



Digital Healthcare Applications: Marketing, Sales, and Communication

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1 Introduction

Digitalization in the healthcare system in Germany has received an enormous growth in 2020, which is due, among other things, to various influencing factors and initiators:

1. The Corona/Covid19 pandemic has ensured that telemedicine applications and solutions such as the so-called video consultation or telemonitoring/remote vital sign monitoring are increasingly integrated into medical care concepts. The background esp. in rural areas with few medical doctors is the bridging of distances and the reduction of personal doctor-patient contacts, where these are not necessary.

Since the approval of the change in the ban on remote treatment at the annual conference of the German Medical Association (“Deutscher Ärztetag”) in 2018, the market for “telemedicine” in Germany has been developing rapidly. In addition to regional providers such as the Teleclinic from Munich, which has been one of the pioneers in the field of remote treatment since its start in 2016, suppliers from abroad are currently pushing into the German and German-speaking markets, which have years of experience and, above all, extensive investment capital. These include, for example, Zava (formerly Dr. Ed) based in London or the Swedish-based provider Kry. But new suppliers from the German-speaking countries have also emerged. This also includes Medgate from Basel, which has been operating as the largest medical telemedicine centre in Europe since 2000 with the Medgate Tele Clinic in Switzerland. Since the end of 2019,

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Medgate and its German partner have been working on the establishment of another telemedicine centre based in Berlin.

While in the past the offer of telemedicine providers in Germany was still directed to private health insurance companies and self-payers for primarily regulatory reasons, this practice is currently changing because first providers such as Teleclinic and Kry are now reimbursed for their service by the GKV—Public Health Insurance (“Gesetzliche Krankenversicherung”), and the market for telemedicine receives additional growth impulses. And the health insurance companies themselves are now recognizing the added value of telemedicine. For example, the TK—Techniker Krankenkasse, based in Hamburg—offers its insured patients the possibility of remote treatment by using a video consultation, which is particularly useful and attractive in rural areas, where doctors are increasingly scarce and the distances between patients and practitioners are long.

2. The Digital Care Act (DVG) (Law for better care through digitalization and innovation) came into force on 19th December 2019 and means that health apps, which have often been used by patients for a long time, can be prescribed by the doctor in the future and the costs of this will be covered by the public health insurance.

In the meantime, the range of applications is extensive and constantly growing and is aimed at a wide range of patient groups, often focusing on chronic diseases such as diabetes, asthma, COPD, heart failure, hypertension, mental illnesses such as anxiety disorders and depression or chronic pain disorders such as dorsal pain, fibromyalgia, and migraines. In addition, there are also applications which monitor pregnant women or which are generally used for health prevention.

Since 5th May 2020, applications can be submitted to the BfArM (Federal Institute for Medicinal Products and Medical Devices) to get an app reimbursable from health insurance companies at all, but regardless of whether a corresponding digital product becomes refundable in the end or not, a greatly underestimated aspect in context with the topic “Digitalization of Healthcare” are the marketing and the sale of digital solutions and applications to the respective target group.

3. In addition to these two digital health applications “telemedicine” and “app on prescription” which are currently in focus, there is another area in the healthcare sector in Germany, where digitalization efforts are being started. The Federal Ministry of Health (BMG) has just implemented a draft law in July 2020, that should support hospitals in Germany to be further digitized and has provided a total of 3 billion euros for this purpose through an economic stimulus package. Hospitals that need digitalization can apply for a funding of individual projects. The law names many projects which are going to be supported with the available fund. These include, for example:
 - (a) establishment of patient portals for digital reception and discharge management,
 - (b) partially or fully automated clinical decision support systems,
 - (c) continuous digital medication management,
 - (d) concepts for matching the services offered by several hospitals with the aim of creating a comprehensive supply structure.

In addition, another aspect is the improvement of IT and cybersecurity as well as the adaptation of emergency rooms to the state of the art.

Looking at the developments, projects, and strategies as a whole, it can be seen that the “digitalization of healthcare system” offers great potential for solution providers in the various areas, from digital health application for patients with public health insurance to digital applications which established physicians can use to improve the care of their patients, such as telemedicine and e-prescription, to solutions for improving the level of digital expansion in hospitals.

