



Case Study

Healthcare

Market Testing a Medical Device Prototype

Business challenge

Our client, a major medical device manufacturer, had recently developed an advanced diabetic retinopathy (DR) screening device for the Chinese market. It was designed to provide superior clinical and economic benefits, but was procedurally very different from the technology already on the market. In order to make the device a success, it was important that the product meet the needs and expectations of end users such as physicians, diabetologists, endocrinologists and support staff. It wanted to test the product in the market to see if it fulfilled its intended use and gain the insight to make relevant modifications before its launch.

Solution

The client engaged Netscribes to test the market for its prototype device. Utilizing advanced market research techniques, we carried out an in-depth analysis of the market and true users i.e. patient profile and prescriber categories including general practitioners, diabetologists, endocrinologists, and hospital staff.

Identifying the winnable market size

We conducted an epidemiology study to understand the demand for the client's new prototype device. This included estimating the population of patients diagnosed with diabetic retinopathy annually, identifying the competitors in the space, and the prices of competing products.

We outlined the key touch points across primary, secondary and tertiary healthcare centers, among prescriber specialty, hospital nurses and purchase departments to establish a market value model corresponding to the device fitment with total available, addressable, viable and winnable market size.

Concept testing for the prototype device

To check the viability of the device among the focus groups, we interviewed over 50 end users including ophthalmologists, diabetologists, endocrinologists, regulatory and support staff and analyzed their needs, wants and the perceived advantages of the prototype device.

Price point testing

To determine the optimum price for the device, we studied the purchasing power of the patients and buying capacity of the payers, the features customers were looking for, the competition and the price point at which they were selling their products.

Device purchasing process for CHCs

We identified the top factors affecting the purchase decisions across community healthcare centers (CHCs) and found that price was the top factor, followed by the maturity of the technology is and the quality of after sales service.

Result

Through the study, the client was able to:

- Recognize the target audience for initial training and mass awareness campaigns.
- Identify the optimum price range to be used during two-round price negotiations in the provincial reimbursement list.
- Identify the key opinion leaders in the hospital involved in purchasing decisions.
- Determine that the company needed to establish coverage with the payers with an acceptable payment rate (ceiling price), which must be acceptable to physicians and hospitals to be able to bill for the procedure.
- Determine how the use of the device would compare to the current costs of care while performing the primary procedure to future costs using the new device.

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