

Case Study

Healthcare

Analyzing the procurement behavior for medical diagnostic equipment

Business challenge

Our client, a leading provider of medical devices, wanted to assess the potential for their key hospital equipment and products in the Australian market. But to do so, it was important to understand the existing size and growth rate of the market, the different brands available and their market share, the purchase behavior of the target customers, and so on, in order to better tailor their value proposition for the market.

It wanted to gather market intelligence specific to the following product segments:

- Thermometry
- Blood pressure Monitoring
- Patient Monitoring
- Physical Examination

This included understanding the following aspects of the Australian medical diagnostic equipment market:

- Current size and market growth
- Brand awareness and market share
- Competitive analysis
- Purchase behavior
- Market trends and dynamics, and
- Medical facilities available across hospitals

Solution

- ▶ Netscribes gathered insights about the current and future outlook of the medical equipment market through exhaustive primary research. This involved telephonic interviews with key people responsible for procurement decisions across hospitals in Australia.
- ▶ To compute the overall demand from the market, Netscribes utilized an evenly dispersed sample of 40 interviews with an average LOI of 45-50 minutes.
- ▶ Netscribes determined the factors that play a crucial role in the purchase process, such as size of purchase order, purchase volumes, percentage of increase in demand, brand reputation and perception analysis, factors affecting the brand switch, frequency of the switch, life of the equipment, trends and unmet needs.

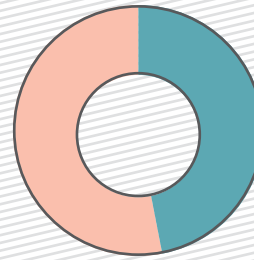
Some of the insights that came out from the study were as follows:

- The Australian healthcare system is a complex network of services and settings of public and private providers, various funding arrangements, participants and regulatory mechanisms which are controlled by Australia's federal, state and territory and local governments.
- The healthcare sector in Australia is managed and regulated by eight state and territory health departments. There were 1,322 hospitals operating across Australia at the time of the analysis.
- High-growth sectors in the Australian healthcare industry include – Medical and Surgical equipment and devices, Healthcare IT, Health Infrastructure & Services, and Clinical Trials.
- Australia's strongest healthcare exports lie in health merchandise i.e. medical equipment and instruments and over-the-counter pharmaceutical products.
- Almost all private hospitals are concentrated across three key cities Sydney, Melbourne, and Brisbane.
- The largest players in the industry are Ramsay Health Care and Healthscope; both own nearly 18.6% of all private hospitals in Australia.

