# Marketing Strategy, Part I

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## Introduction

> *"Knowing your customer is essential to business success."*
>
> *-Bill Gates*

Without understanding your customer on a deep level, it's almost impossible to craft a clear marketing strategy. Without a clear marketing strategy, it's virtually impossible to achieve sustainable business success.

Your marketing strategy informs you which actions to take, which marketing channels to use, and which resources to deploy.

This document provides an initial outline of a marketing strategy. However, developing a comprehensive marketing plan is an iterative process that takes weeks or even months. In addition, it requires input from across your organization. Hence, it's essential to follow the process outlined in this document and then decide which of the many roads you'll discover here to follow.

## Product-Market Match

The most crucial milestone Medigy currently needs to achieve is a "product-market match".

A "product-market match" is when a company has a product that meets the needs of a *specific* market and is making sales. It is vital to any business because it ensures that there is a demand for the product so that the company can become profitable. This applies to companies selling products that are complex or difficult to understand, as well.

Without a product-market match, any company will struggle to generate sales and become profitable.

Some of the most important questions to ask when assessing a product-market match are:

1. Who is our ideal customer?
2. Which of their problems does our product solve?
3. How exactly does our product solve the problem?
4. How many potential customers are there, and are they able to pay for our product?
5. Who exactly do we need to talk to for acquiring a new customer, and where can we find them?

Tactics such as search engine optimization, paid advertising, or any other method are unlikely to yield results if you don't have crisp-clear answers to the above questions. It's vital to find *specific* answers to have a successful product-market match.

The following table provides examples of vague versus specific answers:

| QUESTION | VAGUE ANSWER | SPECIFIC ANSWER |
|---|---|---|
| Who is our ideal customer? | Healthcare delivery organizations (HDOs) | Rural community hospitals in the US, as defined by the American Hospital Association [1] |
| Which of their problems can our product solve? | We help achieve patient satisfaction and outcome goals | We help reduce the incidence of deaths related to unrecognized heart disease from x events to y events per year [2] |
| How exactly does our product solve the problem? | By inspiring innovation | By connecting rural community hospitals to a specific cardio-tech firm specializing in technology to recognize heart disease, and by helping the hospitals to implement this technology in a time-saving and cost-effective way |
| How many potential customers are there, and are they able to pay for our product? | Depends on how you define HDO | 1,796 rural community hospitals in the US; if the product reduces costs associated with unrecognized heart disease, it could pay for itself |
| Who exactly do we need to talk to for acquiring a new customer, and where can we find them? | Key stakeholders and C-level executives | The Emergency Department Directors of the hospitals mentioned above |

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You might be wondering what all this has to do with your ontology.

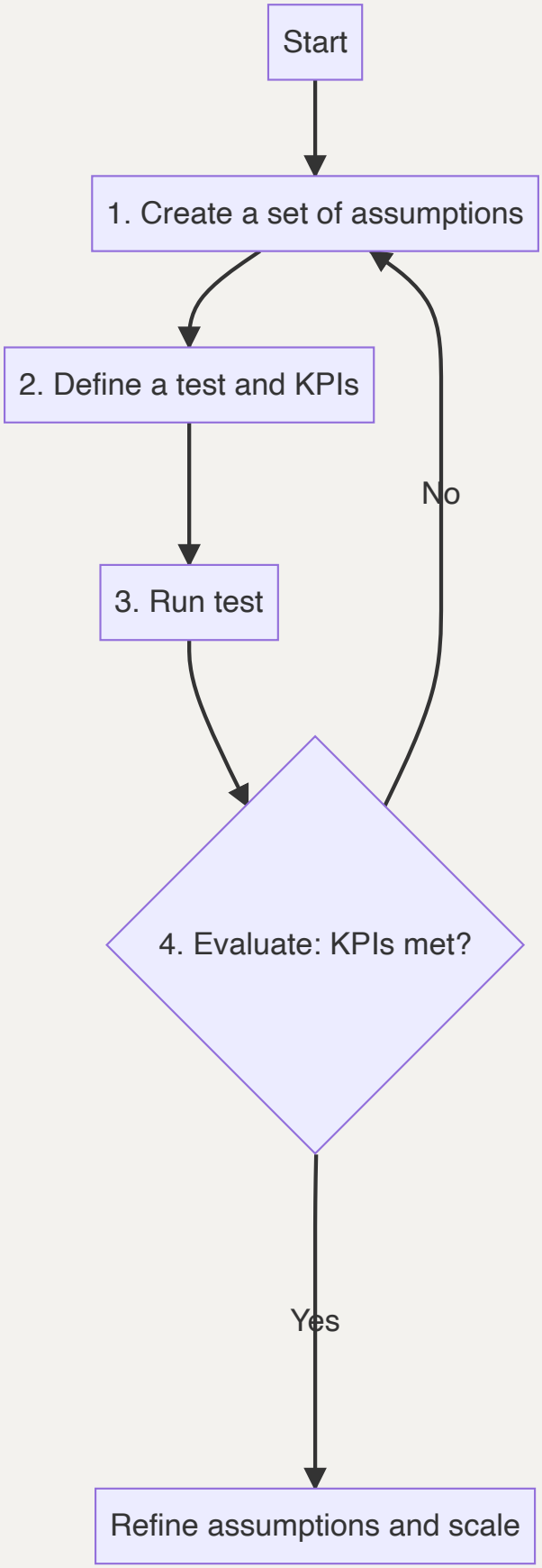
It will become apparent in the next few minutes. For now, it's just important to focus on the process to guide you to a product-market match. The specific questions and answers are merely examples to illustrate the process.

