HURON

Healthcare Consumer Market Report

Begin Reading

UNDERSTANDING CONSUMERS' EVOLVING PREFERENCES

Consumers' opinions about their healthcare are stronger than ever, and increased economic pressures, workforce constraints and competition are affecting how consumers perceive their care. These dynamics create opportunities for organizations to find **new innovations and digital tools** to meet demands related to **cost, convenience and the overall care experience**.

For those who embrace it, consumerism in healthcare holds tremendous **opportunity for healthcare systems to grow** their businesses while **generating better patient care and outcomes**. 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 consumers? What is the experience their consumers value the most?

To better understand the **drivers of consumers' healthcare choices**, Huron commissioned a research study of 1,500 individuals to assess healthcare consumption in the U.S. This longitudinal study, completed in September 2021, was benchmarked against Huron's 2019 and February 2021 consumer studies to understand what may have changed and remained the same as healthcare continues to evolve.

Key Findings:

- A combination of overall satisfaction, quality, convenience and personalization continue to drive consumers' choices.
- Significant growth in the digitally inclined consumer segment and high usage of wearable devices indicate a greater desire for digital tools and technology-enabled care.
- Strong interest in virtual care and healthcare at home present an opportunity for healthcare organizations to improve care access and diversify their portfolios and revenue streams.
- Consumer loyalty continues to soften despite high satisfaction with healthcare providers.
- Consumers' desire for a single point of contact and a universal electronic health record further supports the need for better data structures and seamless interoperability between an organization's systems.

CONSUMERISM TRENDS IMPACTING HEALTHCARE

As healthcare providers work tirelessly to navigate cost reduction strategies, supply chain issues and virtual care delivery amid the pandemic, consumer market trends continue to accelerate, creating an urgent need to focus on consumer attitudes and preferences.

Huron's research beginning in 2019 confirms a seismic shift in how consumers choose and use healthcare and how they perceive their providers and care experiences. Understanding these shifts will be critical for organizations to not only maintain a competitive edge but to evolve strategies that engage the consumers in their market and to tailor care to their community's needs.

Figure 1 shows key areas that have remained the same and changed from 2019 to 2021.

Overall, consumers are demanding new ways to access care and seeking ways to take a more proactive approach to their care. While some consumer behaviors changed, there are consistent key preferences emerging from year to year.

Figure 1: Changed and consistent consumer behaviors from 2019 to 2021

Consumer Behavior and Attitudes

What's Changed

59%
of respondents report that the last 12 months have impacted how they make healthcare decisions, up from 45% in early 2021

78%
of consumers participated in a telehealth visit in the last 12 months, up from 60% in early 2021

75%
of consumers who participated in a telehealth visit are satisfied or very satisfied with their telehealth visits

53%
of consumers use a wearable device, compared with 29% in 2019

53%
of respondents are likely to switch providers for superior virtual care offerings

34%
of respondents are considered digitally inclined, up from 17% in 2019

What's Stayed the Same

- Consumers overwhelmingly prefer a single point of contact for healthcare information needs.
- A desire for trust and respect remains a leading driver for consumers to switch providers.
- Recommendations and referrals are the No. 1 reason for provider selection.

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

80%
of respondents note that knowing the costs of a healthcare visit or treatment is important to their healthcare decisions

Research results are based on an assessment of 1,500 individuals in 2019 and 1,601 individuals in February 2021 as well as updated research of 1,500 individuals in September 2021.

IDENTIFYING THE HEALTHCARE CONSUMER

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 the overall value of their healthcare choices.

Huron's research finds 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**.

Identifying and understanding the segments that an organization serves will be critical for making strategic investments in how and where organizations deliver care in the next five years and beyond.

Figure 2: Types of healthcare consumers

5 Types of Healthcare Consumers

I am ...	I choose healthcare based on ...
Me-Focused	Trust and respect, **personal attention**, 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)

GROWTH OF THE DIGITALLY INCLINED

The size of each consumer segment shifted only slightly between 2019 and 2021, except for the digitally inclined population cluster, which doubled from 17% to 34%.

