HURON

Healthcare Consumer Market Report

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BEGIN READING

EMBRACING CONSUMERISM TO TRANSFORM CARE

When [CVS announced plans] to roll out 1,500 HealthHUBs in addition to its 1,100 MinuteClinic sites already in market, a CVS official commented that their aggressive expansion was intended to create the "seamless, long overdue **experience that consumers want**."

Retailers like CVS and Amazon build brand loyalty by **knowing and understanding their consumers**. Now, data and technology have converged in a way that allows these businesses to know and understand consumers better than ever, fueling innovation aimed at continually improving the consumer experience.

Meanwhile, established healthcare organizations, while strongly **acknowledging the rise of consumerism in healthcare**, have been chided for not doing enough to meet the trend head-on. Of the many reasons for a slow consumer-centric response — healthcare organizations don't know or understand their consumers beyond their clinical or financial data. Moreover, healthcare organizations still struggle with issues such as interoperability that prevent them from using consumer data efficiently and consistently across a system.

Providers must **begin building a 360-degree view of their consumer base** to get a clearer, deeper understanding of the people they serve and their healthcare choices. What is most important to them? What are their long-term health goals? What is the experience their consumers value?

With this **new understanding of their market**, organizations can make better, **more strategic decisions** about how to maximize consumer satisfaction and transform their organizations for the future of healthcare.

To better **understand the drivers of consumers' healthcare choices**, Huron commissioned a research study of 1,500 healthcare consumers nationwide.

Inside This Report:

- The distinct consumer segments that comprise the healthcare market
- Which factors have the most impact on the consumer experience
- How consumer preferences should influence digital transformation
- Why the dynamics of healthcare consumer satisfaction and loyalty are creating the right environment for strategic growth

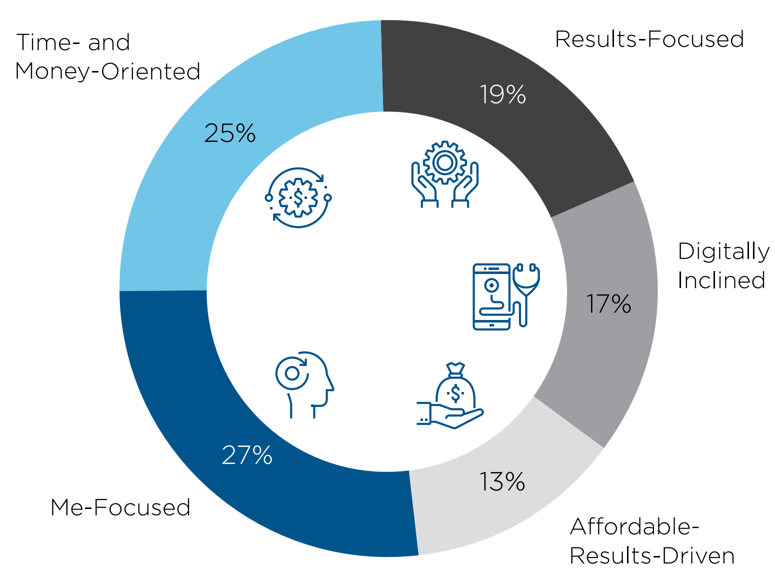
IDENTIFYING THE HEALTHCARE CONSUMER

Healthcare organizations can no longer afford to limit their **knowledge and understanding of the consumer to financial or clinical information.** Shifting to a consumerism mindset is about not only knowing your population by demographic or disease-specific segmentation but by understanding their attitudes, values and preferences toward healthcare.

On the consumer side, people know they want healthcare to more closely mirror their experiences in industries like retail and hospitality. But unlike other industries, healthcare consumers still don't have all the information and tools they need to easily compare features, benefits, costs and overall value of their healthcare choices.

Huron's research reveals that, while consumers may not have perfect vision when it comes to examining their healthcare options, **their preferences are coming quickly into focus**. Consumers choose and use healthcare based on a combination of attitudes and preferences related to satisfaction, quality, convenience and personalization. From the research, **five distinct consumer segments** emerge, which can be labeled as me-focused, results-focused, time- and money-oriented, digitally inclined and affordable-results-driven.