Due to the laws described above, which are intended to advance the degree of digital expansion in the German healthcare sector and the associated growth and market opportunities, a continuous growth and expansion of the product range in this area can also be expected.

To position themselves in this emerging market, suppliers and manufacturers of corresponding solutions can now look for suitable marketing and sales concepts to successfully introduce and position their digital applications and products in the market. A special feature must be considered right from the start that does not make sales and marketing seem less complex:

The *target groups* or *target customers* who are to be addressed and to whom the marketing is to take place!

In contrast to many other solutions and products in the healthcare sector, digital products and solutions are not only aimed at a core target group such as

(a) Patients = consumers/end users, but (b) also at health facilities and health service providers such as practitioners, hospitals, and nursing homes or health insurance companies, both public and private.

So, anyone who wants to develop and implement sales and marketing concepts in the field of “digital health applications and solutions” must deal with both target groups: (a) consumers (B2C) and (b) business clients (B2B).

The starting point for the marketing of products and solutions for the digitalization of the healthcare sector, regardless of whether in consumer goods or industrial goods for business clients, is the so-called 4 P of marketing, with which the market-oriented approach of a company can be combined and structured.

Marketing and sales objectives can be operationalized by various instruments so that companies are able to shape the influence on markets (Bruhn 2013). Still the classic marketing mix that goes back to McCarthy in 1960, is the classification into the mentioned “4 P”, which denotes the following four marketing instruments:

- product,
- price,
- promotion (communication),
- place (sales).

The challenge, including the marketing of newly developed and innovative products and solutions, as digital health applications usually are, is to define and implement the optimal combination of marketing instruments.

2 Marketing for Digital Healthcare Applications

Marketing in today's world, especially for digital health applications (DiGa—Digitale Gesundheitsanwendungen), which may in future be prescribed as an “app on prescription,” must deal much more closely than before with the permanent social and technological change.

The main driver for this lies primarily in the individualization of society, in the self-image of customers, the increase and fragmentation of sales channels (e.g. eCommerce and online/social media marketing) and in a constantly changing way of information, communication, and consumer behavior.

There is therefore no longer just one single society that can be divided into fixed patterns of life and orientation, but there are many small sub-societies with different needs and requirements of their members.

This also results in a differentiated need for communication and information as well as a different, and in some cases increasingly unpredictable purchasing and consumption behavior. Sales strategies and sales channels must be changed, developed, and adapted in the same way as the individualization of the product portfolio and customer approach (Binckebanck and Belz 2012).

Digital health solutions and applications are now mostly new and innovative products, which in some cases still have few competitors and are therefore still not as interchangeable as products in established markets, but here, too, every marketing and sales manager should be aware that brand loyalty and a lack of loyalty to the provider exist especially among younger target customers at the time of the market launch. Also important is the awareness of the increasing ability to criticize and the associated need to communicate when negative experiences are made with digital health products and applications or if the service quality of the offering company is not right. This is then increasingly shared with others on the internet and by one's own social media activities.

The fundamental challenge for every provider, whether the digital health application becomes reimbursable or not, is to bring it to the patient and thus places special demands on marketing and communication:

- The target groups are heterogeneous. On the one hand, there are business-to-business sales to medical professionals, primarily established practitioners, who are to prescribe an application in the future. For this, it is necessary that they know the application, are convinced of the benefits, and have the willingness to integrate the digital health application into the patient-specific therapy plan.

On the other hand, there is the well-informed patient, who is also concerned with raising awareness of the application in order to increase the willingness of the doctor to prescribe the app the patient prefers. Patients are not only open

and interested in using a digital health application, but also proactively present it themselves to their doctor and advocate a prescription.

However, market communication with patients is then classic consumer goods marketing.