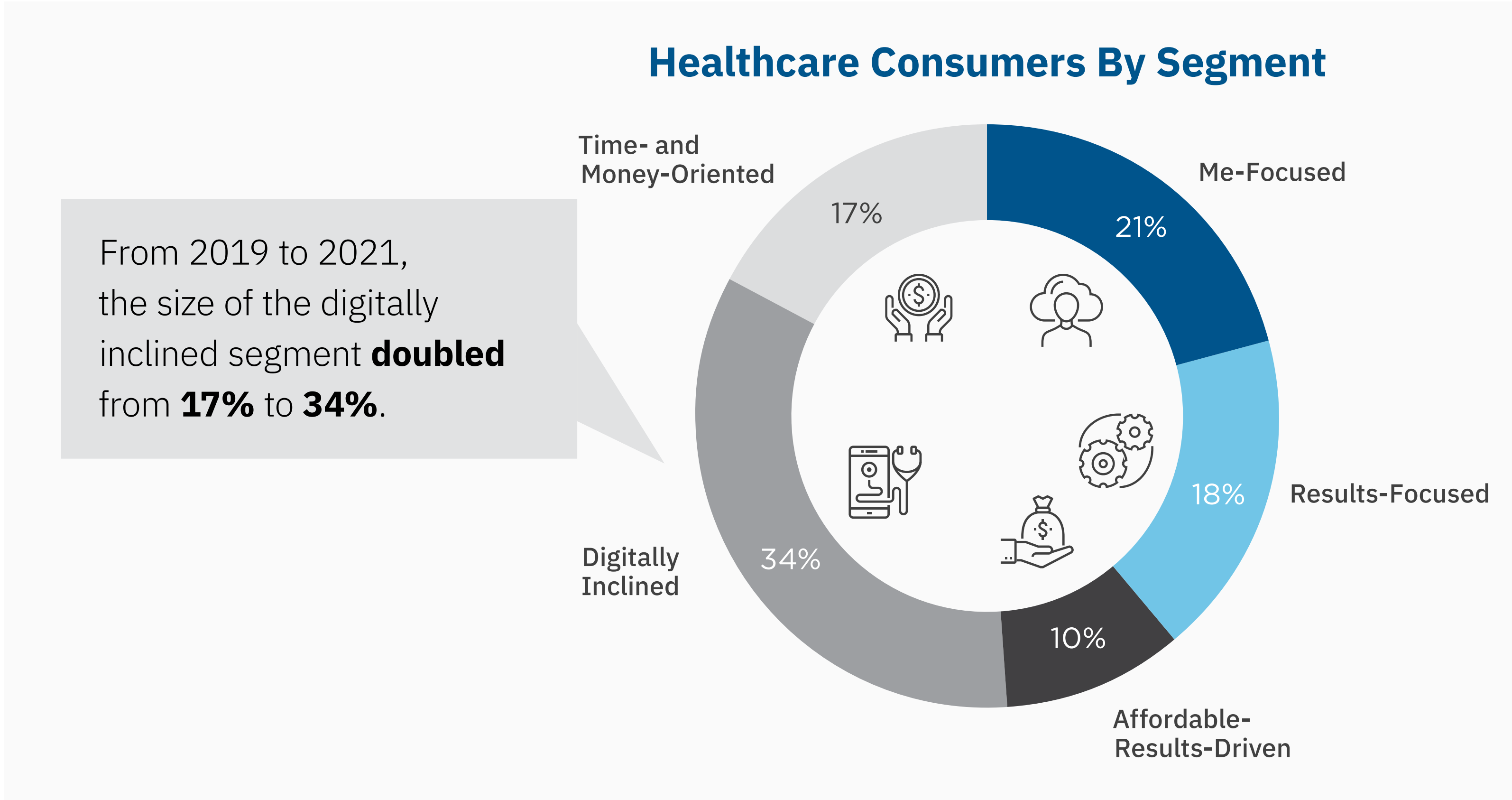
The digitally inclined group represents the youngest of any segment (ages 18-44) — and the fastest growing. While growth in this segment is largely driven by younger consumers, the percentage of digitally inclined consumers ages 45 and older has also nearly doubled since 2019.

The rapid growth of the digitally inclined segment provides valuable insight into how healthcare organizations will need to evolve their operations for the future.

34%

of respondents are considered digitally inclined, up from 17% in 2019

Figure 3: Healthcare consumers by segment (updated 2021)



Leading With Digital

Fueled by consumerism, advances in digital, technology and analytics will continue to revolutionize the healthcare industry. Key partnerships are fueling Big Tech's foray into healthcare, with Amazon Care's launch and options such as at-home lab testing that continue to empower consumers to take a more active role in their own health.

