CONSUMER BEHAVIOR ON BUYING PATTERNS FOR CAPITAL MARKET PRODUCTS IN THE MEDICAL DEVICE INDUSTRY

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by

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Under the Supervision and Guidance of

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2025

western
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CERTIFICATE

This is to certify that Yash Gadhiya in partial fulfilment of the requirements for the award of the degree of MBA (Pharmaceutical Management) from the IIHMR University, Jaipur has successfully completed his internship at Western Trading Company from March 10 - May 30, 2025.

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CERTIFICATE

This is to certify that dissertation titled **Consumer Behavior on buying patterns for capital market products in the medical device industry** is a record of the research work undertaken by **Gadhiya Yash Jitendrabhai** in partial fulfilment of the requirements for the award of the degree of MBA Pharmaceutical Management from the IIHMR University, Jaipur under my guidance and supervision and his approach to the research study has been sincere, scientific, and analytical.

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DECLARATION BY STUDENT

I hereby declare that this dissertation titled **Consumer Behavior on Buying Patterns for Capital Market Products in the Medical Device Industry** is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from published or unpublished sources has been duly acknowledged in the text.

Gadhiya Yash Jitendrabhai
Date: 19/6/2023

ABSTRACT

This dissertation investigates capital equipment buying trends and consumer behavior in the medical device sector. This study emphasizes important elements impacting purchasing decisions, including product quality, service support, pricing, brand reputation, and technological innovation, with a particular focus on Western Trading Company, Medtronic's (Covidien) channel partner. In order to enhance marketing and sales strategies for capital equipment, the study uses a mixed-method approach to collect data from hospitals, surgeons, and procurement heads in order to better understand decision-making cycles and preferences.

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Thank you.

Sincerely,

Gadhiya Yash
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1.1 Introduction

High-investment products like electrosurgical units, energy platforms, operating room infrastructure, and diagnostic imaging systems make up the medical device industry's capital market. These devices, which have a lengthy purchasing cycle impacted by budgeting, technical evaluation, and return on investment considerations, are crucial for contemporary medical practice. Sales of capital equipment are defined by fewer, higher-value transactions that necessitate a consultative sales approach.

Western Trading Company, a prominent distributor based in India, acts as a channel partner for global medical device leaders like Medtronic Covidien and Aesculap. By managing product distribution, offering in-service training, delivering sales support, and ensuring rapid technical assistance, the organization serves as an essential intermediary between manufacturers and healthcare providers. Being a major supplier of capital equipment, the organization has close relationships with hospital procurement officers, biomedical engineers, and surgeons.

Understanding consumer behavior in the capital equipment segment is particularly important due to the complex, multi-layered decision-making process. In addition to consumables, capital devices involve a few stakeholders, such as administrative tasks and clinical teams. The reputation of the brand, technical details, cost, warranties, service contracts, and demo performance contribute to purchase decisions. Identifying these patterns of buying helps distributors and manufacturers to alter their approaches in order to influence buyers and streamline the sales process.

1.2 Importance of Study

Understanding consumer behavior in capital equipment is essential for aligning marketing strategies and optimizing the sales process. This study helps OEMs and sales teams enhance data-driven strategies for improving customer satisfaction and conversion rates.

1.3 Objectives of the Study

- To analyze key factors influencing consumer decisions while purchasing capital equipment.
- To study the decision-making hierarchy in healthcare institutions for capital products.
- To evaluate the role of brand reputation, pricing, service support, and innovation.

1.4 Research Questions

The studies questions guiding this study are designed to investigate the behavioral patterns and decision-making factors influencing the purchase of capital market products in the medical device industry.

1. What are the key motivators for hospitals and surgeons when buying capital equipment?
2. How does brand reputation influence the purchase decision?
3. What role do service and post-sales support play?
4. How frequently is capital equipment replaced or upgraded?

1.5 Structure of the Dissertation

The dissertation is structured into six chapters:

1. Introduction / Background

2. Review of Literature

3. Methodology

4. Results and Discussions

5. Recommendations

6. Conclusion

2- Review of Literature

2.1 Introduction

This chapter examines theoretical ideas and earlier research that are pertinent to comprehending consumer behavior in the medical device industry's capital market. To provide a solid basis for the research, important models of consumer decision-making, healthcare procurement processes, and significant market dynamics are analyzed.

