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When economists think they can do orthodontics too

Werner Schupp

The direct-to-consumer (DTC) era began in 2014 with the founding of SmileDirectClub in Nashville. Originally conceived as an exclusive distribution partner for Align Technology, the company decided to sell its own aligner product directly to end customers after a legal dispute. Images of the first SmileDirectClub studio circulated around the orthodontic world and worried aligner orthodontists.

On 12 September 2019, SmileDirectClub went public in the US and its flotation raised around $1.3 billion. The company, which was classified as a tele-dentistry firm, was valued at $8.9 billion; however, SmileDirectClub filed for insolvency in August 2023 and ceased all operating activities in December 2023.

The American Association of Orthodontists filed lawsuits against SmileDirectClub with the local dental boards in 36 US states because it failed to meet diagnostic and therapeutic standards. Nevertheless, there was never a judgement, and these lawsuits did not lead to the company's insolvency.

In 2017, Byte was founded in Los Angeles as a DTC aligner provider, and in the autumn of the same year, Candid was founded in New York with the same focus. Just 3 years after Byte was founded, Dentsply Sirona acquired the company for $1.04 billion. This was the first takeover of a DTC company by an established global provider in the dental market. At the time, Dentsply Sirona was already active in the business-to-business (B2B) segment with SureSmile Clear Aligners and wanted to expand its value creation across the entire vertical chain; however, neither Byte nor Candid was able to establish itself sustainably on the market. Despite considerable investment, both brands failed to achieve market success.

In 2017, Straumann took over the B2B manufacturer ClearCorrect in the USA and acquired the Berlin-based DTC start-up DrSmile in July 2020, followed by competitor PlusDental in May 2022, which was merged into DrSmile. On 13 August 2024, Straumann signed a binding agreement to sell DrSmile to Impress Group, based in Spain. Impress Group operates a network of clinics in Italy, Spain, Portugal, France, the UK, the USA and Ukraine. With the acquisition of DrSmile, Impress has expanded its business area to Germany, the Netherlands and Sweden. According to Straumann, the Impress Group, founded by orthodontist Dr Khaled Kosem among others, covers the entire treatment process.

Most recently, Swiss supermarket chain Migros also failed with the dental start-up Bestsmile, which was founded in April 2022; however, this was not a DTC model. Bestsmile operated a total of 27 practices in Switzerland. The high costs for rent and staff likely contributed to the imbalance, which ultimately led to Migros closing Bestsmile on 1 October 2024. Dentsply Sirona has also just withdrawn Byte from the DTC market, marking the failure of yet another B2B player.

Nevertheless, as Hölderlin[1] wrote, "But where there is danger, a rescuing element grows as well." As orthodon-

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tists, we saw the founding of DTC companies as a major threat. At the time, many feared that we would lose a large market share, especially in adult orthodontics. However, we also quickly realised that DTC treatment in the purely aesthetic field harboured considerable risks for patients. In many cases, the promised goals could not be achieved at all, and considerable functional problems often arose, which then required further treatment with functional therapy and orthodontics. The complexity of a functional orthodontic diagnosis, treatment planning and therapy overwhelms DTC providers as their orthodontic expertise, if it exists at all, is likely inadequate. This means that, for us, the "rescuing element" is also growing, as Hölderlin put it. Only orthodontists can do what orthodontists can do: personalised, complex and medically/dentally based orthodontics.

References

1. Hölderlin F. Patmos. In: Von Seckendorf L (ed). Musenalmanach. Regensburg: Leo Von Seckendorf, 1808.