Huron research finds that the digitally inclined consumers value online quality ratings, reviews and comparison tools the most, and

55% of consumers overall are interested in mobile apps for healthcare needs such as scheduling appointments, asking questions, finding new physicians and checking results. Additionally, the majority of survey respondents across all demographics report being digitally active and fluent, indicating readiness for increased digital healthcare.

The research is clear that consumers are looking for specific digital options that will provide deeper personalization of their care experience and treatment plans.

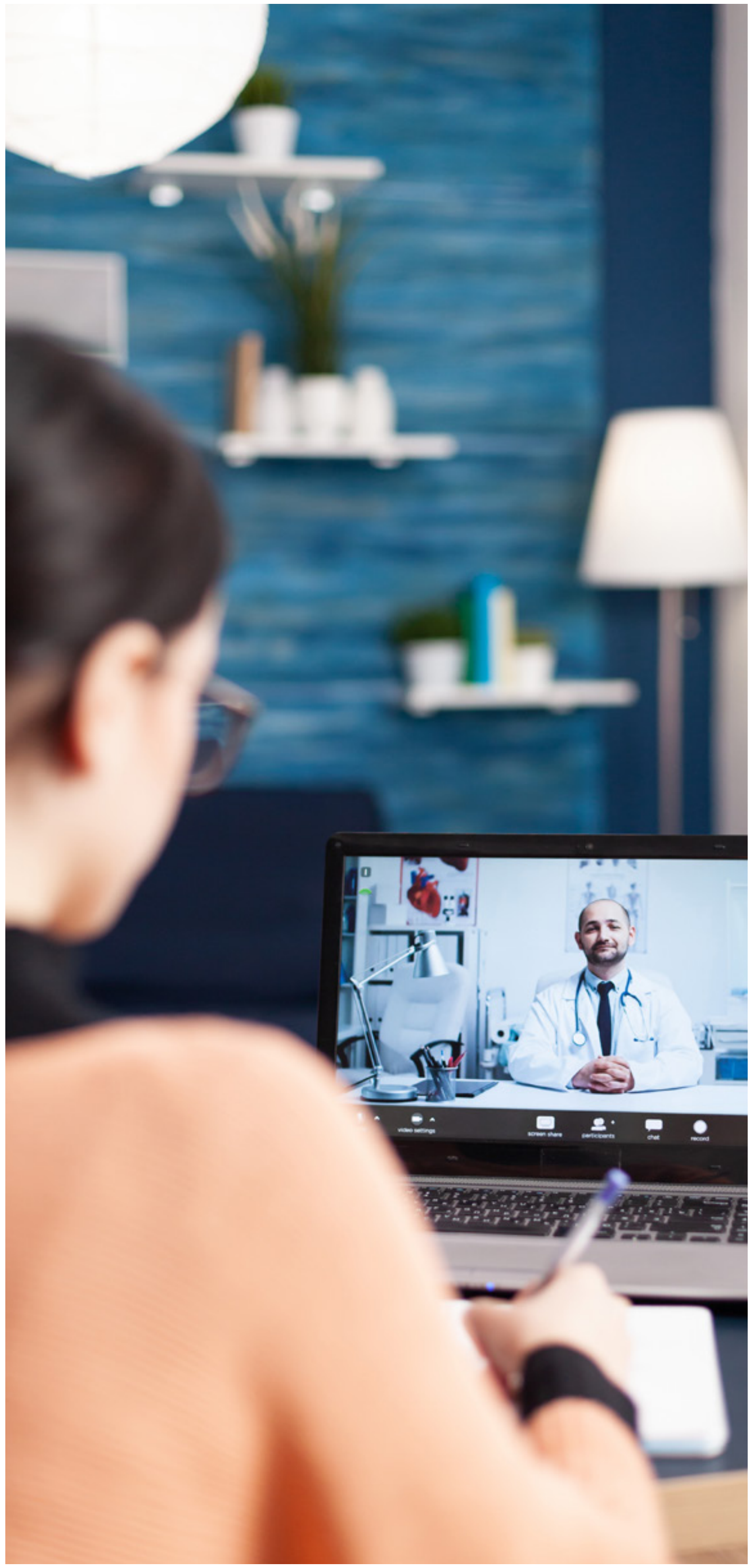
Wearables, for example, are increasingly a tool that consumers rely on to support their health outcomes. Huron's research finds that more than half of consumers use a wearable device, exceeding pre-pandemic forecasts by nearly 30 percentage points.