- Doctors need to be experienced in products, gadgets, and services. If you consider the number of general practitioners and medical specialists in Germany, you come to more than 100,000, which is a hardly manageable target group which needs to be clarified in the short term. This must be considered when choosing the appropriate sales and communication tools.
- With regard to the content of the respective digital health application, there is also a correspondingly large target group of patients, which should also be reached, informed, and trained.
- During the entire sales and marketing process, care must be taken to comply with the existing legal regulations, e.g. in the form of the Medicinal Products Advertising Act (HWG—Heilmittelwerbegesetz).
- It should also be noted that communication behavior in the healthcare system has changed increasingly in recent years. The possibility of independent research on the Internet is being used more and more frequently. Both the patient as the application's end user and doctors inform themselves online about health care providers, health offers and treatment options, pay attention to evaluations and experience reports of other patients and doctors and are gaining more and more trust. As a result, online marketing is also gaining an importance to make the existence of (reimbursable) digital health applications visibly on the Internet.

With these environmental factors, the supplier's distribution policy after product development and pricing is of importance. It is necessary to go through successive planning processes that build on one another (Bruhn 2013).

1. *Analysis of the sales situation*

Both internally and externally, taking into account the sales approach and practices of other market participants/competitors.

2. *Setting sales goals and establishing sales targets*

These can be described as follows:

- both economically as well as sales volume and turnover,
- supply-oriented, such as delivery times and availability,
- psychologically-oriented such as sales image to be achieved, consulting and service quality, etc.

3. *Development of the sales strategy*

4. *Determination of the sales budget*

5. *Decision on sales/distribution policy measures*

Here it is necessary to make specifications about the design of the sales systems and sales/distribution instruments as well as the sales channels.

6. Sales control

In addition to the development of comprehensive sales controlling, this also includes the implementation of sales-specific information systems, such as CRM systems.

A possible sales policy measure for the market entry strategy of digital health applications into the German-speaking market can be systematic sales management (SSM), which will be considered in detail below.

3 Systematic Sales Management as a Basis for Market Entry and Sales of Digital Health Applications

3.1 From Prospect to Customer

In the age of CRM (Customer Relationship Management), target groups are no longer decisive for every successful sales organization and for solution-oriented sales, but target persons, after all, every consumer or purchasing decision-maker wants to be targeted and addressed as an individual and not through permanent mass communication.

When selling products, solutions, and applications for the digitalization of the healthcare system, the heterogeneity of the target groups and target persons must be considered:

- Hospitals with classic buying center structures and decision-making processes for the purchase of digital health applications (B2B).
- Established medical practices and medical supply centers (MVZ—Medizinische Versorgungszentren) without taking into account buying center structures (B2B). This group is particularly important when it comes to the prescription of digital health applications (“app on prescription”).
- Patients, and thus private end users, who ultimately use the digital health applications (but are also key providers of demand and should be stimulated to position their needs with the doctor, so that they can integrate a digital health application analogous to medication into the therapy plan).

Especially with expensive capital goods, which inevitably include digitalization software for hospitals, but also with many services such as an “app on prescription” it is a long way to develop a buying customer out of a prospective sales lead.

Therefore, continuous dialogues are necessary throughout the entire marketing communication but also throughout the entire sales process to

- deepen the interest of a potential customer after the first identification as a prospect/lead,
- convince him and persuade him to buy,
- make him less vulnerable to approaches from competitors,

- motivate him to make further purchases and long-term cooperation as part of customer loyalty measures and through service concepts (cross- & up-selling).

Classical mass media are at least in the consumer goods distribution (B2C Business to Consumer) quite suitable to generate attention and awareness for the product but are generally strained with the task of continuous dialogue.

On the other hand, the personal dialogue by sales representatives, as is classically realized in the sales and distribution of medical technology or in the marketing of medicines by pharmaceutical representatives, is not the appropriate instrument in all phases of the sales and marketing process from a cost perspective.

The success in marketing is only guaranteed by a systematic approach and continuity in addressing target customers and target persons and take care of all interested parties. Therefore, for the marketing of “digital health applications” to hospitals, medical practices and finally also to patients as end customers, “dialogue-enabled” measures and tools for personal and individual addressing and a “systematic sales management (SSM)” are necessary for implementation.

SSM is to be seen as a dynamic concept for a systematic and yet individual support over all phases of the sales cycle, from prospective customers to regular customers.

