of these companies. What kind of opportunities do you see in that space?

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Aaron: It just strikes me you talk about maybe the arrogance of this one company that's the clear frontrunner, and there seems to be no competition. And, you know, as a marketer, what I know is that there is no category of one and that innovators eventually end up facing competition. So competitors will ultimately find kinks and improve on them. They'll take a different approach, maybe to the problem, or go after a unique segment of buyers to serve them better. And that original innovator must keep innovating so they might have a foothold for a moment.

If it's a business that is in demand, it's rare to see a single company own a space for very long. You know, I've been a part of these startups, as I mentioned, and the growth stages of startups, there are three. One is the problem market fit stage where you do one thing really well, the next is the product market fit stage where you solve a significant problem, and the next is a platform market fit stage where you're solving a category of problems.

And so the evolution of a startup, you know, it starts in that like I said, that problem market fit, but it evolves because you know we know that customer needs change every six months. So the key is you got to keep close to the customer. You got to keep listening. And you got to be willing to adapt. If you don't, you're not going to be around very long.

So they may have a good position today, but it sounds like they're taking advantage of that position, and I don't think it will end up well for them in the long run unless they, you know, make some changes.

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Michael: That's interesting. I feel like within health care just in general, that concept of like reevaluating every six months is just not a part of our scenario at all. Right? It's just like, well, patients need stuff and hospitals need to keep buying stuff. So that's it. You know, that's kind of the end of the discussion. Let's talk about the other one. Let's talk about trade shows and hey, the big company is not there anymore. Like what do you feel about that? Yeah.

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Aaron: For me, on the large company side, the danger is complacency. I don't think people decide to move their business away from a company overnight. I think it's that slow drip. They start becoming out of touch with their customer concerns. They begin to be transactional with their interactions. The smiles, the spoofs, no substance or longevity. They lack service or responsiveness. That starts to decline. Maybe that you get a new account manager every six months. They stop innovating and maybe the price to value goes off a little bit.

These are all the things that people just start getting irritated with over time. And so the straw that broke the camel's back might be the fact that they didn't show up at this trade show. It was the ultimate slap in the face. So I just think it's probably an accumulation of things. And these physicians you mentioned at this show were probably just waiting for an excuse. Sure. With established brands, complacency is the enemy.

So leaders in any category, they have to keep surprising and they have to make themselves indispensable by adding to their value proposition. So and this can be, by the way, through brand. So you can provide customers with a level of status. So the fact that this logo is on this product means something about you as a physician. You can give it meaning, understand your buyers and who they are, and represent them in a way that says you know they are this type of person.

Apple did that when it said, here's to the crazy ones. And so we wanted to think different and be one of these crazy ones. We wanted to change the world because Apple told us through their products we could do that. You know, that's what brand can do. And the other thing that these large companies must do is they have to continue to remind folks why so many trust them. They have the numbers, and the numbers speak to something, and that is that if everyone else is doing it, so should you. And there's a reason this many people trust us, so continue to do so.

These are all the advantages they have. But if they get complacent they will lose these advantages. And then, you know, you start to see challenges. I remember there's a tagline that happened that came out in the 1960s from Avis, Rent a Car. They said they were, you know, competing in the rental car space. And the tagline went like this. We're number two. We try harder. And that speaks to what number two is do. So it's really difficult to remain number one. And complacency is how you get replaced.

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Michael: A colleague of ours, somebody that we also met through uprising, Carrie Hernandez, she and I have been talking some through the course of the year, and she recommended the book Friction by Robert Dooley. And so I've started reading that, started getting into it. I'm not super fast at reading, but I'm getting through it. I'm making my way through. And, um, he has just a lot of, like, fascinating, you know, examples. It talks about how like piers Amazon's like dominance in the market today and everything, but how Sears had the opportunity lost it. And before that it was another company. And here's Walmart that had their opportunity and just didn't pay attention to the digital side as much. Now you know and they're catching up. But it's just those opportunities where hey, those big brands are out there and they're it's so funny because in so many ways they seem impenetrable. It seems like there's no way to tackle them. But yeah, there are so many times when they just get complacent, they just fall behind.

