

RESEARCH STUDY

## The Doctor Will See You Now: How Hospital Administrators Make Purchase Decisions

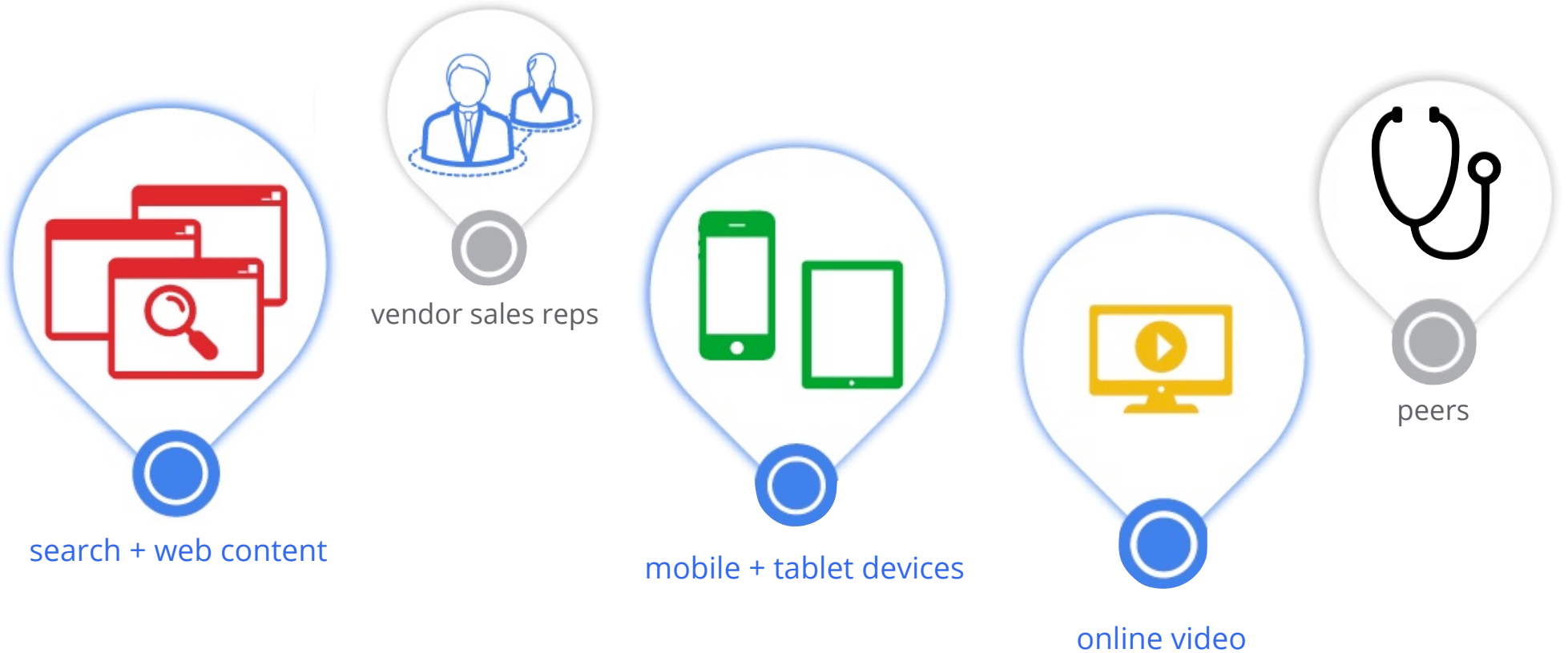
May 2013

thinkinsights  
Google

# What we wanted to know

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What digital resources influence hospital administrators during their purchase journey?



# What we did

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The Hospital Decision Makers Study, conducted in May 2013 by Google and HIMSS Analytics, consisted of a survey to 749 hospital decision makers in April and May 2013 and 60 in-depth interviews, with a focus on four product areas: Electronic Health Records (EHR), Imaging Equipment (MRI, Ultrasound, CT, PACS), Implants and Medical Devices, and Surgical Equipment. Respondents included hospital CFOs, CEOs, CIOs, physicians, surgeons, directors of surgical services, directors of materials management, directors of radiology, and IT directors.