Healthcare Consumer Segments



5 Types of Healthcare Consumers

I am...	I choose healthcare based on...
Me-Focused	**Personalization** and convenience
Results-Focused	Achieving positive **results/outcomes, without regard to cost**
Affordable-Results-Driven	Achieving positive **results/outcomes,** with **sensitivity to cost**
Digitally Inclined	Availability of **digital tools** and a strong affinity toward a **personalized end-to-end** experience
Time- and Money-Oriented	Cost and strong time-sensitivity (e.g., aversion to waiting)

Understanding Drivers and Detractors of Healthcare Consumer Choice

Huron's consumer research surfaced surprising similarities and differences in consumer attitudes about the care they receive. Fully 75% of consumers are satisfied or very satisfied with their current healthcare provider, a high rate relative to other industries. But more than half of consumers are ready to make a change if presented with the right driver.

> 75% of consumers say they are satisfied with their care, yet more than half are willing to switch providers for given reasons.

One clear winner for consumers is the desire for a "one-stop shop" to aid in their decision making. An overwhelming 79% of consumers want a single point of contact for their healthcare information needs.

For 63% of those surveyed, health results were not the most important factor impacting their choices, indicating that most consumers don't choose healthcare primarily based on outcomes. Cost matters even less, with 69% expressing that low cost is a low-to-moderate factor impacting their decisions. At the intersection of cost and choice, 8 in 10 consumers state that whether a provider accepts their health insurance is the most important consideration when choosing care.

The matrix of consumer drivers and detractors indicate that an organization's journey to a more consumer-centric model will require both point solutions and a broader transformation of the patient experience. Improvement opportunities stem from consumers' desires for more trust and respect, affordability, personal attention and convenience.

Healthcare professionals think about and measure quality in specific terminology and goals related to clinical care. For consumers, however, the definition of quality broadens to include less-tangible factors; quality is about more than positive results — it is driven by interpersonal interaction.

An outcomes or results focus must be supplemented with appropriate emphasis on "soft" factors relating to convenience and personalized attention. Convenience must encompass the end-to-end experience, including techniques to reduce wait time as well as to improve location and affordability. Personalization is a combination of attributes related to listening to the consumer and not treating them "like a number," not being rushed, and outputs like personalized care and treatment plans. Digital tools are not about technology for technology's sake. Consumers are less overtly emphatic about the specific digital tools offered; what they care about is the easy, tailored experience that results from consumer-focused technology that delivers outputs such as access to care.

As organizations invest in moving care outside the hospital, it will be imperative to understand where their consumer segments want to receive care. Seventy-five percent of people report using a regular provider for all their needs, and most (66%) see a general practitioner, primary care physician or internist for their day-to-day needs.

Segments with the largest percentage of older populations (me-focused and results-focused) prefer the more traditional setting of a physician's office with lower utilization of urgent care and walk-in clinics. **Me-focused** consumers are also less likely to report a medical condition, which could explain their lower utilization of alternative care settings. This group has high concern for trust, respect and personal attention.

Interestingly, the **results-focused** segment also reports high usage of urgent care clinics and hospital emergency rooms. Given the segment's low cost-sensitivity and focus on fast and easy care and results, these locations may be viewed as more accurate and reliable than walk-in clinics, home health or other options.

The **affordable-results-driven** segment chooses the physician's office at the same level as me-focused consumers, which is interesting given the segment's focus on cost and results. It may be that the members of this segment consider this setting the best value for an end-to-end experience despite the availability of walk-in clinics. Organizations that offer alternate care settings may have to invest in building more awareness and trust in the value of these services versus traditional care settings.

TOP DRIVERS OF HEALTHCARE CONSUMERS' PERCEPTION OF CARE

	SATISFACTION	QUALITY EXPERIENCE	CONVENIENCE	PERSONALIZATION
1	Accurate diagnosis and treatment	Receiving accurate diagnoses and treatment plans that get results	The process is easier and more transparent (scheduling/billing/ test results)	A care provider who listens to what I say
2	Trust and respect from care provider	Care provider who I trust that focuses on my needs and goals	Less wait time	Receiving care and treatment plans customized for my needs
3	Personal attention	Face-to-face interaction	Convenient locations	Time with provider and not feeling rushed when talking to a care provider
4	Affordable cost	Receiving follow-up with appropriate advice and treatment	More affordable	In-person interaction with care provider
5	Convenient location and hours	Feeling like everything that happens before, during and after a visit — from scheduling to registering to billing — is a best-in-class experience	Digital tools (apps, portals, virtual care) to increase efficiency	A best-in-class experience from end to end

