

A hospital equipment manufacturer engaged nextMOVE to assess how best to establish a successful direct-to-consumer distribution channel

Client Situation and Objectives

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- **Gain an understanding of the market opportunities and barriers associated with opening and maintaining a direct-to-consumer channel in the home healthcare market.**
 - **Determine market size and growth rates**
 - **Identify which competitors have tried or have a retail distribution channel**
 - **Assess delivery logistics, financing, and technical services offered by competitors**
- **Identify key success factors and lessons learned**
- **Deliver tactical recommendations to guide the client's creation of a direct-to-consumer channel**

nxtMOVE evaluated several hospital equipment segments to assess retail distribution strategies and tactics

The approach

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DTC: Broad definition

DTC is defined broadly as a retail strategy to sell health care products to consumers. Paths to market include certified dealer or DME network, sister distribution company, manufacturer or third-party internet sales, or mass market retail outlets (e.g., furniture stores, etc.).

Bed manufacturers

Furniture manufacturers

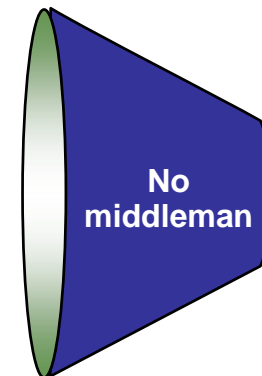
Power wheelchair manufacturers

Scooter manufacturers

Stair-lift manufacturers



Group A companies



Group B companies

For the purposes of this project, nxtMOVE weighed both broad and narrow DTC options in terms of attractiveness and strategic fit for the client.

nxtMOVE determined that an on-line web channel offered the greatest opportunity at the lowest cost

The results

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- Although the existing retail market is relatively small, only a very small number of competitors sold directly to the end-customer
- The client's existing infrastructure allowed to easily service the end-customer with almost no additional capital investment
- Establishing an on-line "retail store" allowed field sales personnel to passively react to end-customer questions and purchase requests
- Offering service contracts and home delivery are key components to success



The Client established its on-line retail channel, through which individuals could purchase a select group of hospital products