## Phase one

Blind, web-based market research study to determine who are the decision makers/influencers across healthcare product areas

## Phase two

Blind, web-based market research study to see how decision makers become informed on product areas as they move through the Path to Purchase

## Phase three

In-depth interviews to provide immediate actionable insight on how decisions are made within the healthcare setting

What we found

# New equipment fills a need

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There are two main triggers that instigate hospital equipment purchases:

**71%**

of decision makers initiate purchasing decisions when **replacing used or outdated technology**

**42%**

of decision makers initiate purchasing decisions as a result of **user requests**

Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013  
Q2 Which of the following best describes how the need arises for purchasing?

# Hospital buyers balance quality of care with the economics of their purchase

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**3 out of 5**

decision makers look to improve clinical outcomes when deciding to purchase

**Nearly half**

are seeking to lower costs

Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=742  
Q3 What are the factors that drive your decision to purchase?

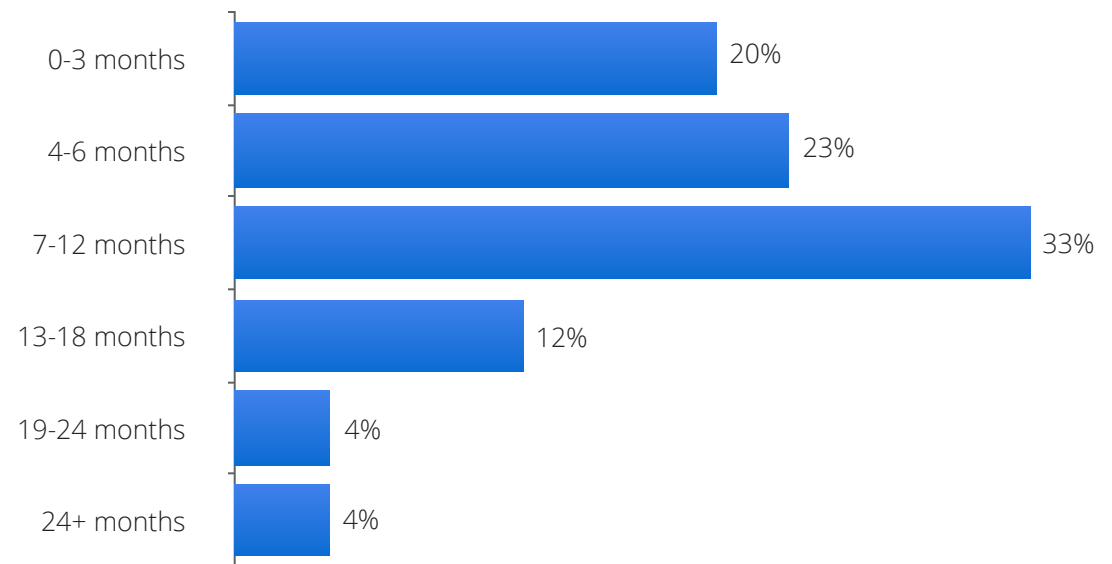
# Most purchase cycles are about one year long

Electronic Health Records and Imaging typically have longer sales cycles than those of Surgical and Medical devices.