Question: *Which of the following top two factors/sources are most important to your healthcare experience?*

The **digitally inclined** group represents the youngest of any segment and therefore may provide insights into the future of healthcare. Despite the segment members' ages, lower income and self-reported good health (61% in very good/excellent health), they have more care visits than the national average and significantly more time spent than other groups in urgent care, walk-in clinics, home care and emergency rooms. Given their moderate cost focus, digitally inclined groups may benefit from more education on the cost of care in each setting or access to self-service tools that allow the consumer to compare costs. The group is also more likely than the rest to seek care for others. Identifying the size of an organization's digitally inclined population will be critical for organizations making strategic investments in how and where they deliver care.

The **time- and money-oriented segment** has the lowest utilization across all locations, which is most easily attributed to high concern with affordability and the segment's lower income compared with other segments. This group displays the least concern for results.

PROFILE OF HEALTHCARE CONSUMER SEGMENTS

ME-FOCUSED	RESULTS-FOCUSED	AFFORDABLE-RESULTS-DRIVEN	DIGITALLY INCLINED	TIME- AND MONEY-ORIENTED
• Focused on trust, respect and personal attention • Value convenience • Moderate results and cost focus • Low digital interest	• Focused on health results • Value personal, customized, fast and easy care • Very low cost sensitivity • Very low digital interest	• Focused on health results • Very cost-sensitive • Value customized, fast and easy care • Low digital interest	• Interested in digital tools • Value personal end-to-end experience • Moderate results and cost focus	• Focused on cost • Strongly dislike waiting, very time-sensitive • Least concerned about results • Low digital interest
• Moderate education • Second-highest income • Even age spread • 50/50 male/female	• Most educated • Highest income • Older segment (33% age 65 and older) • More than 50% female	• Evenly distributed education • Lower income • Even age spread • More than 50% female	• Moderate education • Lower income • Youngest segment (50% age 18-34) • More than 50% female	• Least educated • Second-lowest income • Even age spread • 50/50 male/female

CONSUMERS AND DIGITAL PREFERENCE IN HEALTHCARE

Digital healthcare, fueled by consumerism, will continue to revolutionize the healthcare industry. Alexa, compliant with health privacy laws, is now helping consumers schedule appointments. One-third of Americans use a fitness tracker, and strategic acquisitions such as Amazon's purchase of Health Navigator and EverlyWell's partnership with Target continue to empower consumers to take a more active role in their own health.

Not surprisingly, the majority of survey respondents across all demographics report being digitally active and fluent, indicating a readiness for increased digital healthcare. Consumers display a clear desire to share their long-term health goals with providers. Digital engagement provides touch points along the continuum for consumers to deepen their relationships with providers.

More than half of consumers support an array of tactics that could further engage them in their healthcare, including a universal health record (68%); a patient portal (61%); incentives such as discounts and rewards (59%); and wearable apps or devices to map fitness, track indicators and provide health reminders (57%).

From at-home medical devices to telemedicine to artificial intelligence, momentum is building around the digital transformation of healthcare. The key will be helping consumers figure out how they fit into this big, broad and fast-growing digital landscape. Leaders should identify which specific tools will enable a positive consumer experience for each segment because the solution may not be the same for every group.