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Aaron: And reputation is a big part of that. When you look at Bud Light and one misstep and you know they start losing customers, target has experienced this as well. So there's a lot of big brands that there was a downfall and that maybe they didn't lose the business. They were so large and had other assets to make up for it. But there is major impact. And if you're not careful, a single misstep can mean millions of dollars in revenue.

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Michael: It's a big deal. Let me throw one other scenario at you from this year, and it kind of falls outside of like, both sides of this, right? You've got the big company that danger of being too complacent. You've got the small company that's looking for that way of being innovative, really carving out a segment of the market we were at a conference this year, and they were going through and it was several different startups talking about why they were the ones to pick. Here's how we're innovative and here's how we're challenging the, you know, the frontrunner and all this kind of stuff.

And all of them at one point said, you know, like, hey, we see these other startups and they just have copies of what, you know, the big guy is doing. And we know that they're going to fail because the only thing that they can do is just price themselves lower. And that's totally not going to work, and we're sure of it. And then at the very end of the row, there was a guy that was responsible for hospital purchasing, for actually picking out these machines and saying like, yes, we'll buy this. And he's like, man, I would love a copycat.

I would love to be able to just get the cheaper option. And, you know, as long as it's almost as good, like I'm pretty solid with that. So that kind of in a way like it, it was kind of a slap in the face towards all this like brand building effort, right? Like everybody's trying. To separate themselves and tackle a different segment and show why they are the one pick. But here's this generic solution that may be a fine solution. So how should brands think about that kind of like mentality in their customers?

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Aaron: Generally, you and I know this part of the issue in the medical space is that it's plagued with me to products with insignificant and meaningless brands. There's a lot of commoditized thing. So, you know, I totally get the customer's perspective. Like, what does it matter to me? Everybody's sort of the same. And you know, in a world of vanilla, then you know, it is a race to the bottom.

There's an opportunity for brands to build meaningful connections with their customers, value and equity in their brand and status for those that use their products. As I mentioned before. Yeah, I completely recommend that in every case, virtually every case, they're you know, there are some cases where in manufacturing things like that, where it's more difficult from a brand standpoint, there's very little visibility there. It's a lot more about product there.

But when your product is used, it does become known and it is relied upon and you have this opportunity with your customer, you can leverage that and provide them more than just that product. And that's where you can really grow a company and grow that brand equity. So in particular right now, like this comment, it strikes me that it may be from the standpoint of the fact that budgets are being heavily scrutinized right now and money is tight. So something that's low cost and good enough seems just fine right now. And I get that.

But no matter what people tell you, they value their time more than their money. If I'm a competing startup and I heard something like that, I understand people and their motivations as a marketer. Like, this is what we study and people want to prevent loss. Loss of their time, loss of their resources, loss of their reputation and missed revenue opportunities. They want to prevent that. So if you did a fuller comparison between this product that may have a lower price and one that's a little higher price, but actually, you know, does a better job of, you know, saving you time and money.

You're going to find there's hidden costs to these inferior products and services. It's really rare to find a product that's reliable, easy to use and well supported. That's also cheap. And most people know this. So I mean, we I wager that this hospital rep that was on this panel with all of these really confident startups, you know, are just trying to teach them a lesson because we see these come in and out of market all the time. They're the next big thing. You know, they got big broad shoulders. There's a level of that going on where they're wanting to slap back a little bit and say, you know what? Don't be so confident. We've seen you before.

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Michael: Kind of thing. Absolutely. So, you know, one thing I'm interested in is and I'd love to dive into some of your past experience here with a sleep company that you worked with. And, you know, as you were building brand, you're trying to establish that with the different it was different. Admins of the corporations like talk to me some about like what the branding and that kind of space looks like because I was thinking of the product more as like, oh, the end user, you know, they're going to need to know, but it's not so much the end user you were selling to. It was that that intermediary that was picking out. So what did it look like to sell into corporations from a branding standpoint?