# 43%

of purchases are made within 6 months

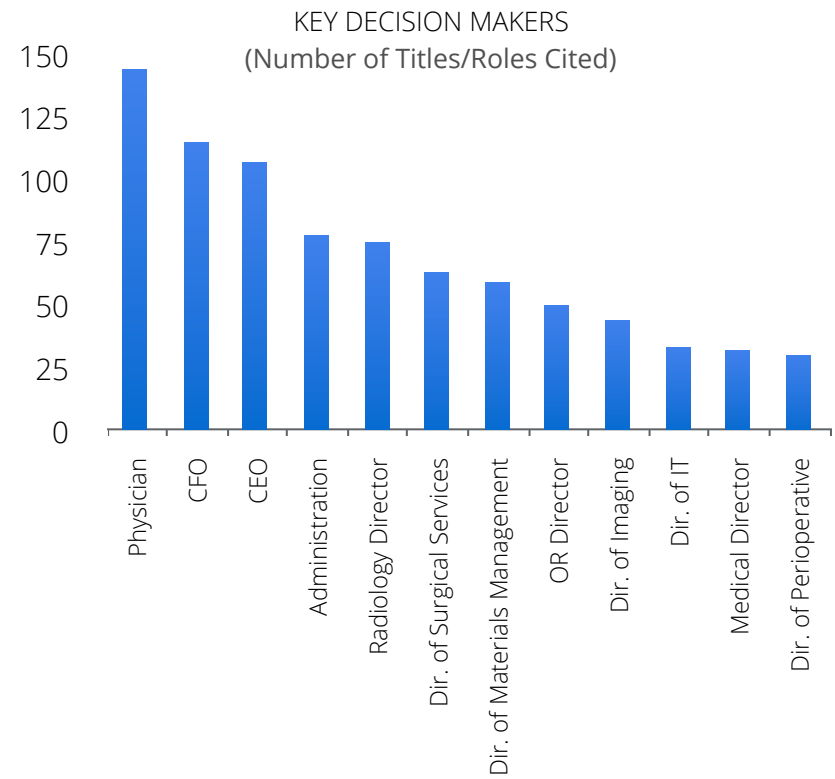
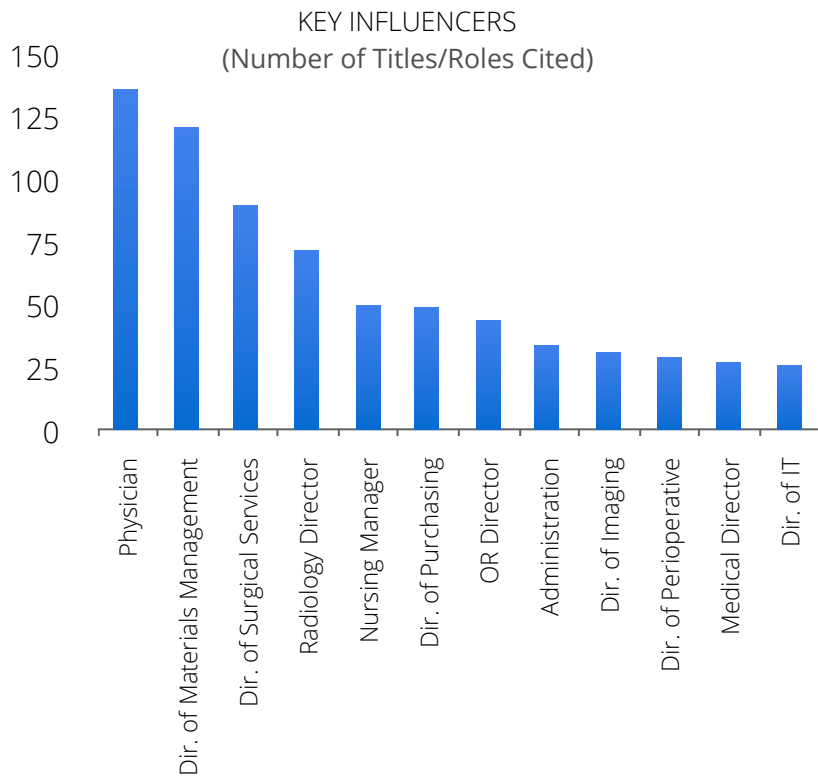
LENGTH OF TYPICAL PURCHASE CYCLE



Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=145  
Q4 How long is the typical purchasing cycle, from the time your need arises to the time you make a decision?

# Many people influence the purchase decision

With a variety of stakeholders and influencers involved, there many opportunities to enter into the consideration set.



Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, Phase 1



# Buyers turn to digital in a shifting landscape

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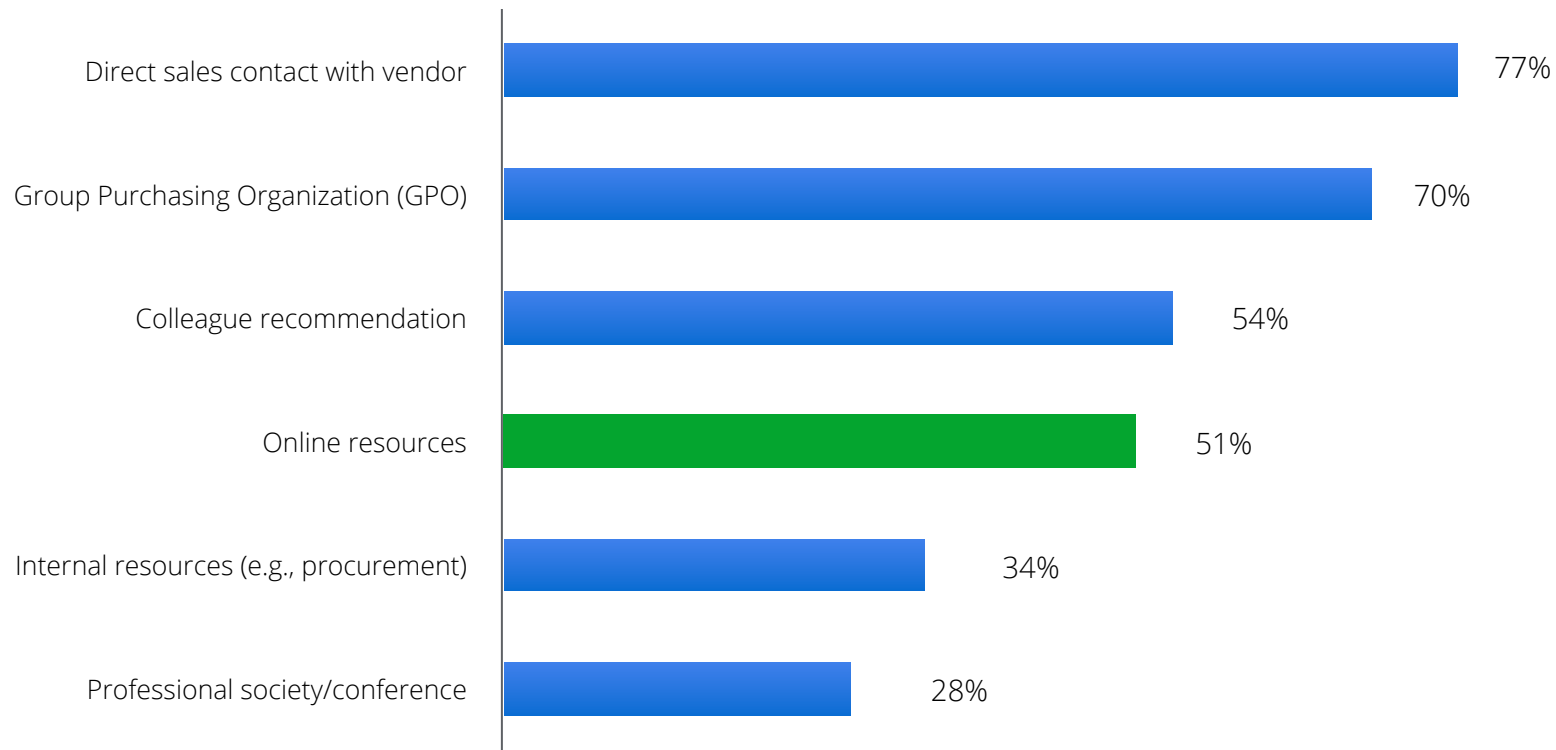
“There is not the funding there used to be to go to conferences and trade shows, and they are time consuming as well. **Online information is at your fingertips morning, noon, and night.**”