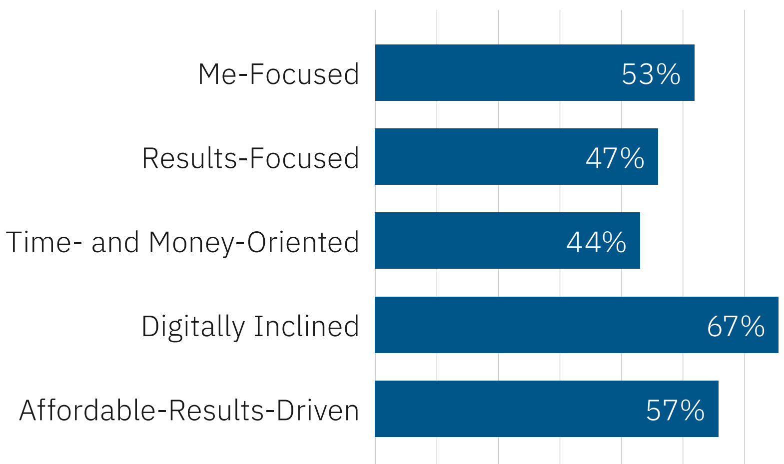
Technology Is Key for Personalized Care

The research is clear that consumers are looking for specific digital options that will provide deeper personalization of their care experience and treatment plans. Wearables present a significant opportunity for healthcare organizations to engage consumers. Regardless of their current device usage, consumers are open to "wear and share" activities with providers. According to Huron's survey, 2 in 3 consumers who don't use a wearable device to monitor their health say they would wear a device to share health data as part of a treatment plan. Among existing device users, 8 in 10 would share their data with providers. Consumers are comfortable and familiar with wearable technology, and organizations should consider how to incorporate that engagement into the consumer experience.

> 79% of consumers want a **single point of contact** for their health information needs.

Growing investments in a single-point-of-contact model and mobile solutions present significant opportunity for consumer satisfaction and financial return on investment (ROI) as well. Of respondents, 79% of consumers want a single point of contact for their healthcare information needs.

Support for Mobile App



More than half would favor a mobile app for the purpose of scheduling appointments, asking questions, finding a new physician, receiving test results, and managing billing and payments. For the 18- to 34-year-old age group, support for mobile apps grows to 68%, a number that will only increase as younger healthcare consumers assume more responsibility for their care and the care of others.

Building on the convergence of digitalization and personalization depends on an organization's technical preparedness and ability to create a seamless, trustworthy experience. Privacy and security are key for consumers; they will need assurances that their health data is kept secure, and organizations will need to be transparent about how that data is being used. Organizations will have to keep laser-focused on building better data structures, ensuring solid data governance, resolving interoperability issues and shoring up their defenses against the increasing threat of cyberattacks in healthcare.

Virtual Care and Home Health

Approximately 35% to 40% of consumers are interested in virtual care or home health, with nearly as many remaining neutral in their interest for the services. Consumers will benefit from more education to understand the convenience and efficacy of care in these settings. Virtual care won't make sense as a top priority for all organizations, and instead may be viewed as supplemental to traditional care rather than a replacement. While investments in these areas will depend on consumer segment preferences, now is a good time for all organizations to begin moving toward various virtual care options for long-term sustainability.

Defining Digital, Aligning Strategy

Organizations must get specific about how digital technology and data analytics answer the identified, segmented needs of their consumers. The overall technology strategy for organizations should be informed by the makeup of their consumer segments. Healthcare organizations are in a technology and data analytics race. However, for every piece of technology deployed — from the patient portal to artificial intelligence — each organization should be able to answer how that tool supports its vision of a digitally enabled, consumer-centric health system.

There will not be a one-size-fits-all digital solution for consumers, and not all solutions will deliver the return on investment organizations have come to expect from growth initiatives such as service line expansions. Investment in digital tools and the selection of technology partners must be strategic. Partnerships in ventures such as telehealth will be key to carving out a digital healthcare footprint that serves the needs of each consumer segment. The more organizations know about their consumers, the better they will be at choosing the right tools at the right time.

GENERATING LOYALTY AMID MORE CHOICE

Key research findings provide interesting insight into consumers' attitudes toward their current healthcare providers. While satisfaction is high, loyalty is soft. Seventy-five percent of consumers indicate satisfaction with the healthcare they receive. On the other hand, roughly half indicate openness to trying a new provider who offers shorter wait times, a closer location or lower cost for day-to-day care. For serious conditions, more than half of consumers are willing to try a new provider for these same reasons.

Recommendations and referrals are still the No. 1 way consumers choose providers. More than 60% of people rely on the advice of family, friends, co-workers and other healthcare providers to guide their healthcare decisions. Online referrals play a role as well with nearly one-quarter of people turning to online reviews, ratings and comparison tools to guide their decisions.