The use of this sales system is not only limited to the healthcare sector, but can be considered across all industries and is used to support companies at every stage of market development, to communicate systematically with their target persons and identified decision-makers—from the identification of prospects to customer loyalty.

In the individual sales phases, however, different communication content, phase-specific goals and the respective customer and prospect status require different types of approach.

The individual instruments of the SSM

- Direct Mail (analogue and electronic)
- Telesales/Inside Sales/Sales Support as well as
- Field Sales Force (mobile sales)

achieve an outstanding success within the framework of an overall concept and in systematic and coordinated use.

3.2 Sales Instruments in Concerted Interaction

For systematic sales management, different sales tasks require different types and measures or instruments:

- Personalized direct mailings (as analogue print mailings or as electronic mail) are suitable for regular contact refreshes and for a wide spread of information. For example, when it comes to informing the prescribing doctors about innovations

and new features of an app, the target group can very quickly include several thousand target physicians—depending on the specialist medical field. Based on this size, the target group cannot nevertheless be informed as quickly, cost-effectively, individually and personalized without using this instrument.

- A Telesales department or a proactive Inside Sales Support is always useful if a personal dialogue is necessary, but a visit to the field is either too expensive or psychologically too intensive in the current phase. The advantage of using the “telephone” as a sales and distribution tool for the marketing of “digital health applications” is that the telephone can be used to conduct personal dialogues too, but more cost-effectively than through a Field Sales Force.
- However, the personal visit by the Sales Force becomes necessary when larger specific deals are pending or complex problems must be solved or if a personal relationship needs to be deepened or refreshed.

3.3 Lead Generation and Qualification with Systematic Sales Management

Systematic sales management begins with the finding and the identification of prospects. To be able to address them specifically and tailored to their individual needs, target persons must first be identified and then selected as precisely as possible. Here again it is important to ensure that the lead generation for digital health applications involves the heterogeneous target groups such as doctors, hospitals, and patients.

Triggers are, e.g. mailings or “classic” advertising such as advertisements in general interest magazines (health magazines for patients such as “Apotheken-Umschau”, etc.) or special journals for doctors. Also, editorial press articles on PR activities by the companies are to be mentioned as an effective communication tool in this context.

In addition to these “non-digital” communication tools, other digital communication tools are particularly suitable in connection with the marketing of a “digitalization” product. In addition to own website or company-owned social media profiles such as Facebook, LinkedIn or Xing, this also includes display advertising on external websites or in mobile apps, search engine advertising, advertising in social media and partner networks in the form of affiliate marketing. Also positive for the generation of interested parties are user and experience reports in external blogs, user posts on social media as well as online recessions (Meffert et al. 2018).

The qualification of the prospect’s response and reaction (usually in a personal dialogue on the phone or via e-mail dialogue and live chat on the Internet) enables a potential-oriented and target-specific classification and further processing. Depending on the reaction to the initial trigger, follow-up measures and offers can be adapted to the respective demand potential and individual customer needs.

Increasing the use of the relatively cost-effective sales instrument “Telephone” for the marketing of digital health applications results from the constantly changing conditions in the health market:

- The products in competition, also in the field of “health applications,” will become interchangeable from a certain point in time. This can be seen, for example, in the topic “Mental Health,” where a variety of applications (such as Novego, Mind-Doc, Selfapy, Deprexis or Moodpath) are now supposed to support the treatment of depression, anxiety disorders, and other mental illnesses.
- Competition and cost pressures on providers are also growing in the healthcare sector at the moment.
- Sales work is increasingly focusing on promising customers.
- Field sales workers focus on signing the contract.
- The support of interested parties, especially in the mass market, is neglected.
- Frequency of contact and the intensity of contact to customers and prospects decrease.
- The personal connection and the bonds to many (especially B- and C-) customers and interested parties are lost.
- Subjective assessments of the market exclusively by the field sales force lead to “inaccurate” customer potential assessments.

Especially about the worthiness of sales support and care during the sales cycle, misjudgments often occur for both customers and prospective customers. It is not the realized turnover, but the existing and feasible sales potential that expresses the worthiness of customer support. And in the case of interested parties, it is not the mere expression of interest that should control the current and future measures of support, but the situation of the customer, which is defined and outlined by clearly qualified requirements.