--EHR Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3

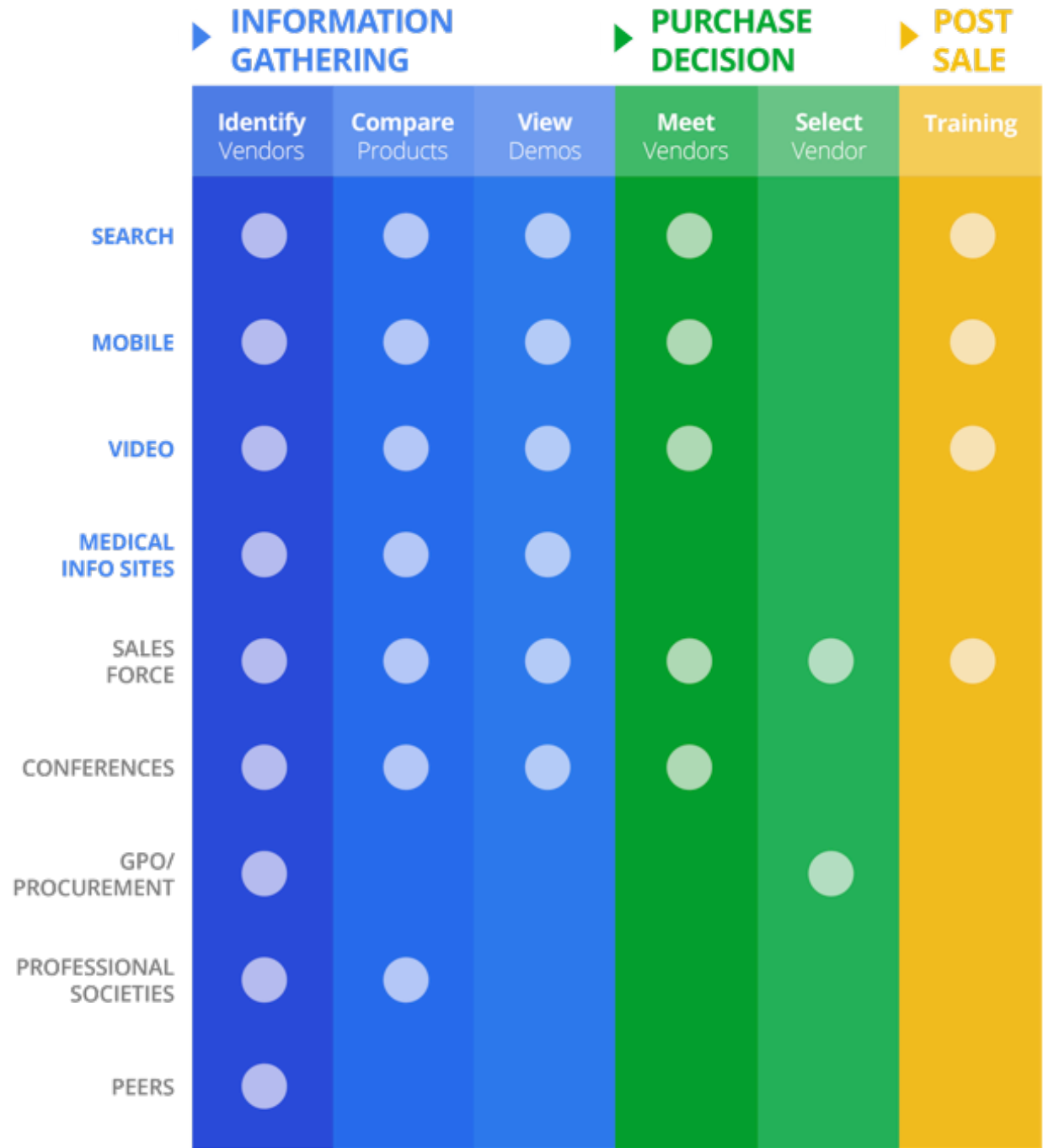
# Over half of hospital administrators go online to research equipment and vendors

RESOURCES USED IN RESEARCH & DECISION MAKING PROCESS



Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=735  
Q3 Which of the following resources do you use as part of your research and purchase decision making process?

Digital tools influence throughout a buyer's decision journey



# Digital is your always on sales rep

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**Search** is indispensable for buyers as they gather information



**Mobile** is by a decision maker's side 24/7



**Online Video** showcases product features + functionalities

Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013



# Buyers use search engines to gather information on products and vendors

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research product features

**94%**



identify vendors

**90%**



compare products

**82%**

Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=474

Q8 Which of the following best describes how you utilize search engines during the research and purchase decision making process?



Buyers use search engines to gather information on products and vendors

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“The primary reason we conduct online research is to **limit the number of vendors**... we cannot deal with all 50 of them and try to pick the top 3 or 4.”

