

How Internet Retailers Fit in the Sleep Industry

INTRODUCTION

From cell phones to automobile GPS, our society is becoming more and more reliant on the information the internet provides. Uptodate.com has become an innovative tool for doctors to stay current on new medical advances. WebMD.com has established itself as the basic medical reference for individuals without formal training in the medical field. Online retailer, 1800contacts.com, has shifted the way people buy contacts. Websites like these have paved the way for healthcare institutions to build their niche within the world wide web. In our conversation with **John Goodman, President and CEO of CPAP.com**, we explore how the steadily growing family of CPAP.com websites are contributing to the sleep disorder treatment industry.

HOW DID CPAP.COM GET STARTED?

CPAP.com was developed to meet the needs of sleep apnea patients. In 1999, our brick and mortar CPAP business ran some online auctions in order to liquidate excess inventory. After having some difficulty posting images, I turned to my son Johnny for help. It was not long before auctions were running. My email box began to receive notes from CPAP patients looking for help with their therapy and curious about other equipment options. The trickle became a stream. It was clear that sleep apnea patients valued easy access to lower prices and were hungry for product knowledge. When I could no longer keep up with the emails, we built a website to help us deal with the requests. We focused on providing comprehensive product information, creating a strong infrastructure, and building a knowledgeable customer service team. Our company listens to CPAP patients and they have been the driving force behind many of our major initiatives, such as CPAPtalk.com and the Product Challenge.

HOW DOES RETAILING CPAP PRODUCTS ONLINE BENEFIT PATIENTS?

Patients are the focus of every successful CPAP internet retailer. The livelihood of our company is reliant on meeting the needs of our patients effectively and as quickly as possible. Patients expect information, selection, price, and perfect service. We work to exceed their expectations. Our sites are loaded with information. Half of our employees are customer service representatives, covering 15 hours a day. We stock just about any CPAP product that exists. CPAP masks are a good example of this. We currently have 229 versions/sizes in stock and a quantity of over 10,000 available to ship at a moments notice. Keeping a customer waiting sometimes happens, but it is not acceptable. When Hurricane Ike slammed our Houston warehouse (September 2008), we stayed open and continued to ship out orders. Diligent planning, stocked food fuel and dedicated employees got the job done.

We operate CPAP.com on a cash business model, this enables us to pass on considerable savings to our customers. Prices are very low. These low prices encourage customers to replace supplies regularly, try highly ranked masks to find the right one for them, and buy smaller CPAP machines for travel and backup.

We've maintained a high rate of repeat business which reflects the ability of CPAP.com to deliver patient satisfaction. Much of this is due to our customer service team. Our representatives train in various support roles four to six months before they take unattended calls from customers. They must truly become CPAP experts on everything from angle adapters to power plugs before they are ready to fill the position.

WHAT IS CPAP.COM'S PLACE IN THE SLEEP INDUSTRY?

CPAP.com is the number one internet retailer of sleep disorder products. CPAP.com has also become an industry information resource not only for patients, but for sleep professionals as well. Many sleep professionals tell us they use the site to stay up to date on equipment. They send patients to our site for supplies and use us as reference when trouble shooting problems. As the company grows our focus is to continue to be a resource for patients and the sleep industry. We are constantly looking for innovative ways to better meet the needs of the sleep community.

TELL US ABOUT CPAPTALK.COM

As CPAP.com grew, we wanted to do something big, something for the patients. We developed CPAPtalk.com in 2004 as an informational forum for sleep apnea patients. CPAPtalk.com is a place where new and experienced sleep apnea patients are able to get advice, share stories and obtain information about sleep apnea and CPAP therapy. It is accessible twenty-four hours a day, seven days a week, so patients have a resource at odd hours of the night when they are likely having problems with their equipment. This website is dedicated solely to patient care. CPAPtalk.com does not host any advertising, because we don't want the site to be cluttered with commercial influence.