In order to qualify prospective customers, in particular as a basis for further prospect/lead management as well as for downstream sales activities, the following procedure should be chosen:

- collection of relevant questions that express the situation and needs of customers or interested parties,
- definition of operational requirements,
- definition of demand categories,
- scaling the demand categories of each individual characteristic of requirement,
- definition of classes to form the ABC analysis.

The qualification and potential classification of interested parties does not only take place within the framework of incoming contacts, e.g. in the context of incoming enquiries as a result of (direct) marketing campaigns but can also be carried out proactively via the conception and implementation of a telephone market analysis. This is also used for the collection of demand data as a basis for a systematic sales management.

The process of a telephone market analysis is structured as follows:

1. Detailed concept and coordination,
2. Target group definition, organize, and provide addresses,
3. Conceptual and administrative pre-organization of the project “Telephone Market Analysis,”
4. Information/process workshop with sales staff,
5. Provision and pre-training of employees for telephone market analysis,
6. Training, project start-up, and implementation of the market analysis,
7. Evaluation of the interview results,
8. Performance of an ABC analysis.

The entire prospect qualification is therefore used to collect and verify the exact market and customer potential with the following focus:

- Identification of responsible contact persons and decision-makers,
- Potential analysis regarding demand, distribution of demand across products/applications and competitors,
- Generating of interest through product and service presentation,
- Answering questions, objections, concerns,
- Agreement on further sales measures as required, such as visits of the sales force, recall, provision of written information,
- Initiation of the systematic sales management program.

The basic prerequisite for active, systematic customer support is:

- Knowledge of the overall market potential,
- Knowledge of the temporal distribution of the potential (short term vs. long term and medium term),
- Calculability of the potential for each individual customer and prospective customer,
- Customers and prospects weighed and classified according to potential,

This is the only way to ensure continuous market exploitation by providing the right information to the right recipient at the right time using the right instrument. This process is depicted in Fig. 1.

3.4 Management of Prospects/Leads

In the phase of prospect management, the focus of the systematic sales management is on strengthening the willingness of the interested party to buy and consume.

Through targeted information and offers in the context of personalized mailings or actively and passively conducted dialogues on the phone, the interest can be deepened in several phases up to a definitive willingness to buy. If it is necessary