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Aaron: It's a great question. So we first had a B2B sale, as you mentioned, I had to get Coca-Cola to sign the contract and place us on their benefits portal and in their benefits package as part of their benefits package, so that their employees could take advantage of that. And we didn't get paid until the employees actually downloaded the app and began using services. So, you know, it was a long sales cycle, about a year and a half to work with Coca-Cola, you had to obviously understand when, you know, budgets were being allocated and make sure that you dotted your eyes, cross your T's.

There's a large ecosystem there that you have to really work through payers, the providers, the, you know, the whole thing. And these benefits managers were oftentimes outside consultants that were hired and brought in on site to then better manage the private health care that they were offering. So for us, it becomes about reputation a lot and about trust. So I recommend to any startup that wants to that has an innovative product. It has a better way to do something.

And if you're solving a real problem, like with this current company, the mental health crisis in this country is off the charts and, you know, addictions and things like that. So this is a really important problem. And with really important problem, there tends to be money behind that. So you're in a good space and. If you can bring something innovative to that space, it's it can really, you know, kind of change the world and at least change the market and change something to a great extent. So I focus on building awareness first as a marketer, then affinity and then trust. That's the continuum.

And Hanley says it very well. She's the one I heard that from, in fact. And she's, you know, just someone who talks about content and, and thought leadership and things like that. And that's what I did with that company. What we did was we positioned Doctor Dermer, he was a sleep one of the foremost sleep health physicians in the country, went to Japan and did a lot of research in the space. And we used him and we made we made him accessible so that when they had questions, when folks had questions, we were providing them not only with an innovative product that they could easily understand.

We had some experience with actually going to market with this product so they could depend on the fact that once they did sign, you know, this is something that would scale and we could actually deliver, but we would be there and we were became a real source of expertise for them. And that was as valuable. So, you know, they really began and it's part of the relationship. So they begin to know Doctor Dermer, they began to know us very well and rely on us. So as they were putting other things on their benefits program, they would ask us our opinion. Well, do you think this dovetails well with that service? And how can these two work together?

And so a lot of times we were able to meet new potential partners that way just via Coca-Cola, via Delta, via some of these other that had other amazing technologies that it made sense, you know, to combine with ours. And, you know, I just think you got to be there for the customer, for the prospect. Make yourself easy to access, become a source of a reliable source of expertise and insight for them, and focus on the small, on the relationships. You know, these small companies you mentioned differentiating previously.

They have to differentiate in every way possible, like we were talking about if this challenger that seemed to own the space by themselves trips in any way, somebody's going to be there to leverage and maximize what's going on there so that they can, you know, build a better mousetrap again. And this happens continuously.

So this reputation is important, being well-regarded and just proving that you can deliver. And when you get that chance you have to deliver. So we got the chance to actually roll this out to 100,000 Coca-Cola employees. I had my communication strategy ready. And we in the first year, we rolled it out. And 25% of the company, the people who had the issue in the company, signed up for us. We said, okay, we got one fourth of those with the issues with the highest level of issue. Now we can work from there.

That blew their expectations out of the water, and they were happy because they wanted their truck drivers, those, you know, delivering their product to stay on the roads. And they wanted their executives to make better decisions in the boardroom. And if you had sleep apnea or insomnia, you know, you're not going to be able to do your job very well. So that was my experience.

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Michael: It's really fascinating that, you know, you did have the B to B, and then you had to do like a B2C in this like super targeted environment. So it's a really interesting combination of things to have to overcome. Yeah, I could keep picking your brain and just keep thinking of more things to ask you. We try to keep the show to half an hour, so I'll have to wrap up. But people can find you at Aaron Hassan com people can find you on LinkedIn. I get your newsletter on LinkedIn all the time.

So Aaron's very active on there. I definitely recommend getting a chance to visit. So thank you so much Aaron for coming on the show. We you know we talked some about like branding if you are the established company we talked about branding. If you're the startup looking for those chains in the armor, we talked about being patient when the customer is just looking for the lowest price and trying to figure out like, what's actually being said behind all that. So this is fantastic information. So thank you everybody for listening. If you want to learn more about the show, you can go to HC show and you can find us on LinkedIn. Thanks so much.

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Aaron: It's been great to be here. Great conversation Michael. Thank you.