Obviously, you cannot know the answers to most of the questions yet. You are just making assumptions that need to be verified or falsified at this stage. However, you can only test assumptions by formulating *specific* hypotheses and defining *specific* key performance indicators (KPIs).

## Testing Your Assumptions

The overall process for testing your assumptions looks like this:

1. **Formulate assumptions**: First, you create a set of assumptions about your ideal customer and how you're going to position your company in the marketplace.
2. **Define a test**: Then, you decide how to test your assumptions and define measurable key performance indicators (KPIs). This could be an advertising campaign aiming to sign up potential customers to an email list. Of course, the ultimate KPI would be the revenue and return on ad spend (ROAS) the campaign is yielding. It's vital to define a criterion for "*success*" or "*failure*". For example, attaining 100 new subscribers for a cost per acquisition of 1.50 USD would be a measurable KPI.
3. **Run the test**: Next, you run the test. This requires a solid tracking system and a person (or a team) experienced in evaluating the type of data you're gathering. Obviously, this step involves creating marketing materials, such as adverts and landing pages.
4. **Evaluate the data**: Finally, you evaluate the data and decide whether or not the test has been successful. If the KPIs indicate that the test has been successful, you can refine and scale your marketing campaign. If the KPIs are substantially worse than expected, you need to create a new set of assumptions. If, for example, Emergency Department Directors of rural hospitals are not interested in new technology to recognize heart disease, then it's time for the next testing cycle. Maybe insurance companies or patients with chronic heart disease are. So, the whole process needs to be repeated based on the new hypothesis.


Start
1. Create a set of assumptions
2. Define a test and KPIs
3. Run test
4. Evaluate: KPIs met?
No
Yes
Refine assumptions and scale

## Positioning Your Product & Your Company

Before spending a single dollar on marketing campaigns, it's vital to think about how to position yourself in the marketplace *and* in the mind of prospective customers. This is the foundation of everything else, and positioning mistakes can prevent all future marketing efforts from being successful.

### The Positioning of "Innovation Lifecycle Ontology"

Medigy seems to focus on positioning its product as "innovation lifecycle ontology" to facilitate "innovation" in the healthcare sector. This positioning has a significant drawback:

**To most people, an "ontology" is an abstract, difficult-to-understand concept. It's hard for people to see its value, and people don't purchase things that don't seem valuable to them.**

If your product is positioned as "ontology", you will only be able to sell it to people who understand what an ontology is and are willing/able to pay for it.

Our research revealed that the search volume on Google for ontology-related keywords is zero, or close to zero (and therefore not stored in Google's keyword database) [3] :

| KEYWORD | SEARCH VOLUME (PER MONTH; USA) | COST PER CLICK IN USD |
|---|---|---|
| innovation lifecycle ontology | 0 | 0 |
| innovation ontology | 0 | 0 |
| ontology healthcare | 0 | 0 |
| ontology health care | 0 | 0 |
| ontology medicine | 0 | 0 |
| ontology nursing | 0 | 0 |
| medical ontology database | 0 | 0 |
| medical ontology nlp | 0 | 0 |
| medical procedure ontology | 0 | 0 |
| ontology for general medical science | 0 | 0 |
| ontology in medical science | 0 | 0 |
| innovation ontology | 0 | 0 |

None of the above keywords are being searched for, and none of the keywords are being used by companies running ads on Google AdWords. You might be thinking *"Great, we don't have any competition"*. However, no competition is usually a bad sign, as it indicates that the specific niche you're focussing on has an insufficient number of potential customers.