2.2 Theoretical Frameworks on Consumer Behavior

B2B healthcare settings exhibit different consumer behavior than traditional retail models, particularly when it comes to capital equipment. Clinical efficacy, operational compatibility, and service assurances are assessed by the decision-making unit (DMU), which frequently consists of several stakeholders, including surgeonss, procurement managers, and biomedical engineers.

A thorough framework that fits in nicely with capital equipment purchases is provided by the Engel-Kollat-Blackwell model (1968). To replicate how hospitals consider capital purchases, it focuses on five stages: problem identification, information search, alternative evaluation, purchase decision, and post-purchase evaluation.

2.3 Factors Influencing Capital Equipment Purchase Decisions

1. **Product Performance & Innovation:** Surgeons and hospitals favor cutting-edge, clinically validated devices. Medtronic Covidien and Aesculap equipment, which is renowned for its inventiveness and dependability, frequently wins preference.
2. **Brand Reputation & Trust:** More stakeholders are influenced by established brands with a track record of quality than by more recent or obscure brands.
3. **After-sales Service & Support:** Purchase decisions are greatly influenced by service agreements, spare part availability, demo support, and training.
4. **Cost and Return on Investment (ROI):** ROI, patient throughput, and equipment lifespan are taken into consideration when allocating capital funds.
5. **Peer Influence & Key Opinion Leaders (KOLs):** Senior surgeons' and KOLs' recommendations influence the ultimate decision.

2.4 Hospital Procurement Behavior

A Frost & Sullivan report from 2021 states that capital device procurement cycles in Indian hospitals can last anywhere from three to twelve months. Smaller facilities rely on surgeon recommendations, whereas private multispecialty hospitals use committee-based evaluations. Public hospitals rely largely on rate contracts and tenders.

2.5 Industry Insights: Case References

- **Medtronic Covidien:** Acquired market leadership by means of consistent product development and strong clinical support staff.
- **Aesculap (B. Braun):** renowned for its long-term dedication to service and ergonomic surgical instruments.
- **GE Healthcare:** Reduces purchasing hesitancy by using EMI plans and demo installations.

2.6 Literature Gaps Identified

- Only a small number of studies concentrate on behavioral analysis unique to capital medical devices.
- Limited information on trends in repeat business and post-purchase satisfaction.
- Lack of India-specific data comparing public vs private sector buying behavior.

Table 2.1: Summary of Case Studies

Company	Key Strategies	Market Impact
Medtronic (Covidien)	• Continuous product innovation. • Strong clinical support teams.	Established as a leader in energy platforms and electrosurgical equipment; trusted brand among surgeons and hospitals.
Aesculap (B. Braun)	• Ergonomic and precision-engineered surgical tools. • Long-term service contracts	Recognized for reliability in surgical infrastructure; preferred for consistency and support.
GE Healthcare	• Demo installations before purchase. Flexible EMI-based financing models.	Lowered entry barriers for hospitals with limited budgets; increased adoption of diagnostic capital products.

3- METHODOLOGY

3.1 Research Design

This study follows a mixed-method research design to understand consumer behavior regarding capital market purchases in the medical device industry. Surveys and interviews were used as primary data collection methods, and secondary data analysis was used as well. The study's breadth and depth are enhanced by the mixed-method approach, which also captures contextual insights and numerical trends.

3.2 Research Questions

1. **What are the key factors influencing hospitals and healthcare professionals in purchasing capital market medical devices?**

   The objective is to analyze key factors influencing consumer decisions while purchasing capital equipment.

2. **How does the reputation of a medical device brand impact decision-making for capital equipment procurement?**

   This question makes a specialty to evaluate the role of brand reputation in capital equipment purchases.

3. **What is the role of after-sales service and support in shaping customer satisfaction and loyalty?**

   To evaluate the role of service support in consumer decision-making and satisfaction.

4. **How do financing options (e.g., EMI, leasing) affect the purchasing behaviour of healthcare institutions?**

   This query seeks to clear the objections to analyze the effect of pricing and flexible financing on buyer preferences.

5. **What are the major barriers and challenges faced by buyers in acquiring capital medical equipment?**

   This query is to pinpoint problems and suggest sales and marketing tactics to overcome those obstacles.

3.3 Study Setting

The study was carried out in major operating regions for Western Trading Company, including urban hospitals and surgical centers. The Medtronic Covidien and Aesculap capital products are evaluated and used in both government-run facilities and private multispecialty hospitals.