As digitalization accelerates, healthcare is reaching a tipping point where tools like wearables paired with remote patient monitoring and virtual care present a significant opportunity to change the foundation of care delivery, especially in the primary care space. Organizations that can figure out how to monitor and maintain data collected from wearables and other devices — and use that data to prevent health issues and intervene when warning signs arise — will not only have the ability to improve patient health and reduce the cost of care through prevention but completely change how they provide care to consumers.

> The majority of survey respondents across all demographics report being digitally active and fluent, indicating a readiness for increased digital healthcare.

WHAT'S CHANGED?

Wearable devices continue to gain significant traction, with usage nearly doubling from 29% in 2019 to 53% today. The proportion of consumers who report sharing health-related data from their wearable devices is also on the rise. Of those using wearables, nearly half said they currently share data with a care provider as part of a treatment plan, up from 31% in 2019 and 39% in early 2021.



> Healthcare is at a tipping point where digital tools can change the foundation of care delivery.

Building on the convergence of digitalization and personalization depends on an organization's technical preparedness and ability to create a seamless, trustworthy experience. Huron's research finds that two-thirds of consumers want a single point of contact for their healthcare needs such as appointment scheduling and bill payment, and 71% of consumers indicate a desire for a universal electronic health record to actively manage their healthcare.

Privacy and security are also 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. Migrating to cloud-based systems can provide added data protection and security and lay the foundation for better data management.

It will be essential to have flexible models that meet consumers where they are in this big, broad and 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.

PRIORITIZING THE DRIVERS OF CONSUMER CHOICE

The trend of consumerism figures prominently in the future of healthcare. The challenge will be developing and delivering on consumer priorities in organizations where a "consumer first" mindset has not traditionally guided strategy.

As Huron's data indicates, much of this organizational transformation will need to center on consumer preferences related to how they choose healthcare and engage with health systems and providers. Transformation at this level will require a holistic, integrated approach inclusive of operating models, talent strategies and organizational culture.

While health results will always be critical to consumer choice, other factors have become prominent over the last two years, indicating that consumers choose healthcare based on a number of factors related to their overall experience.

From 2019 to 2021, the percentage of consumers who view accurate diagnosis and effective treatment plans as a top contributor to a satisfying healthcare experience fell by 8 percentage points, making it even in importance with personal attention. This decline may stem from growing consumer demand for convenience and digital options as health outcomes have become a baseline expectation.

WHAT'S CHANGED?

Digital tools, including virtual care, are carrying more weight in consumer experiences and influencing their decisions. More than 50% of consumers surveyed say they are willing to switch providers for virtual care offerings.

Figure 4: Top drivers of healthcare consumers' perception of care

Top Drivers of Healthcare Consumers' Perception of Care			
SATISFACTION	QUALITY EXPERIENCE	CONVENIENCE	PERSONALIZATION
• Accurate diagnoses and effective treatment plans; personal attention • Trust and respect from provider • Affordable cost • Fast service; convenient location and hours • Access to the latest digital tools	• Accurate diagnoses and effective treatment plans • A care provider focused on my needs and goals • Face-to-face interaction with provider • Follow-up with advice and treatment • Efficient use of time with provider	• Easy and fast processes • Shorter wait times to see provider • Convenient location • Reasonably priced care • Access to digital tools to increase efficiency	• A care provider who listens • Treatment plans customized to my needs • Adequate time with provider; not rushed • Sincerity and respect from provider • In-person interaction with provider

Fast service and digital tools both had notable increases in importance from 2019 to 2021. More than 20% of consumers consider fast service a top contributor to a satisfying healthcare experience, up from 12% in 2019. At the same time, nearly 40% of consumers list long wait times as the top reason for a dissatisfying experience, ranking it as the greatest convenience detractor, more so than cost or location and hours.

The matrix of consumer drivers and detractors indicates that an organization's journey to a more consumer-centric model will require both point solutions and a broader transformation of the patient experience. An outcomes or results approach to addressing consumer preferences must be supplemented with an appropriate emphasis on "soft" factors relating to convenience and personalized attention. Convenience must encompass the end-to-end experience, including techniques to reduce wait times as well as to improve location and affordability. Personalization is a combination of attributes related to trust and respect and not treating consumers "like a number."