Consumers' willingness to switch providers presents a major growth opportunity for organizations who can harness it. Consumers have more choice and are still defining what a great experience should be, creating ample opportunity for healthcare providers who can identify unmet needs and invest in strategic growth initiatives to maximize consumer satisfaction.

Reasons to Try New Provider

Percentage of consumers indicating willingness to try a new provider based on wait time, location or cost.

Aligning With Consumers Around Shared Goals

Americans are largely united in what would make a successful healthcare experience. While differences do exist, Huron’s research indicates that consumers are looking for a healthcare system that works more intentionally with them to meet their health goals. Seventy-five percent of people list one of the following goals as their top health priority:

Top Healthcare Goals (National)

1. Maintain current health to continue enjoying life
2. Lose weight to enjoy life more
3. Stay healthy to avoid becoming a burden to others
4. Live pain-free to enjoy life more

WHICH OF THE FOLLOWING BEST CHARACTERIZES YOUR PERSONAL HEALTH/LIFESTYLE GOALS? (BY SEGMENT)

GROUP	ME-FOCUSED	RESULTS-FOCUSED	TIME- AND MONEY-ORIENTED	DIGITALLY INCLINED	AFFORDABLE-RESULTS-DRIVEN
GOAL	Stay healthy to enjoy life (53%)	Stay healthy to enjoy life (56%) and avoid being a burden (55%)	Lose weight to enjoy life (53%)	Stay healthy to enjoy life (54%)	Stay healthy to avoid being a burden (54%) and enjoy life (53%)

According to the survey, 75% of people have health goals, but 40% of those with goals do not share them with their providers. Among this group, 58% of consumers haven’t shared their goals because they feel their provider hasn’t made them comfortable doing so, hasn’t asked or hasn’t helped them understand the importance of sharing their goals.

Organizations have a huge opportunity to innovate by shifting from disease-centered goal setting to patient-centered, collaborative goal setting. Connecting with consumers on an individual level around their goals engages the patient, the physician and the entire care team — all of which can lead to better clinical outcomes and consumer experiences.

The rise of consumerism and the industry push toward addressing social determinants of health are no coincidence.

Whether organizations are investing in assistance programs and partnerships or waiting for the market to sort out financial incentives for nonmedical intervention, there is baseline work that can be done now to better understand consumers’ overall needs. Designing care delivery that considers clinical and nonclinical problems — or preferences — is becoming a strategic necessity.

FINAL THOUGHTS: NEXT STEPS

Healthcare consumers expect the same level of service and personalization from providers that they receive in other industries. In response, healthcare organizations are under **pressure to transform their care operations** and the patient experience.

To make that transformation, organizations need to develop a deeper understanding of their consumers. Huron's research finds that **distinct consumer segments exist in the market** and reveal valuable information about consumers' attitudes and preferences toward healthcare.

Clear similarities emerge across segments. Satisfaction with current healthcare providers remains high, but complacency is waning fast as more than half of **respondents are willing to make a change to their current provider**. Consumers also show a strong preference for features such as a single point of contact for their health needs. The end-to-end personalized quality care experience that consumers increasingly demand will be enabled by providers' willingness to invest in, integrate and educate consumers around multiple digital solutions.

Differences between segments are tied to consumers' concerns around affordability, quality, convenience and personalization. Those who can leverage their consumer knowledge to build strategies and make smart investments will have an advantage in the market and position themselves for the future of healthcare.

Methodology

Research results for this report are based on a U.S.-census-representative sample of more than 1,500 consumers. Online questionnaires from respondents were collected during the months of October and November 2019. A 95% confidence level was achieved for all research.

Key Takeaways

Competing amid the rise of consumerism in healthcare requires organizations to develop a deeper understanding of consumer behavior and identify what drives consumers' healthcare choices.

Think differently.
Shift the organizational mindset to one that strives to more fully understand consumers, their drivers of consumer choice and the segments that exist within a market.

Plan differently.
Identify the specific consumer segments present in an organization's market. Then design an organizational strategy that prioritizes investments that drive satisfaction, quality of care, convenience and personalization for each group.

Act differently.
Put the consumer at the center of every decision and make strategic decisions based on the consumer segments in your market.

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