## The Positioning of "Healthcare Innovation"

Let's look at search terms related to *"healthcare innovation"*:

| KEYWORD | SEARCH VOLUME (PER MONTH; USA) | COST PER CLICK (CPC) IN USD |
|---|---|---|
| healthcare innovation | 20,785 | 49.23 |
| health care innovation | 1907 | 54.49 |
| healthcare technologies | 22,442 | 32.83 |
| home health care innovations | 77 | 32.70 |
| home health innovations | 0 | 0 |
| us health innovation | 0 | 0 |
| current innovations healthcare | 0 | 0 |
| health innovation acceleration | 0 | 0 |

The results look somewhat promising, as the keyword *"healthcare innovation"* is much more valuable than the ontology-related keywords (high CPC). The search volume, however, is just moderately high. This is most likely due to the generic nature of this keyword. People who enter this search term may not always be looking to solve a specific problem.

There's another challenge associated with this keyword: Can you guess who would be using this search term? The people searching for *"healthcare innovation"* might be anyone from students to journalists, all the way to government agents. It isn't easy to know the specific search intent for this keyword. Therefore, it's very challenging to craft a well-converting sales funnel.

## Alternative Positioning Approaches

Let's look at a few keywords ideas that are more specific than *"ontology"* or *"healthcare innovation"*, and the implications on your positioning and business model.

The keywords below are inspired by the "offerings" section of your website:

| KEYWORD | SEARCH VOLUME (PER MONTH; USA) | COST PER CLICK (CPC) IN USD | VALUE IN USD PER MONTH |
|---|---|---|---|
| **Related to "clinical data"** | | | |
| clinical data management | 32,700 | 59.64 | 60,848 |
| clinical informatics | 29,470 | 21.8 | 20,880 |
| clinical decision support system | 9869 | 18.54 | 8581 |
| clinical research software | 2947 | 98.97 | 18,234 |
| health data companies | 1076 | 181.12 | 12,555 |
| clinical data analytics | 9315 | 34.19 | 12,134 |
| **Related to "telemedicine"** | | | |
| telemedicine | 658,273 | 94.77 | 2,863,450 |
| telehealth app | 79,278 | 58.36 | 303,509 |
| telehealth technology | 91,756 | 65.68 | 235,639 |
| **Related to "patient monitoring"** | | | |
| vital signs monitor | 20,578 | 16.28 | 25,360 |
| glucose monitor | 879,005 | 27.66 | 2,331,643 |
| blood glucose monitoring system | 198,443 | 46.56 | 1,356,359 |

| | | | |
|---|---|---|---|
| wearable glucose monitor | 40,285 | 33.84 | 179,271 |
| heart disease screening | 7888 | 62.05 | 22,859 |
| **Related to "fall prevention"** | | | |
| fall detection devices | 36,006 | 98.95 | 457,465 |
| medical fall alert | 18,840 | 64.01 | 269,412 |
| elderly fall alert devices | 10,628 | 108.37 | 178,988 |

The above table provides search terms related to four main topics: clinical data, telemedicine, patient monitoring, and fall prevention. There are hundreds of other topics, and thousands of other keywords. The column *Value in USD per month* provides the value that a website ranking for the specific term at the top of Google's search results would have and is calculated:

$$Value = SearchVolume * CPC * ClickThroughRate \quad (1)$$

In other words, website traffic from ranking at the top for the keyword *telemedicine* would be approximately as valuable as spending 2,863,450 USD per month on Google AdWords for just that keyword.

Let's compare the keyword values of all three tables you've seen so far:

- **Keywords related to "*ontology*":** 0 USD per month
- **Keywords related to "*healthcare innovation*":** less than 200,000 USD per month
- **Keywords related to, *"clinical data"*, *"telemedicine"*, *"patient monitoring"*, and *"fall prevention"*:** more than 5,000,000 USD per month. It's important to note that this list is not exhaustive. Medigy.com provides information on thousands of healthcare-related products. Those products are related to thousands of other high-value search terms. Ranking for all these keywords could be worth billions.