The successful treatment of sleep apnea is a marathon not a sprint. It is a journey that is best taken with support from those who have been there before. CPAPtalk.com has nearly 370,000 posts with hundreds added daily. It has grown from a standard forum to an excellent adaptation and support tool for sleep apnea patients. The members of the community encourage those who are just learning about sleep apnea and help each other sort out the various issues they face. The members have really made the forum what it is today. You do not have to search long to find one of the many "thank you" posts from users who said they would not have continued their therapy without the help of CPAPtalk community.

Visiting the site, you will find it is easy to navigate and full of features useful to people treating sleep apnea. A tool bar search pulls relevant information from various threads on the site, so users can read what others have posted pertaining to the subject of their search. There is also a "new user" section for those new to sleep therapy. Here patients can get a brief overview of the site and CPAP therapy advice. There is even a "Professionals" section where doctors and sleep technicians can request materials for patients, review how the site works and register themselves in the directory so they are searchable by "talkers" in their area.

WHAT IS THE "PRODUCT CHALLENGE"?

Product Challenge is an unbiased, user generated feedback system for judging the quality of sleep apnea equipment. A Product Challenge pits two like products against each other. A selected group of participants are invited to test and provide feedback for each.

Patients are forever asking, what mask is best? or what machine? or what chinstrap? We as industry professionals try to tell them what is best. We are often wrong. Industry professionals are influenced by a variety of market factors. Patients need an accurate answer not a marketing driven one. We finally decided to find out what patients thought was best and Product Challenge was born.

Although the concept of user driven product development is new for the sleep industry, it is a trend that is catching traction in countless other industries and fed by the information sharing of online social networks. Some notable Challenges include the ComfortGel vs the Ultra Mirage II Nasal mask, and the IntelliPAP AutoAdjust vs the M Series with A-flex. For the most recent challenge, we took the top suggestions from APSS 2009 and let the CPAPtalk community vote on which products they wanted to see compete. This change is the logical step towards enabling the community to have a bigger voice in the industry in terms of product development.

The exact mechanisms of how Product Challenge works is available at <http://www.cpaptalk.com/productchallenge/how-it-works.php>. We set up the framework, and the cpap patients do the work. Bias is at a minimum. The results are useful for doctors and patients in choosing products and for manufacturers looking to improve their selection.

WHAT DO YOU THINK THE INTERNET RETAILER'S ROLE IN THE SLEEP INDUSTRY WILL BE IN THE FUTURE?

CPAP internet retailers are beginning to make a positive impact on the sleep treatment industry. Today, most CPAP patients learn what they can from overwhelmed industry professionals. The need for patient education is immense. As an industry we do not meet the need. The internet is providing patients with fantastic new ways to learn all about CPAP therapy and how to adopt measures that work for them. Much of the information comes from successful patients themselves. Patient and industry educational content on the internet is exploding. CPAP.com and CPAPtalk.com are leaders in this effort.

CPAP patients are finding their voice and gaining influence. They have left tens of thousands of detailed product reviews on CPAP.com and they are gathering in significant and increasing numbers on sites like CPAPtalk.com. They are motivated because they use CPAP therapy every night. Today most CPAP patients do not know the treatment choices they have. Our goal is to change this.

The industry complains of low compliance rates, yet it has taken thirty years since the invention of CPAP therapy to focus on patient opinions of product quality. Cpaptalk.com's Product Challenge is the first serious effort to gather patient feedback in a realistic environment and make it public. The success of patients is an essential part of industry growth. The road to better CPAP compliance requires using the equipment most likely to be effective on every new patient. Product Challenge will help our industry improve the equipment we provide.

Internet websites have grown tremendously due to outstanding educational content, as well as low prices, selection, and service. Just as sleep labs and traditional purchasing establishments have a presence in the sleep community, so too do internet companies. The mutually beneficial relationship between patients and the internet is only going to grow stronger. The internet will continue to provide greater knowledge for patients and a way for them to be more active with their treatment.

John Goodman is the CEO & President of CPAP.com based in Houston, TX. For more information please visit cpap.com or cpaptalk.com.