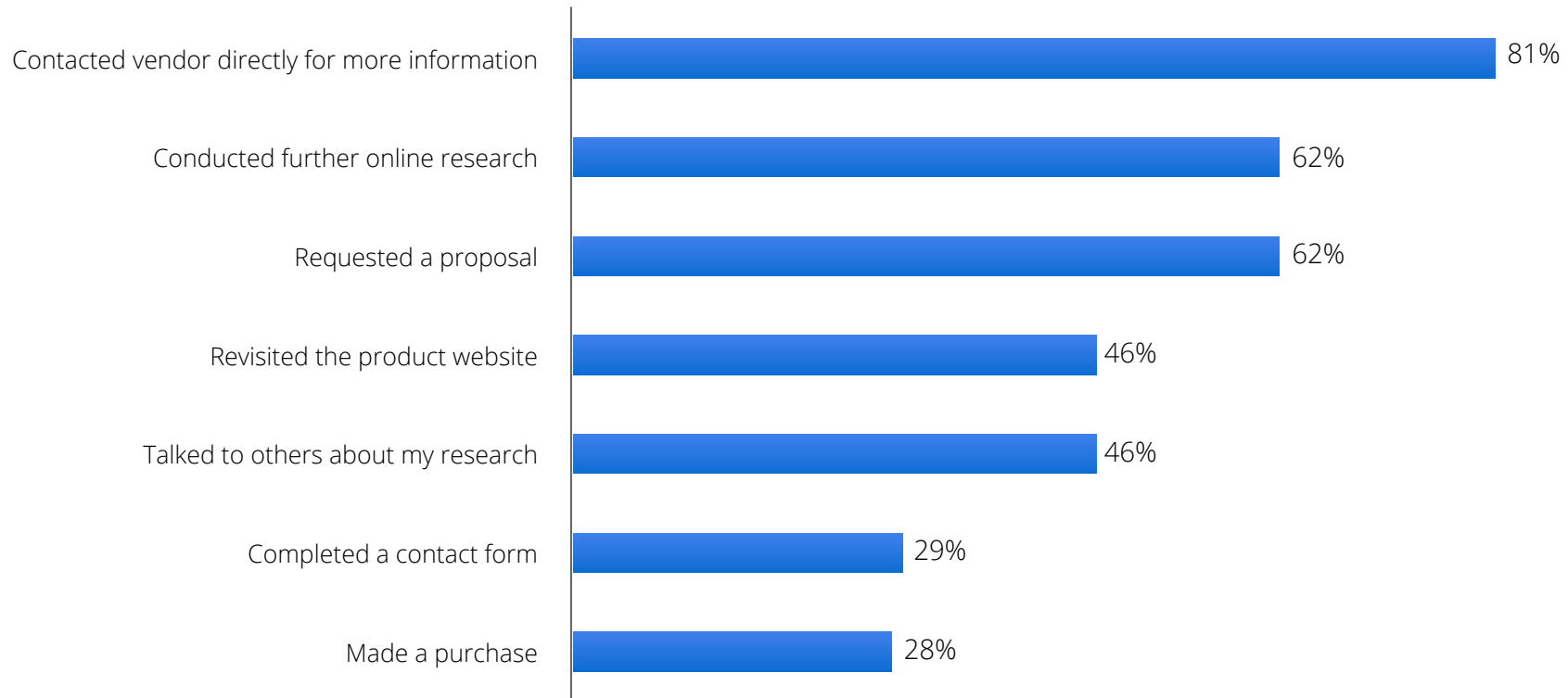
--Imaging Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3