The insights from this comparison can be used to formulate new ideas about your product-market match.

## What Business Are You *Really* In?

The data we've seen so far beg the question: *"What business are you **really** in?"*, and *"What product are you **really** selling?"*

The answers will affect the business model you choose and the marketing campaigns you need to develop.

The examples provided below are not necessarily what you might be envisioning for your business. The sole purpose of these examples is to guide you through the thinking process.

### Example 1

- **Business**: Providing an ontology to facilitate healthcare innovation
- **Product/Service**: Ontology database and/or API
- **Users**:  Software developers
- **Buyers**: Manufacturers of innovative health-related software
- **Revenue models**: a) Licensing fees, b) Fees collected from SaaS users
- **Requirements**: For a) Licensing terms, for b) A strong tech team

In this example, your ontology would be the core product, and you would have to identify players who need an ontology. You would have to "package" your product so that it can be "consumed" by potential buyers, i.e., by providing a downloadable database or an API.

**This approach would require the following steps:**

1. Turn the ontology into a product, e.g., an API or a downloadable database
2. Identify potential buyers
3. Explore marketing channels to reach those buyers (Advertising on Google may not be an option due to the low search volume, as discussed previously. However, other online channels, personal networking and trade shows or conferences may work well.)

## Example 2

- **Business**: Publishing information about healthcare innovation
- **Product/Service**: A high-traffic website with a large amount of valuable content
- **Users**: Readers interested in healthcare innovation
- **Buyers**: Other websites buying ad inventory on your website
- **Revenue models**: Advertising, earning commissions
- **Requirements**: Excellent search engine rankings

In this example, you could utilize the content on your website to attract new visitors and generate revenue through selling advertisements or earning commissions from sales triggered by your website. This model would require an exceptional positioning in search engines, which may take several months or even years to develop.

**This approach would require the following steps:**

1. Re-organize the content on Medigy.com into keyword clusters
2. Optimize each piece of content for SEO
3. Optimize your website for technical SEO, e.g., improve your website's *Google Lighthouse* performance score. [4] [5]
4. Earn backlinks from websites with a high domain authority
5. Promote the content on your website (There are several ways to do this, ranging from social media marketing to television commercials. This, however, is beyond the scope of the current document)

## Example 3

- **Business**: Consulting and earning commissions
- **Product/Service**: Connecting companies that provide innovative healthcare products/services ("vendors") with players who need innovative solutions, e.g., hospitals
- **Buyers**: Product users, such as hospitals (see the table below for more examples)
- **Revenue models**: 1) Earning commissions from product sales, 2) Charging consulting fees for helping product users select, implement, and evaluate the innovations.
- **Requirements**: Up-to-date knowledge of healthcare innovations, the ability to

evaluate such innovations, connections to innovative companies, relationships with players in need of innovative products, and a crystal-clear, intimate understanding of their needs.

In this example, you could use your ontology to identify and evaluate innovations and guide the recipients of such innovations through the implementation process. You would not directly sell your ontology but the consulting services based on your ontology. In addition, you could earn commissions by connecting vendors and buyers.

**This approach would require the following steps:**

1. Identify product categories that meet the following criteria:
    - The products are associated with high-value keywords
    - Product users have difficulty deciding which product to choose due to the level of complexity and/or insufficient market transparency
    - You are very knowledgeable about the products or have access to experts who are
    - You have access to potential buyers or can create that access in a short amount of time
2. Decide on what you want to offer to potential product users; some options are:
    - Help them to choose the right product for their specific needs
    - Help them purchase the product at favorable prices
    - Help them implement the product into their current systems/workflows
    - Help them evaluate the outcome the innovation produces
3. Initiate contact with potential product users
4. Initiate contact with product vendors
5. Facilitate the sale and offer additional consulting services

Let's take a look at some of the keywords identified earlier:

| KEYWORD | POTENTIAL BUYER | POTENTIAL PRODUCT |
|---|---|---|
| **Related to "clinical data"** | | |
| clinical data management | Hospitals | SoftClinic EHR [6] |
| clinical decision support system | Hospitals | VisualDx [7] |
| clinical research software | Hospitals, public health institutions, biomedical researchers, drug developers | Symedical [8] |
| health data companies | Hospitals, insurance companies, public health institutions, biomedical researchers, drug developers | ESO Health Data Exchange [9] |
| clinical data analytics | Hospitals, insurance companies, public health institutions, biomedical researchers, drug developers | ScienceSoft [10], OncoAnalytics [11] |
| **Related to "telemedicine"** | | |
| telemedicine | Orthopedic surgeons | OrthoLive [12] |
| telehealth app | Doctors | VCDoctor [13] |
| telehealth technology | Telemedicine platforms | Azova [14] |

In a nutshell, the business model following this approach is to connect people mentioned in the column *Potential buyer* to people mentioned in the *Potential product* column, earning a commission from doing so and possibly charging additional fees for consulting services.

