

SMALL BUSINESS

Businesses move beyond basics to do more in video



CARLOS OSORIO • Associated Press

Tom Nardone's PriveCo, which makes bulletproof vests, has developed a following with videos that blow up melons, tires and even racks of ribs.

Looking to hook an audience in a visual world, business owners embrace action, storytelling in videos.

By JOYCE M. ROSENBERG
Associated Press

NEW YORK — Melons going splat in slow motion. Drawn-as-you-go animation about machines. A behind-the-scenes look at winery operations.

Not the usual viral videos, but small business owners have realized offering something to watch and having a sense of humor about themselves can help grab customers' attention.

In more than a hundred videos he's posted on YouTube, Tom Nardone takes aim at racks of ribs, laptop computers and tires to illustrate what a bullet-resistant vest can do. A Valentine's Day-timed video sacrificed several boxes of candy. The videos can be graphic, with items exploding at slow speed and Nardone splattered with barbecue sauce or peanut butter.

Nardone, owner of Troy, Mich.-based PriveCo, began making the videos in 2013, less than a year after he began selling the vests. While he advertised in magazines and went to gun shows, he realized that to reach a wider audience he needed to be online. And he didn't want a demonstration of just the vests.

"It does its job, but it's nothing to look at," Nardone said. "We said, uh oh, we've got to come up with something good."

PriveCo's videos have collected a following; the melon video has nearly a million views since it was posted more than 2½ years ago. Nardone gets recognized at gun shows and has gotten compliments from people who like to watch him shoot items from gravel to boxed wine.

It's natural for some small businesses like real estate brokers to use videos in marketing campaigns for houses and other properties; for others, it can take some brainstorming and perhaps even an offbeat sense of humor to come up with something compelling. But more businesses are getting on board — Facebook counted more than 3 million small business videos posted in September, up 50 percent from 2 million six months earlier, according to the company's most recent published figures.

Arlington Machinery, which sells, repairs and appraises used plastic-making machines, began posting videos on YouTube nine years ago with several objectives.

One was to raise the company's rank in internet search results, and another was to display machines for prospective buyers. Or, if equipment was sent to the company for repair,

videos could show the owners that the machines were ready to be sent back. But more recently, Arlington realized videos were also a way to market itself to different kinds of customers. The Elk Grove, Ill.-based company decided to have a little fun and commissioned the whimsical animated video that explains the company's services.

"Used machinery is not all that exciting to most people," said David Pietig, a general manager at the company. "What we're trying to do is make people interested in what we do."

Thinking about what customers want to see is the best way to get inspired, marketing experts say.

"Good ideas can come from everywhere. If there is an old-school mentality at a company, they should get a pool of 21-year-olds that are more digitally and social media savvy," said Brian Metcalf, CEO of GreenRoom, a digital marketing company based in Miami.

Making videos can cost almost nothing or run into the tens of thousands of dollars. Arlington Machinery says its animation cost only about \$100, but Nardone paid more

than \$15,000 to produce a series of videos last summer. At Mountain View Vineyard, a Pennsylvania winery that began making videos in the past year, a smartphone and a still camera have kept the costs minimal.

When marketing director Laurie Monteforte started working at Mountain View a year ago, she made it a priority to create a campaign that included videos. But the standard way of selling wine — showing smiling people gathered around a food-laden table and lifting their glasses in a toast — won't work in a video, she says.

"Today's audience doesn't want commercials, where we try to sell you something," Monteforte said.

Mountain View's videos teach viewers how to make something with wine, such as red wine hot chocolate, or show some aspect of the winery's operations. Last summer, owner Linda Rice demonstrated how she handpicks Japanese beetles off plants and drops them into soapy water, killing them without chemical pesticides.

Mountain View says its revenue is up about 30 percent in the past year, crediting about three-quarters of that gain to video and social media.

"There are so many options where people can go for wine and spirits," Rice said. "Video and social media set us apart because people get to know us."

"Today's audience doesn't want commercials, where we try to sell you something."

Laurie Monteforte, Mountain View Vineyard marketing director

OUTSIDE CONSULTANT

Aiming for younger consumers

JAMES HEYMAN

Q: We currently appeal to baby boomers because they typically have discretionary money, more flexible time and grown children. How can we attract younger clients?

STEVE SILBERBERG, owner FITPACKING WEIGHT LOSS BACKPACKING ADVENTURES

A: Your question contains the germ of the answer. Your current customers have money, time, low external responsibilities and a desire to reboot their lives. These are all factors that affect how they spend their money, and it happens to be convenient to call them baby boomers. By itself, age is a poor predictor of how people spend nontrivial amounts of discretionary income. Instead, let's consider the traits of millennials vis-à-vis what your company offers. It seems obvious that your core offering is of little interest to most millennials, which leaves two options. It's unlikely a subset of millennials will be interested in your current service. So consider another approach.