3.4 Method of Sampling

Sampling Technique: Stratified random sampling for quantitative surveys and purposeful sampling for qualitative interviews.

The size of the sample-

- 50 people participated in the survey, including purchase managers, biomedical engineers, and surgeons.
- Ten-in-depth interviews with important Western Trading Company and hospital stakeholders.

3.5 Data Collection Methods

Primary Data:

- Stakeholders at the hospital were given structured questionnaires.
- semi-structured interviews with decision-makers to learn more about their patterns of behavior.

Secondary Data:

- Product brochures, competitor benchmarking, industry reports, and internal sales performance dashboards.

3.6 Tools and Techniques

- **Survey Analysis:** Demographic and behavioral trend analysis were conducted using descriptive statistics, such as percentages, averages, and charts.
- **Interview Analysis:** To identify important trends and themes regarding purchasing incentives, obstacles, and influencer roles, thematic analysis was used.
- **Software Used:** Microsoft Excel for basic data management and qualitative response coding.

3.7 Ethical Considerations

- Prior to data collection, each participant's consent was acquired.
- Hospital employees and other stakeholders were guaranteed anonymity and confidentiality.
- The IIHMR University internal review board was consulted for ethical approval.

3.8 Limitations

- Only sample sizes of responses from urban hospitals are included.
- Reaching Tier-II and rural hospitals was hampered by financial and scheduling issues.
- Interview results may be impacted by respondents' personal prejudices**.**

4- RESULTS AND DISCUSSION

4.1 Introduction

The results and interpretations of the data gathered to comprehend consumer behavior and purchasing trends for capital market products within the medical device industry are presented in this chapter. The information is derived from structured questionnaire responses, key decision-maker interviews, and observational data gathered while the intern was working at Western Trading Company.

4.2 Demographic Profile of Respondents

50 people in all, including surgeons, biomedical engineers, and purchase managers from multispecialty hospitals, assisted living facilities, and diagnostic centers, participated in the survey. The following are the demographics:

Profession:

1. Purchase Managers: 40%
2. Biomedical Engineers: 30%
3. Surgeons/Consultants: 20%
4. Others (Finance/Admin heads): 10%

Years of Experience:

1. Less than 5 years: 20%
2. 5–10 years: 40%
3. More than 10 years: 40%

Type of Institution:

1. Corporate Hospitals: 50%
2. Government Institutions: 20%
3. Nursing Homes: 20%
4. Diagnostic Centers: 10%

4.3 Key Factors Influencing Buying Behavior

The research identified the following major factors influencing purchasing decisions in the capital segment:

Table 4.3 Key Factors Influencing Buying Behavior

Factor	% of Respondents Agreeing
Product Quality & Reliability	90%
After-Sales Service & Support	85%

Brand Reputation	80%
Price and Discounts	70%
Product Demonstration & Trials	65%
Customization Options	55%
Peer Recommendation	50%

These findings highlight the fact that quality and after-sales support have a greater impact on decisions to buy than price, especially when it comes to capital equipment purchases where uptime and longevity are crucial.

4.4 Buying Patterns Observed

Procurement Cycle: Because of budget approvals and technical validations, the purchasing cycle for capital equipment is lengthy, frequently lasting three to six months.

Decision-Making Unit (DMU): A number of stakeholders are usually involved in the final decision, including procurement/finance heads (for cost evaluation), biomedical teams (for technical validation), and clinicians (for utility).

Preferred Purchasing Channels: 10% use e-procurement platforms, 30% prefer direct purchases from manufacturers, and 60% prefer purchasing from approved channel partners (such as Western Trading Co.).

Demo Units Are Important: According to 65% of decision-makers, demo units or hands-on trials have a big impact on their choice.

4.5 Discussion

The results show a multi-tiered, logical decision-making process that is common in healthcare capital product purchases. These purchases, in contrast to consumables, are not made on the spur of the moment and necessitate thorough technical, clinical, and commercial evaluation.

Medical institutions are seeking long-term partnerships rather than transactional relationships, as evidenced by the dominance of elements **like product demonstration, brand trust, and after-sales service**. According to this, salespeople should develop **consultative and value-based selling strategies**.

The growing **importance placed on peer recommendations** is an intriguing finding that suggests a growing community-based influence in decision-making. To establish credibility, this gives businesses the opportunity to invest in Key Opinion Leader (KOL) marketing and reference websites.

