

Originally Posted by **Anonymous**

Dr. Niznick,

Your competitors have begun to lower their prices through heavy discounts to below even your prices. Can you sustain your growth? Are you feeling the pain?

My competitors are the 6 or 7 major implant companies, not Osstem, MIS, Imtek etc. I heard Zimmer is lowering their price to \$220 per implant if you buy a surgical kit and 20 implants. That is still \$70 more than Implant Direct, and it does not include an abutment or healing collar so that makes them still twice Implant Direct's price for comparable components. I also heard they had a hiring freeze for all of 2009 including not replacing any salespeople they lose so their customer service is going to be decreasing while implant Direct's is increasing, now with 50 sales people counting inside and out, in the US and we just added our 5th sales person in Canada. Similarly, MIS and Osstem low priced foreign made implants have higher list prices than implant direct and discount for volume. More importantly they lack the broad product lines and assurance of quality that Implant Direct's American made product guarantees.

NOW HERE IS THE IMPORTANT ISSUE. Some dentists were afraid to buy implant direct because they thought something must be wrong with the product if it sold for 70% less than the major companies' implants, but now that they are dropping their price on the implant along (which does not help the restorative doctor), they have validated that Implant Direct does not need to compromise quality to sell a \$150 implant. Thank you!

HERE IS ANOTHER IMPORTANT ISSUE. When they drop their prices to their volume users they cut their margins and profits. This reduces their ability to buy opinion leaders support and to put a large sales force in the field, which is the main thing they have going for them. They become less competitive because their corporate structure does not allow them to downsize. There only hope is to go to Obama and ask for a bail-out.

HERE IS ANOTHER IMPORTANT ISSUE: The word is getting out that all you need to do is buy a few Implant Direct implants and you can negotiate 40+ % discounts with any of the major implant companies. This may not have happened to the same extent with Straumann as with Zimmer, Nobel and 3i but it will when SwissPlant hits the market. When doctors hear that their friend got huge discounts and they did not, or that they can not get discounts because they did not want to commit a large amount for an end of quarter large purchase, they will get pissed and come to Implant Direct who treats everyone the same.

Here is an email I received yesterday that says it all:

Dear Dr. Niznick

I currently place the Nobel Select implants at about 800-1000 per year and have been placing and restoring implants for about 20 years.

I will certainly try your implants and can order the 20 implant deal. Even with the 40% discount I get with Nobel it still is a good saving. I have been watching your career for a long time and think you are a very clever business man.