Option two is to redesign your actual service to appeal to people (really of any age) who have neither money, time, nor a need to reboot their lives. As informal research, I ran your question past my students and told them to only consider your company's very apt and descriptive name. Three separate classes quickly coalesced around shorter trips, more emphasis on location, dropping the weight-loss aspect and offering group discounts to enhance the likelihood of bringing their own friends. I would argue that more millennials have these interests than share the goals of your current customers.

Practically speaking, this means you should set up a separate business unit to deal exclusively with younger customers. This new unit's name should not start with "Fitpacking Weight Loss." Additionally, this unit should offer shorter trips and the stated benefits should be more akin to doing something new with friends rather than losing weight. This, of course, would be a drastic change from your current business and there may be complications. For example, shorter trips will probably mean people won't be willing to travel as far to the starting point, which means you will need to target specific geographies. Important details, but nothing that some basic market research can't resolve.

James Heyman is an associate professor of marketing at the University of St. Thomas Opus College of Business.

Suits against medical device makers shaped by Gorsuch opinion

◀ **GORSUCH** from D1 federally approved medical device.

Gorsuch added that "a state's judgment that a device is unsafe for a particular off-label use could require design changes that adversely affect the device's safety for on-label uses."

Having a Supreme Court justice who takes such an approach is good news for the medical device industry, which employs tens of thousands of workers in Minnesota and is home to one of the country's most robust medical technology sectors, said John Dornik, an attorney at the Minneapolis firm of Siegel Brill, who also teaches product liability at the University of Minnesota.

Gorsuch's take on pre-emption means device makers can seek FDA approval for an easily documented, limited use of a product but enjoy virtual immunity for all untested, potentially dangerous off-label

uses of the product, including those it knows about and promotes, Dornik said.

"Once they get FDA approval, they get to escape any lawsuit for anything that states like Minnesota would hold them accountable for," Dornik said of Gorsuch's interpretation.

Product liability specialist David Prince, professor emeritus at Mitchell Hamline School of Law, agreed. Gorsuch's opinion "lets device companies off the hook for injuries caused by off-label uses," Prince said.

Prince, who studied Gorsuch's opinion when it was issued in 2015, reread it when President Donald Trump nominated Gorsuch for the high court. Prince called the judge a "classic textualist," meaning he is loath to read anything into a law. In that sense, Prince believes, Gorsuch assumes the absence of references to excluding off-label uses from

federal pre-emption are intentional, not an oversight.

Gorsuch's take is that "if Congress had wanted to say it, they would have written it down," Prince explained.

Device companies Medtronic and St. Jude Medical did not comment on Gorsuch, nor did the Advanced Medical Technology Association, a national trade group known as AdvaMed. Medical Alley, the trade group that represents more than 600 medical technology businesses in Minnesota, took no position on Gorsuch's nomination. The organization's chief executive, Shaye Mandle, said the judge's position on pre-emption was consistent with many other federal jurists. And, he added, it is the right call given the need for flexibility in developing new medical treatments.

Untested off-label uses of medical devices are a matter

for doctors and patients, not device companies, Mandle maintained. Once the FDA approves a device for a single use, "doctors and patients are free to use the device any way they see fit."

Dragging device companies into court every time "a doctor and patient decision doesn't work out" would create "chaos in the system," Mandle said.

Off-use legal tangle

How a company's promotion of off-label uses of products figures into that system remains an ongoing legal debate. In the case of Infuse, the discussion surrounds a product used 85 to 90 percent of the time in ways the FDA did not approve.

Lawyers representing thousands of patients who, like Caplinger, claim injuries related to off-label Infuse uses say the product could not have spontaneously achieved such

a high level of off-label use and that Medtronic pushed unproven, risky uses. They point to what they say are examples of Medtronic teaching doctors to use Infuse off-label and paying them incentives to do so.

Medtronic denies that it has improperly promoted Infuse or violated federal misbranding and product adulteration statutes.

"Doctors are governed by standards of care," said Dornik, who has handled medical malpractice cases. They don't typically take chances on off-label uses. "They are educated on them by manufacturers."

With Gorsuch on the Supreme Court, Dornik added, users of Infuse or any other medical device would face a "patient beware" system.

Without data to support a device's safety, patients will be exposed to unknown risks. No law compels physicians

to warn patients that devices are being used on them in off-label, untested ways.

"How does the patient even know that they are taking a risk?" Dornik asked. "If they don't know, they are still stuck with the result."

The solution for Gorsuch is legislative, not judicial.

"Not everyone may agree with how Congress balanced the competing interests it faced in this sensitive and difficult area," he wrote in the Caplinger opinion. "We can surely imagine a different statute embodying a different judgment. But strike a balance Congress had to and did, and it is not for this court to revise it by beating a new path around pre-emption nowhere authorized in the text of the statute and nowhere recognized in any of the Supreme Court's many forays into this field."

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