# 81% of hospital administrators directly contact a vendor as a result of their search

ACTION TAKEN FOLLOWING SEARCH ENGINE RESEARCH

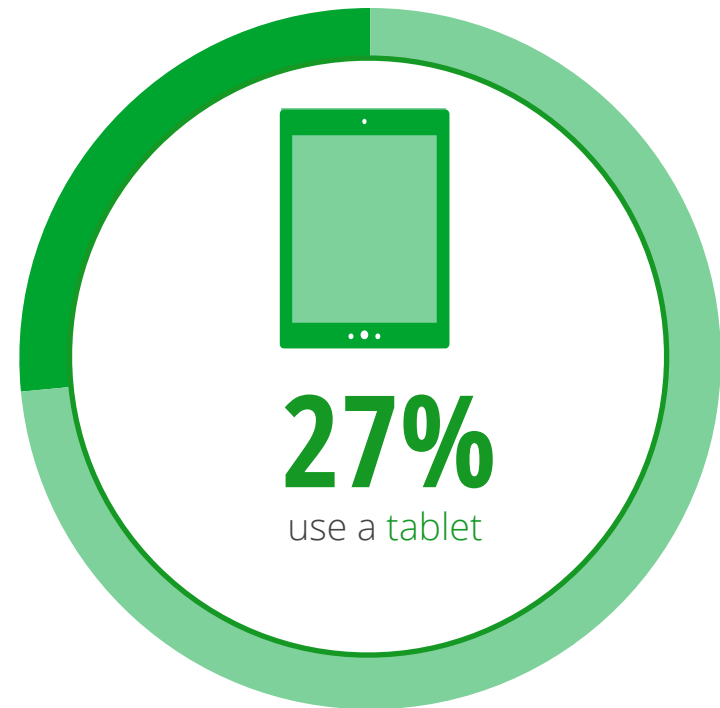
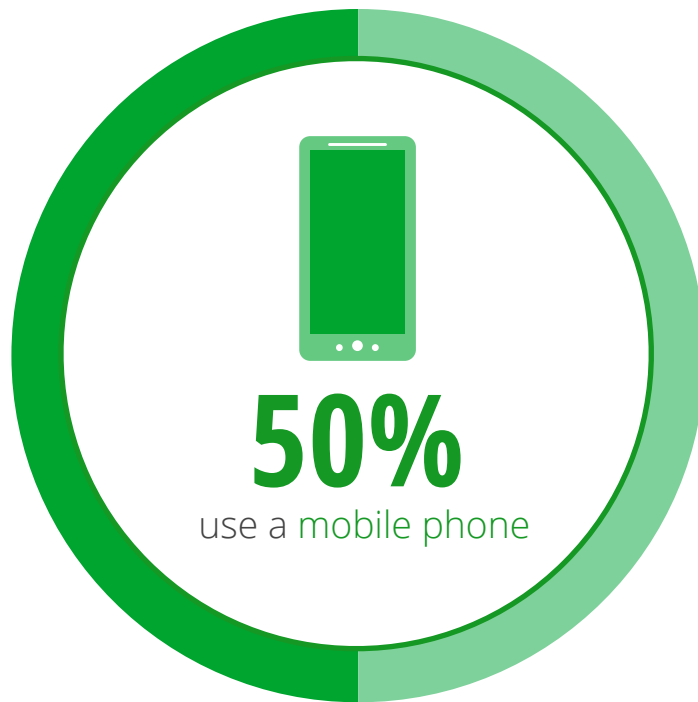


Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=425  
Q8a What action did you take as a result of your research using search engines for your decision to purchase?



# Buyers research on their mobile devices while on-the-go

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Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013





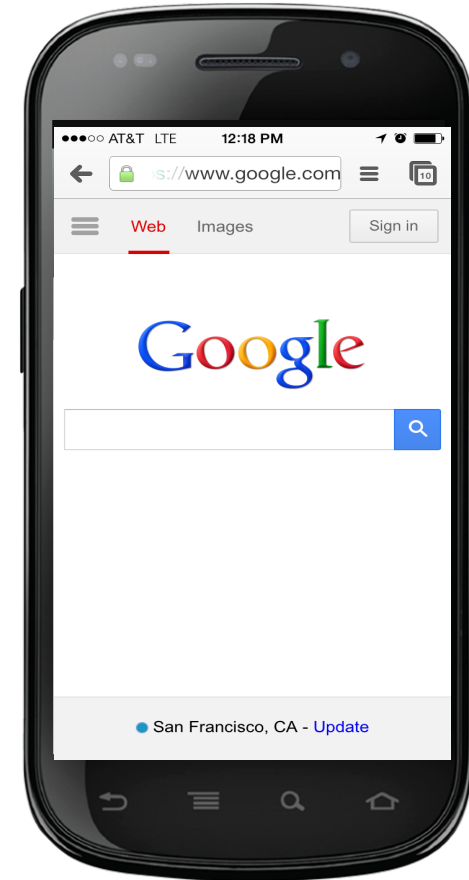
# They use their phones to explore products and vendors

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**38%** read product reviews