4.6 Insights on Sales and Marketing Strategy

1. **Focus on Post-Sale Engagement:** Building service excellence can act as a strong differentiator.
2. **Enhance Clinical Engagement:** Product specialists should engage with clinicians early in the decision process.
3. **Leverage Testimonials and Case Studies:** Reference-based marketing could accelerate conversions.
4. **Product Education:** Regular training sessions and workshops can build familiarity and trust with potential users.

5- RECOMMENDATIONS

5.1 Strengthening Clinical Engagement at All Stages of the Purchase Cycle

Recommendation:
Companies should implement targeted engagement initiatives for clinicians (surgeons, anesthetists, department heads) during product evaluation and procurement.

Details:

- **Plan interactive workshops** and **clinical demonstration** sessions in medical facilities.
- Involve product experts in **pilot installations or clinical trials**.
- To showcase better results, present **comparative analysis data** with rivals.

Impact:
These guarantees end users' confidence in efficiency, safety, and usability. Purchase decisions are heavily influenced by clinician approval, particularly for capital-intensive products.

5.2 Focus on Exceptional After-Sales Support

Recommendation:
Establish a strong service infrastructure with specialized engineers, round-the-clock hotlines, and quick-response teams for upkeep and repairs.

Details:

- Provide **preventive maintenance programs** and **annual maintenance contracts (AMCs)**.
- Give hospital biomedical staff on-the-job training.
- Ensure that regional warehouses have a **sufficient supply of spare parts**.

Impact:
Product uptime is increased, patient safety is guaranteed, and brand loyalty is fostered by excellent post-purchase service. Customers are more inclined to suggest dependable brands.

5.3 Provide Demo Units and Trial Installations

Recommendation:
Establish a rule allowing for the provision of trial or short-term demo units for assessment prior to purchase.

Details:

- Give hospitals **15–30 days** to test the product in real-world situations.
- During trials, they provide instruments for measuring **clinical outcomes**.
- Give procurement **teams precise evaluation** standards to help them make decisions.

Impact:
In addition to lowering buyers' perceived risk, trial-based selling enables the sales team to get firsthand user input to improve negotiations.

5.4 Build Credibility Through KOL Marketing and Testimonials

Recommendation:
Use the support of reputable healthcare organizations and professionals to increase confidence in novel or specialized capital products.

Details:

- Find and appoint **Key Opinion Leaders (KOLs)** to serve as brand representatives.
- Publicize **clinical outcome reports, testimonial videos, and case studies** from reputable medical facilities.
- Organize **panel discussions, webinars, and live surgeries** with knowledgeable users.

Impact:
Sales pitches have less impact on purchasing decisions than peer recommendations. This tactic increases market acceptance and authority, particularly for newcomers.

5.5 Enable Financial Flexibility for Capital Purchases

Recommendation:
Offer financial products that are clear and appealing to healthcare organizations.

Details:

- Provide **lease-to-own models, deferred payment plans, or EMI options**.
- Work together with banks and NBFCs to make **financing for medical equipment** easier.
- Combine capital equipment with **consumables or accessories** to receive a discounted price.

Impact:

Hospitals frequently have tight budgets. Providing financial ease speeds up decision-making and improves accessibility.

5.6 Use Digital Marketing to Influence the Buying Journey

Recommendation:
Use cutting-edge digital channels to successfully reach physicians, biomedical engineers, and procurement officers.

Details:

- To highlight product features, use search engine ads, LinkedIn marketing, and targeted email campaigns.
- Create virtual product demos, explainer videos, and interactive brochures.
- Organize webinars or live Q&A sessions for clinicians and procurement managers.

Impact:
Brand recall is increased, stakeholders are educated, and high-quality leads are produced without incurring significant field expenses thanks to digital presence.

5.7 Collect Customer Feedback and Integrate it into Product Strategy

Recommendation:
Create a systematic Voice of the Customer (VoC) program to enhance the experience and product over time.

Details:

- Make use of quarterly check-ins, feedback forms, and post-purchase surveys.
- Make a dashboard with CRM integration to monitor customer satisfaction, service problems, and upgrade requests.
- Clients should be invited to focus groups on product development.

Impact:
This enhances customer-centricity, ensures repeat business, and improves product-market fit.

5.8 Strengthen Channel Partner Relationships

Recommendation**:**
Establish enduring partnerships with local distributors and sales partners who have gained the confidence of local consumers.

