



Outcome Measurements for Physical Therapy

SITUATION

The SearchLite collaborated with ShapeLog, a fitness technology startup in Ann Arbor, MI, to conduct a market assessment that looked into the Physical Therapy market. The goal was to deliver customer validation outputs that would be helpful to ShapeLog as they invest precious resources into sales, marketing automation and other commercialization activities. The goal of the market assessment was to understand current state-of-the-art practices, e.g. how strength resistance is measured in physical therapy clinics and associated opportunities for better outcome measurements using biometric devices.

ACTION

The scope of the market assessment included 12 industry expert interviews, extensive secondary research, online discussion forum engagements, and surveys.

During interviews with PT business owners, SearchLite realized that while everyone had some awareness on the emerging trend of outcome-based reimbursement over fee-for-service, there was no sense of urgency for a change in strategy or business practices. As a result, the stage was not yet set for biometric devices to penetrate the market profitably. While there have been federal mandates since 2014 for healthcare professionals to move to electronic medical and health records, there is no similar push for PTs to switch to an electronic system; None of the therapists or clinics saw ShapeLog as the solution to their most pressing concerns.

RESULTS

By taking advantage of The SearchLite's objective, systematic market assessment approach, ShapeLog quickly realized that their device does not relieve the urgent pain points of PT businesses, and hence lacks product-market fit with PT business owners.

Given that ShapeLog's major focus is fitness technology in gyms and fitness centers, The SearchLite decided to pivot and reach out to fitness equipment manufacturers to assess ShapeLog's product-market fit in fitness training. This helped identify how the "Leaky Bucket Syndrome" found with gym memberships (i.e. high attrition rates) and a huge push towards finding new ways of engagement/retention of members could become an opportunity for ShapeLog's technology. From a segmentation perspective, stand-alone clubs were more receptive to innovation whereas large chains were slow to adopt new products. In addition, interviews with equipment manufacturers indicated they (Life Fitness, Precor, Technogym and Star Trac) rather than fitness club may be more interested in quantitative measurements of force and resistance to enhance their offerings.

The SearchLite recommended that ShapeLog should:

- Focus on marketing for early adopters in the PT industry
- Focus on Fitness facilities for now, but develop relationships with equipment manufacturers
- Partner in muscle and bone research in order to publish white papers and/ or apply for research grants