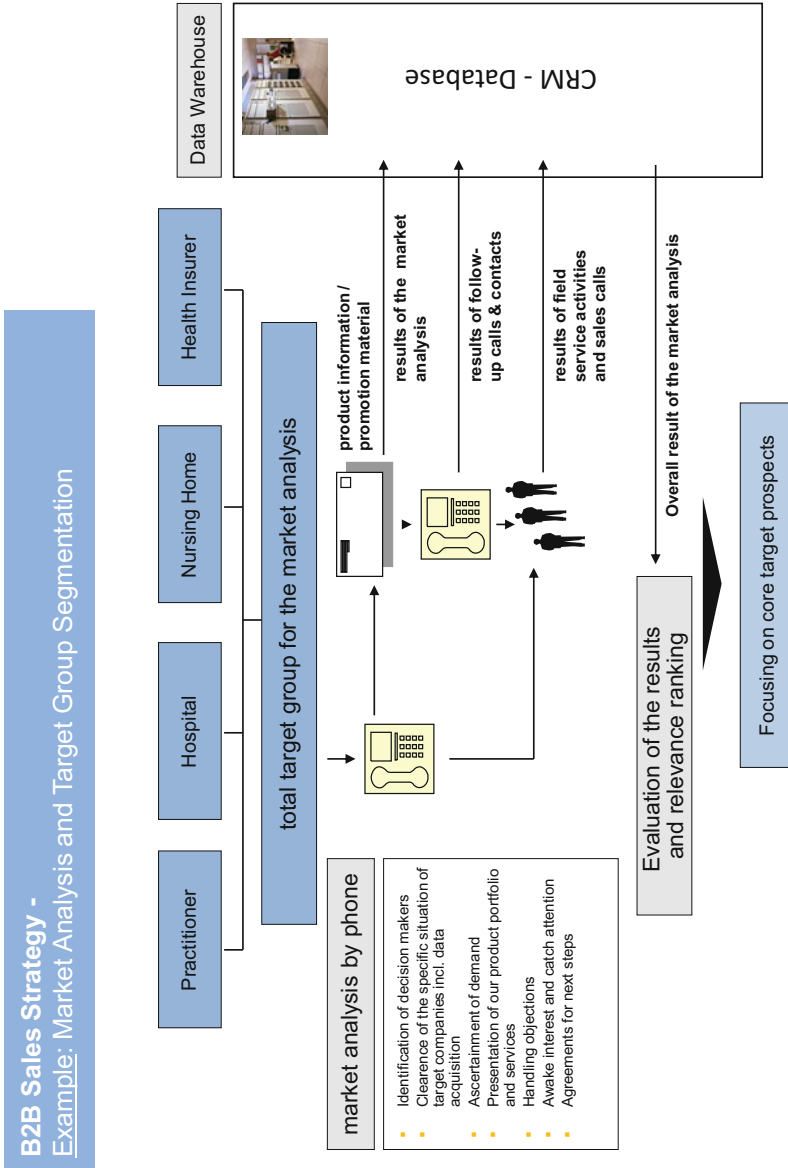


Fig. 1 Market analysis and target group segmentation by telephone. Source: Author

and reasonable to make a field service visit to finalize the deal, it can be scheduled at the end of the process.

The contact frequency depends on the individual level of interest and customer-specific objections.

In this context, the question of the selection of a suitable communication tool also arises, because the aim is to give every potential customer at every stage of the sales process the feeling that his/her interest and questions or objections are given sufficient importance and space without overdoing him/her by too much on-site presence, e.g. by too many and too early visits.

It is important in this phase to increase the contact rate to previously acquired prospects as well as to intensify the loyalty of interested parties through more personal contacts and more personal support without directly recognizable sales intention.

This means that the continuous collection and maintenance of information about customers and interested parties and their systematic use are of central importance.

However, consistent personal market support in the phase of prospect management exceeds the capacity of the sales force, whereby pure contacts of support service by the field sales staff would also be uneconomical at this stage.

The transfer of all tasks in prospect management and customer acquisition to the field service would also lead to potential conflicts with interested parties, because a visit to the field too early is not desired by many people, as it unnecessarily builds up a “psychological buying pressure” and, moreover, not every person is equally “worthy of care” due to the existing purchase volume.

Thus, in the process of managing prospects for the marketing and sales of digital health applications, it is necessary to decide which role the individual instrument “direct mail,” “telephone,” and “field service” should take on and how they should be coordinated. The decision should depend on which function and task the respective instrument can perform:

Direct Mail:

- Keeping a broad target group informed,
- Create attention,
- Generate response,
- Remind regularly and provide up-to-date information to a broad target group.

Phone:

- Gaining information about customers and prospects,
- Answer current and individual questions quickly and in a targeted manner,
- Takeover of direct sales tasks,
- Exploitation of up- and cross-selling opportunities,
- Create personal closeness between customers/interested parties and companies.

Field Service/Sales Force:

- Targeted, comprehensive, and personal advice to customers and interested parties,

- Product presentation and explanation,
- Obtain a purchase decision,
- Create a personal bond with the sales force as a representative of the company.

In addition to deciding when to use which instrument in the different stages of the sales cycle, there is also a question of which topics and occasions should be contacted with a prospective customer. Different categories can be distinguished, such as

- Product- and performance-oriented events such as the introduction of new products and services, changes in price and conditions policy, promotional activities and special sales offers, etc.
- Event-oriented occasions. This includes, for example, specialist events such as trade fairs, congresses, symposia, and workshops, as well as employee-oriented training and further education courses.
- other topics and events.

In the entire phase of prospect management, topics, and occasions as well as the respective instruments must be planned in the long term within the framework of comprehensive contact planning. This process is depicted in Fig. 2.

3.5 The Method of Systematic Sales Management

Systematic sales management is based on three basic parameters:

1. Target segmentation, in which an initially unmanageable mass of potential target clients is divided into groups with the same need for care,
2. Planning of measures in which the available instruments (e.g. Direct Mail, Telephone, etc.) can be used according to the respective support and care needs, and
3. Contact frequency planning with the question, how often a potential customer should be contacted.