Details:

- Provide **co-branded marketing collateral**, organize **cooperative field trips**, and **offer margin incentives**.
- Provide partners with training **on handling objections**, **coordinating services**, and **product knowledge**.
- Keep an eye on performance KPIs and offer **prompt sales assistance**.

Table 5.1: Summary of Recommendations

Strategy	Key Actions	Expected Outcomes
Clinical Engagement	Involve clinicians in product trials, hold workshops, and provide practical demonstrations.	Improved clinical support and more seamless purchase approvals
After-Sales Support	Provide AMCs, training, availability of spare parts, and round-the-clock technical assistance.	Increased brand loyalty, decreased downtime, and improved customer satisfaction.
Demo & Trial Installations	Give short-term product trials evaluation guidelines and tools for tracking results.	Reduces hesitancy to buy, fosters evidence-based decision-making, and increases trust.
KOL Marketing & Testimonials	Work together with reputable medical professionals and organizations, publish case studies, and host live webinars and surgeries.	Increases adoption and fortifies brand credibility.
Flexible Financing Options	Introduce deferred payment plans, leases, and EMIs. Combine capital equipment with consumables.	Quicker decision-making and greater accessibility, particularly for smaller setups.
Digital Marketing	Make use of explainer videos, webinars, LinkedIn, SEO/SEM campaigns, and virtual product demos.	Improved lead generation, increased brand visibility, and cost-effective outreach.
Customer Feedback & CRM	Use CRM software, VoC initiatives, and post-purchase	Facilitates ongoing development, encourages

	surveys to track customer satisfaction.	cross-selling, and fortifies bonds.
Channel Partner Development	Train and encourage regional distributors, conduct joint visits, and provide marketing support.	Improved local market visibility and quicker problem solving in isolated areas.

6- CONCLUSION

6.1 Summary of Findings

The behavioral patterns of consumers who buy capital market goods in the medical device sector were investigated in this study. The study found several important factors that have a big impact on buying decisions through organized data collection. These consist of clinical endorsement, pricing flexibility, after-sales service, product quality, brand reputation, and technical support accessibility.

Purchases of capital equipment are rarely made in a vacuum; rather, they are influenced by institutional policies, group decision-making, and the potential long-term value of a product. Hospitals, assisted living facilities, and diagnostic centers are among the buyers who exhibit a strong preference for brands that exhibit clinical effectiveness, offer flexible financing options, and provide strong post-sales support.

Additionally, the study discovered that trial-based evaluations, peer recommendations, demo units, and digital engagement all significantly contribute to lowering perceived risk and boosting trust in expensive medical equipment. These actions show that buying capital equipment is not a transactional activity but rather a strategic investment.

6.2 Contributions to Knowledge

This dissertation advances our theoretical and practical knowledge of consumer behavior in the healthcare capital equipment market by:

Theoretical Contribution: It confirms that consumer decision-making theories—particularly those pertaining to intricate and time-consuming purchases—are applicable in B2B healthcare markets.

Practical Contribution: It gives distributors and manufacturers of medical devices advice on how to match their marketing and sales plans with the real expectations of their target audience, their purchasing habits, and institutional procedures.

6.3 Implications for Industry Stakeholders

The study's conclusions have various ramifications for interested parties:

- **Sales teams** should concentrate on clinical engagement and consultative selling, especially when working with surgeons and biomedical engineers who have a say in final decisions.

- To inform and sway potential customers, **marketing teams** must spend money on case studies, digital tools, and reference marketing.
- To establish enduring partnerships, **distributors and channel partners** should give prompt support, demo setups, and geography reach top priority.
- More structure and clarity in vendor evaluation procedures can help **hospital procurement teams** make better purchasing decisions.

6.4 Final Thoughts

In summary, the capital market segment of the medical device industry involves complex, multifaceted purchasing behavior that is highly dependent on long-term value, performance, and trust. Customers are looking for a solution provider who can offer cost-effectiveness, clinical impact, and service continuity, not just a product.

Businesses will be in a better position to make a significant impact in the cutthroat medical device market if they comprehend these behavioral subtleties and tailor their products appropriately. The significance of strategic engagement, transparency, and customer-centricity in capital product marketing will only increase as healthcare institutions continue to modernize.

Future studies in this specialized field will build on this study, which promotes more thorough investigation of elements like technology adoption, post-purchase satisfaction, and the effects of digital transformation on institutional purchasing patterns in the capital market for medical devices.

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