## Summary: Where to Go From Here?

We have highlighted the importance of a product-market match and that Medigy seems to be missing this vital element.

Utilizing a data-driven approach, we evaluated search terms related to *"ontology"* and *"healthcare innovation"*and concluded that these terms are neither suitable for paid advertising campaigns nor search engine optimization (SEO).

As a result, we provided examples of high-value keywords proven to work for other businesses.

In the *Positioning* section, we provided examples of three different business models that could utilize those high-value keywords and outlined the milestones required for each business model. The sole purpose of the examples is to illustrate the thought process for finding a product-market match.

The next step in turning Medigy into a successful company should be to reflect upon the possibilities outlined here, brainstorm new ideas and decide which path to take.

As mentioned in the introduction, creating a comprehensive marketing strategy is iterative. At this point, it would not be helpful to elaborate on a specific pathway. The next step needs to involve discussing the findings in this document with your team and extending and evaluating the ideas. Some of the guiding questions could be:

- *"What are we truly good at?"*
- *"What are we truly passionate about?"*
- *"How do we want to work?"*
- *"Who do we enjoy working with?"*
- *"How big do we want our company to be?"*

No marketing consultant can answer these questions for you.

You need to provide the answers and draw the right conclusions.

For example, if you and your team enjoy creating content, you could decide to build an ontology-driven publishing company.

If you enjoy networking, you could pursue the consulting- and commission-based approach.

Another option would be to offer advisory services to innovative companies and help them predict which new product has the highest odds of success. This way, you could help those companies reduce the financial risks associated with innovation.

Another route could involve providing services to investment firms and facilitating business acquisitions.

If you enjoy data analysis, you could focus on evaluating innovative biomedical products in clinical trials.

Your ontology could be helpful for hundreds of other business applications.

Needless to say, you can combine several approaches or develop ideas that are entirely different from the ideas outlined here.

Possibly the most valuable question of all is this:

> *"For which business model does your ontology provide a competitive advantage that no other business has access to?"*

The second most valuable question might be this:

> *"Who do you have access to in order to sell your product or service?"*

Once you have decided on a pathway to move forward on, *only then* it's time to craft a specific marketing strategy.

Best of luck and inspiration!

-Marcus Wetzler

1. https://www.aha.org/infographics/2021-05-24-fast-facts-us-rural-hospitals-infographic. ↩

2. The example is inspired by a page on your website: https://www.medigy.com/offering/aisteth-smart-stethoscope/ ↩

3. Data sources used: SEMrush.com, ahrefs.com, ispionage.com. All data were processed using proprietary in-house software. Seach volume and Cost-per-Click in all tables shown refer to the median values derived from all data sources. ↩

4. The performance score of 900 pages on Medigy.com analyzed ranges between 30 and 50. The best possible *Google Lighthouse* performance score is 100. The analysis results are provided in a separate Excel spreadsheet named *Lighthouse assessment.xlsx*. ↩

5. Further reading on *Google Lighthouse*: https://web.dev/performance-scoring/ ↩

6. https://www.medigy.com/offering/softclinic-ehr/ ↩

7. https://www.medigy.com/offering/visualdx/ ↩

8. https://www.medigy.com/offering/symedical-r/ ↩

9. https://www.medigy.com/offering/eso-health-data-exchange/ ↩

10. https://www.medigy.com/offering/sciencesoft-healthcare-data-analytics/ ↩

11. https://www.medigy.com/offering/oncoanalytics-r/ ↩

12. https://www.medigy.com/offering/ortholive-telemedicine-platform/ ↩

13. https://www.medigy.com/offering/vcdoctor-telehealth-app/ ↩

14. https://www.medigy.com/offering/azova-digital-health-technology-platform/ ↩