**34%** request product information

**30%** read peer reviews and testimonials

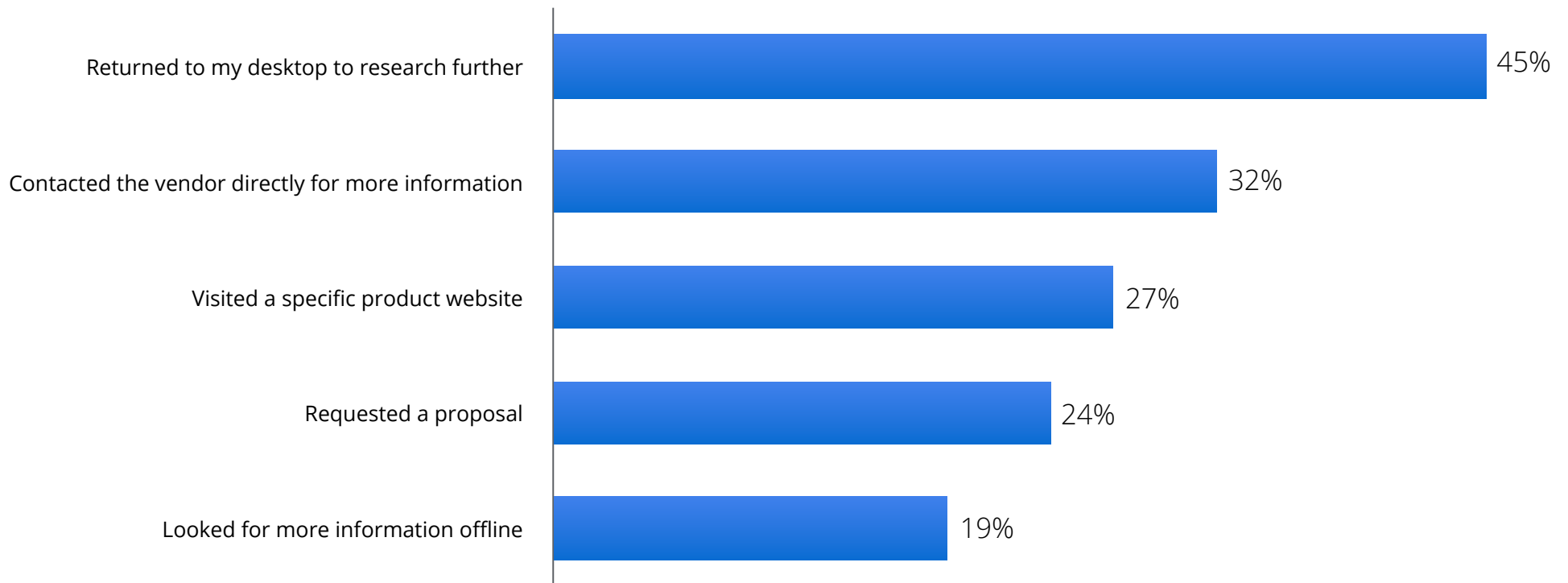


Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013  
Q11 Which of the following best describes how you utilize your smartphone for your decision to purchase?



# Mobile is an important stepping stone in cross-screen research

ACTION TAKEN FOLLOWING SMARTPHONE RESEARCH



Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013  
Q11a What action did you take as a result of using your smartphone for your decision to purchase?



# Mobile allows for fact-checking in real time

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“During a meeting, I might Google something to **validate** what a sales representative is saying.”

--Surgical Equipment Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3



# Buyers prefer to see the equipment in action

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**ALL** study participants watch online videos to see product demonstrations

**68%** are comparing products

**63%** are watching the product perform a procedure



Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=76  
Q9 What types of online videos did you view during the research and purchase decision making process?



# They watch videos to interact with the product

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“I would much **rather watch a video** of how something works versus just reading about it.”

--Imaging Buyer

“I can see the techs, the patients, how the machine looks, how the staff handles it. It’s almost like seeing **what it looks like in action.**”

--Imaging Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3



# Videos drive buyers to take action



**8 in 10**

decision makers return to a specific product's website after watching a video



**63%**

contact a vendor directly after watching a video online



**3 out of 5**

talk with others and discuss what they learned after watching



**42%**

will then request a proposal

**32%**

will complete a contact form

Source: Google and HIMSS Analytics, "Hospital Decision Makers Study," May 2013, n=76  
Q9a What action did you take as a result of watching online videos for your decision to purchase?

Online videos help buyers decide if they want to have a sales call

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“I would rather watch a demo online to decide if I even want to get in front of a sales person.”

-- EHR Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3

They also arm themselves with information for an efficient meeting

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“If I can cite a credible source, then the sales reps have to be sharp and able to come back with supporting or countering data.”

--Imaging Buyer

“We find information online and then ask the rep, ‘Is this really what the machine is going to do for me? Is it going to perform this way?’”

--Imaging Buyer

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3



“Online research gives  
me the knowledge to ask  
the right questions.  
Information is power.”

--Survey participant

Source: Google and HIMSS Analytics, “Hospital Decision Makers Study,” May 2013, Phase 3

# Your digital activation roadmap:



Help potential customers find you by being **present in search** on product and category keywords



Optimize your presence across **desktop, tablet and mobile screens**



Scale your sales activities with **online video demos**