

### Electrocardiograph

The total 1979 U.S. sales volume for electrocardiograph equipment was \$32.7 million. Of this total, single-channel EKG equipment accounted for \$6.8 million, while three-channel EKG equipment accounted for \$25.9 million. Projected short-term growth rate for EKG equipment is 4-7% in constant dollars.

Sales projections for the two different types of EKG equipment are shown in Figure 2. Three-channel EKG equipment is projected to show a very small sales volume increase, while the single-channel equipment is expected to show a gradual decline in sales volume.

Several factors account for the projection of low growth rate for three-channel units and negative growth for single-channel EKG units. First, there will be a small increase in the number of EKG procedures performed by physicians. The rate of this increase is expected to be about 7% through 1980 and 3% annually through 1989. Second, there is a tendency for physicians to prefer 3-channel units to single-channel units, both for initial sale and for replacement purchase. Third, there is increasing utilization of computer-assisted interpretation of 3-channel results. This trend of computer-assisted interpretation of 3-channel results is expected to permit handling of the increased magnitude of EKG procedures without a comparative increase in the number of EKG units sold. The resulting tightening of the market will cause increased competition, decline in price, and barriers to entry of new competitors.

In 1979, shares of the \$6.8 million single-channel U.S. electrocardiograph market were distributed among the following competitors:

	<u>Market Share</u>
The Burdick Corporation	32%
Cambridge Instruments	31
Hewlett Packard	21
Others	16

The \$25.9 million sales of three-channel EKG machines were accounted for by the following companies:

	<u>Market Share</u>
Hewlett Packard	28%
Cambridge Instruments	25
Marquette Electronics	24
The Burdick Corporation	16
Others	7