Analysis snapshots

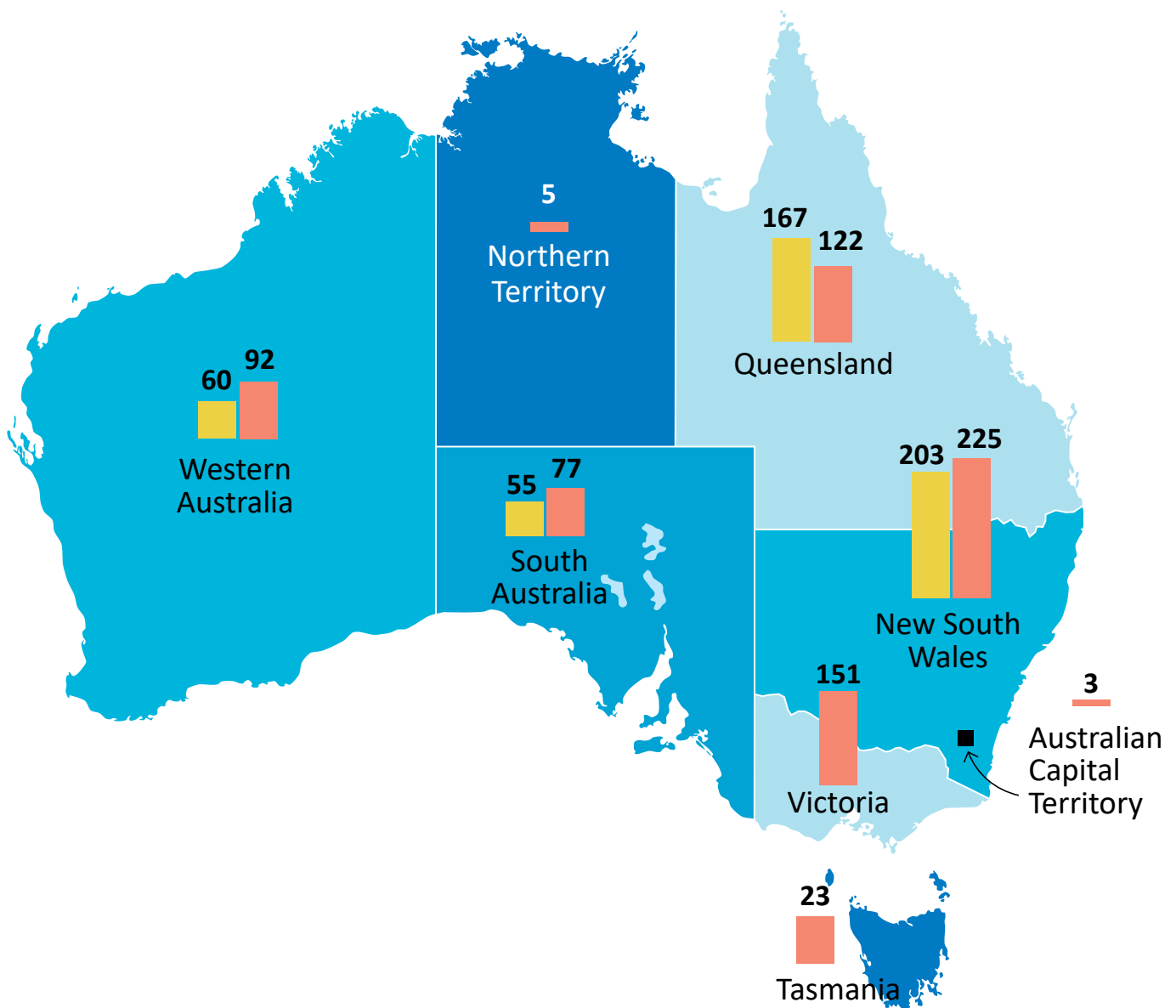
Number of hospitals
in Australia
1,322

53%
Public
Hospitals



47%
Private
Hospitals

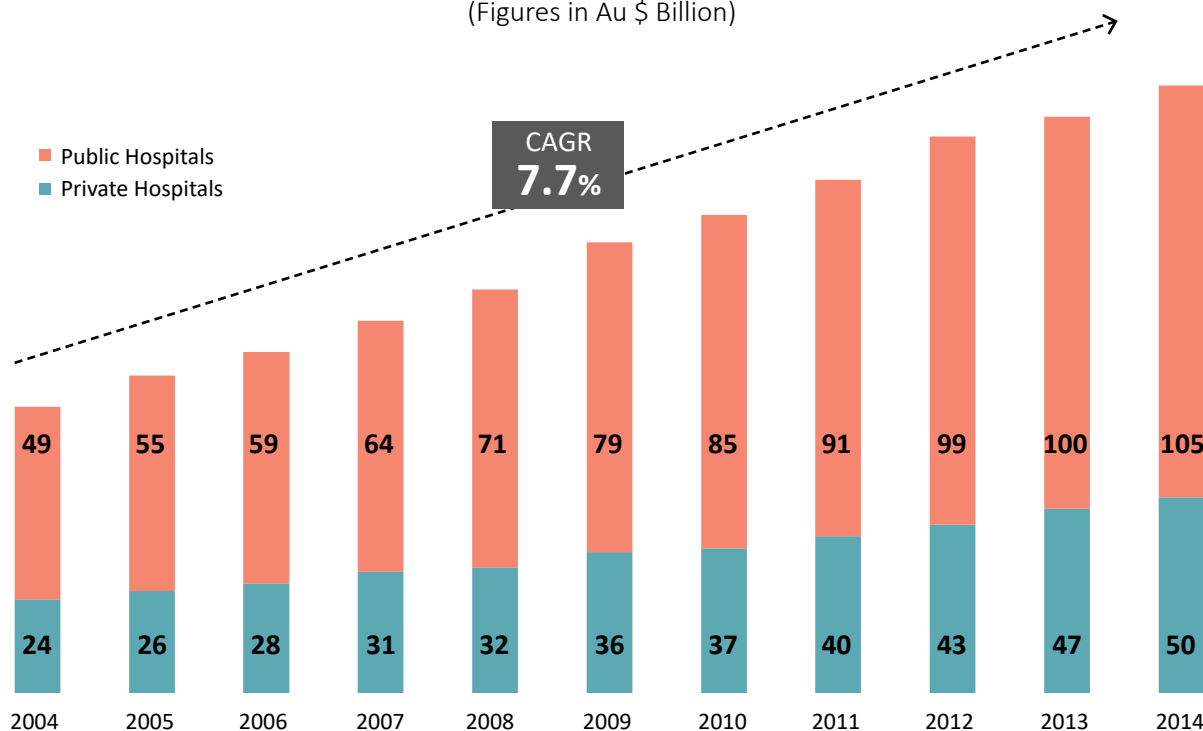
State wise distribution of hospitals



Public Hospitals Private Hospitals

Healthcare spending in 2004-14

(Figures in Au \$ Billion)



BP Monitoring Devices

	PHILIPS N=123	GE N=123	OMRON N=123	WelchAllyn N=123	Medtronic N=123	BRAUN N=123	EDEN N=123
Aware	79%	93%	47%	83%	69%	29%	13%
	87%	84%	55%	82%	86%	72%	69%
Ever considered	69%	78%	26%	68%	59%	21%	9%
	81%	81%	81%	84%	58%	81%	67%
Ever procured	56%	63%	21%	57%	34%	17%	6%
	46%	40%	48%	39%	50%	41%	50%
Currently on use	26%	25%	10%	22%	17%	7%	3%

Demand for Philips

Note: Other local players having around 6% market share.

Hospital Settings	New South Wales	Victoria	Queensland	Western Australia	South Australia	
Public Hospitals	▼ 16%	▲ 19%	▲ 17%	▲ 26%	▲ 8%	
Private Hospitals	Day care	▲ 7%	▲ 13%	▼ 4%	▼ 12%	▼ 5%
	Acute care	▼ 6%	▲ 4%	▲ 9%	▼ 17%	▲ 6%
Defence Hospitals	▲ 23%	▲ 19%	▲ 15%	▼ 16%	▲ 21%	

▼ ▲ Decrease/increase in comparison to 2015

Benefit

The insights from our study helped the client target medical facility centers with the right products and prospect the right people in procurement decisions across hospitals.

Make confident decisions through Netscribes' custom market intelligence solutions.

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