



**BLOG POSTED JUNE 5-9, 2006**

## Major Paradigm Shift in the Dental Implant Market?

In an interesting new study on the state of the dental implant market, Millennium Research Group reported that the big four dental implant companies are beginning to lose market share to new competitors.

Specifically, Nobel Biocare, Straumann, 3i, and Zimmer Dental, the "big four", held 73.7% of total dental implant market revenues in 2004. By comparison, in the first quarter of 2006, the big four garnered only 70.1% of all revenues.

Is this the start of a major paradigm shift in implant dentistry? Will the host of newer competitors continue to steal market share away from the big four? What factors will determine the market share breakup in the future? Is there really a system lock-in here or will lower pricing convince existing dental implant practitioners to move or even try another dental implant system? Perhaps, the expanding use of dental implants, by even GP's, will ensure a more fragmented market in the future. What are your thoughts and what factors do you consider when evaluating the newer dental implant systems?

Note: For more information on this recent study by *Millennium Research Group*, please visit: [www.MRG.net](http://www.MRG.net)

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## Comments

Cost is certainly a factor in this shift. No one wants to pay for a big companies marketing program. But the big shift stems from OUR shift in paradigm. Early and immediate loading, super aesthetics, and bioactive materials are driving this

change. Our ability to design biologically driven rather than engineering driven implant designs renders many of the old styles obsolete. We are tired of the implant de jour from the big companies who wish only to maintain market share with little or no science. Matched with a speaker of high visibility, most implant dentists flock to these new designs because of the marketing network, NOT the implant design. Implantologists are now looking at these designs with a very critical eye on performance, not hype.

Posted by: [Robert J. Miller](#) | Jun 6, 2006 4:18:41 PM

### Comments by Dr. Niznick

While the major implant companies may be collectively losing a few percentage points of market share, they are growing their total sales by expanding the market and by price increases. This does not represent a paradigm shift from the major companies with large sales forces and education programs to less expensive, smaller companies because the major implant companies are growing at 20-25% per year. They are expanding their customer base and their profitability.

#### ***THAT IS NOT TO SAY THAT CHANGE IS NOT COMING.***

The major implant companies have made only minor modifications to their product lines in recent years, primarily to differentiate from the competitor's products and to justify price increases. These price increases bear little relationship to increased cost of goods, which has gone down from 20% to 17% for both Nobel BioCare and Straumann over the last few years as a percentage of gross sales, while profits have risen to 30%. The major implant companies operate on the historic economic reality that raising prices generates added income that in turn can be used to expand sales forces and buy greater influence with opinion leaders, universities and implant organizations. Nobel recently committed \$5,000,000 to the University of British Columbia Canada and another \$3,000,000 collectively to two other universities. Publicly traded Swiss Companies do not indulge in philanthropy in a foreign country unless they see a payback. They have found that the sales they lose from higher prices are far

outweighed by the sales they gain from having a greater marketing presence. The smaller companies, who sell products for more reasonable prices, lack the technical resources to produce a broad, high quality product line and the financial resources to produce adequate inventories or conduct extensive marketing to establish a significant customer base.

None of the major implant companies price compete with each other. Instead, they focus on what features differentiate their products from the competition, and claim that that must be the key to their high success rate, whether it be in poor quality bone, immediate or early loading, or in the hands of GPs placing their first implants. The features they point to include TiUnite surface (Nobel - the same company that hyped the machined surface CP implant for 15+ years), new wet surface (Straumann - who hyped TPS and then SLA surfaces as the be-all and end-all of surfaces), Micro-threads and a "Osseospeed" fluoride treated surface (Astra - known for years as the only company blasting with Titanium), Platform switching and a connection that clicks (3i - don't talk much about their acid etched surface, Osseotite, with its 3mm machined neck because they abandoned that when Nobel extended its rough surface to the top), or the company selling the original Internal Connection with Friction-Fit Abutments (Zimmer Screw-Vent). There are a host of smaller companies (BioHorizons, Innova, Friadent, Bio-Lock etc.) who differentiate on threads, beads, laser lines or some other gimmicky feature, as well as being priced below the Major companies. Eventually these medium priced companies build a customer base and then start to raise their prices so they can market with the big boys with symposiums, salespeople etc. There are smaller companies that market on price alone and try to be similar enough to the major companies' products that you do not have to think too much about their research history, not that research matters any more when Nobel's idea of research now consists of having 3 studies underway. The small companies selling at \$100-\$150 can't afford to offer broad product lines and can't afford to maintain adequate inventory levels to supply their customers. Quality is also a question if they are not making their own implants.

And then there is a new company with the design, and manufacturing experience as well as the capital to challenge the Major Implant companies, potentially creating a price point shift in the implant industry. Just click on the banner ad on this website to find out more about what could really represent a paradigm shift in the implant industry - Application Specific Implants sold on the internet at factory direct prices. When you challenge the major companies' on innovation and value, you better be able to make a high quality product because the multi-billion dollar companies will be looking for any way to be critical in order to compete without actually lowering their prices.

Posted by: [Jerry Niznick](#) | Jun 6, 2006 9:28:09 PM