To organize and realize the required sales processes and workflows, the establishment and use of a CRM database is sensible and necessary.

This enables the flexibility within and between the respective parameters and a needs-specific and individual support of the respective target persons based on their customer history.

Complementing every sales activity and every reaction and response, the CRM database represents the entire history of the sales process from interested parties to regular customers.

This provides an overall view of all information, influences purchasing and can be the basis of sales controlling and forecasts.

Example of SSM

Systematically Sales Management

Contact the „right“ Company and the „right“ Contact person / Decision maker at the „right“ time by the „right“ Sales tool & instrument.
 Focus on a combination of DirectMail/ eDirectMail, Telesales & Fieldsales, depending on the status of Sales Life Cycle.

FOR EXAMPLE

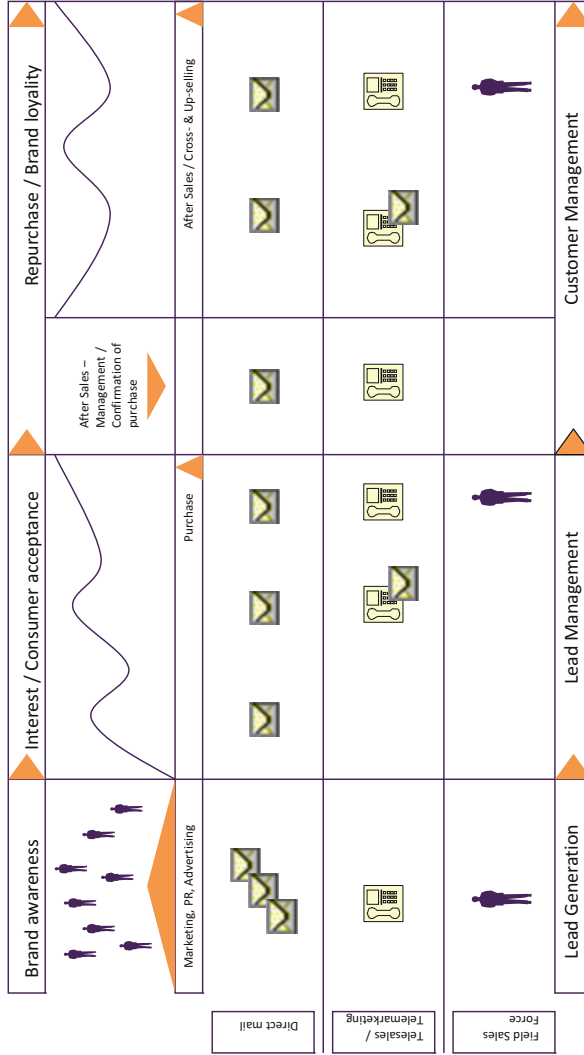


Fig. 2 Example of systematic sales management (SSM). Source: Author

The sales database therefore plays a special role within the systematic sales management, as it is the only way to look after each individual interested party and customer at all stages of their interest, but also to ensure the profitability of all measures (results in relation to sales costs) and to be able to control at any time.

4 Conclusion and Outlook

For the sale of digital health applications to doctors and patients as well as for the sale of products and solutions for the necessary digitalization of hospitals and the nursing sector, the offering companies need innovative products and attractive and competitive prices. Structured and systematic sales processes and concepts are just as necessary for market entry and continuous market cultivation, as for continuous communication with potential target customers via different, target-specific communication tools.

Even if the market is growing due to the advancing digitalization of the healthcare sector and the legislator also ensures general market growth through framework parameters (such as the Law for Better Care Through Digitization and Innovation) applications, solutions, and products will not sell themselves automatically. The solution providers are required to be proactive and to develop their sales and marketing concepts.

The “Systematic Sales Management” can be used as an integrated building block in multi-channel sales, especially in the first phase of market entry, which is very much about . . .

- creating perception/brand awareness,
- generating interested parties,
- converting prospects to customers, and
- ensure successful market entry, continuous sales growth, and adequate market positioning.

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