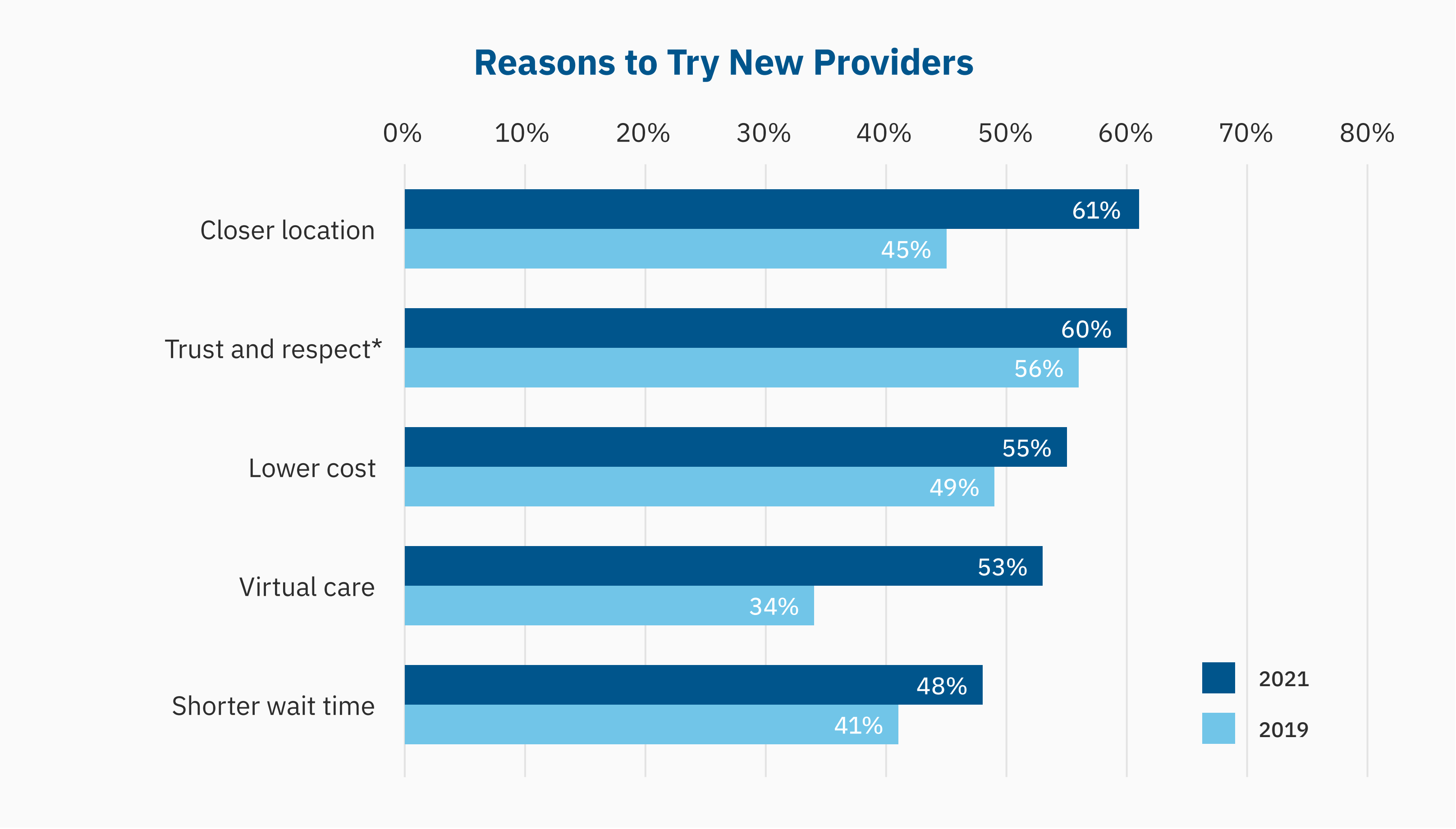
FOSTERING CONSUMER LOYALTY

Building a consumer-centric organization is a holistic endeavor, and understanding an organization's unique consumer base should be driven by data and analytics. This includes awareness of consumer attitudes toward their healthcare providers and the care they receive.

Key research findings reveal that while satisfaction is high, loyalty is soft. Nearly 75% of consumers surveyed in 2019 and 2021 report being satisfied with the healthcare they receive; however, roughly half say they are willing to make a change if presented with the right driver.

Location along with trust and respect play a major role in loyalty. For both day-to-day care and the treatment of serious medical conditions, consumers are willing to switch providers if a new provider offers them deeper trust and respect or if they can find a closer care location or provider that meets their needs. This exceeds other factors such as lower cost, shorter wait time and virtual care.

Figure 5: Reasons to try new providers (updated 2021)



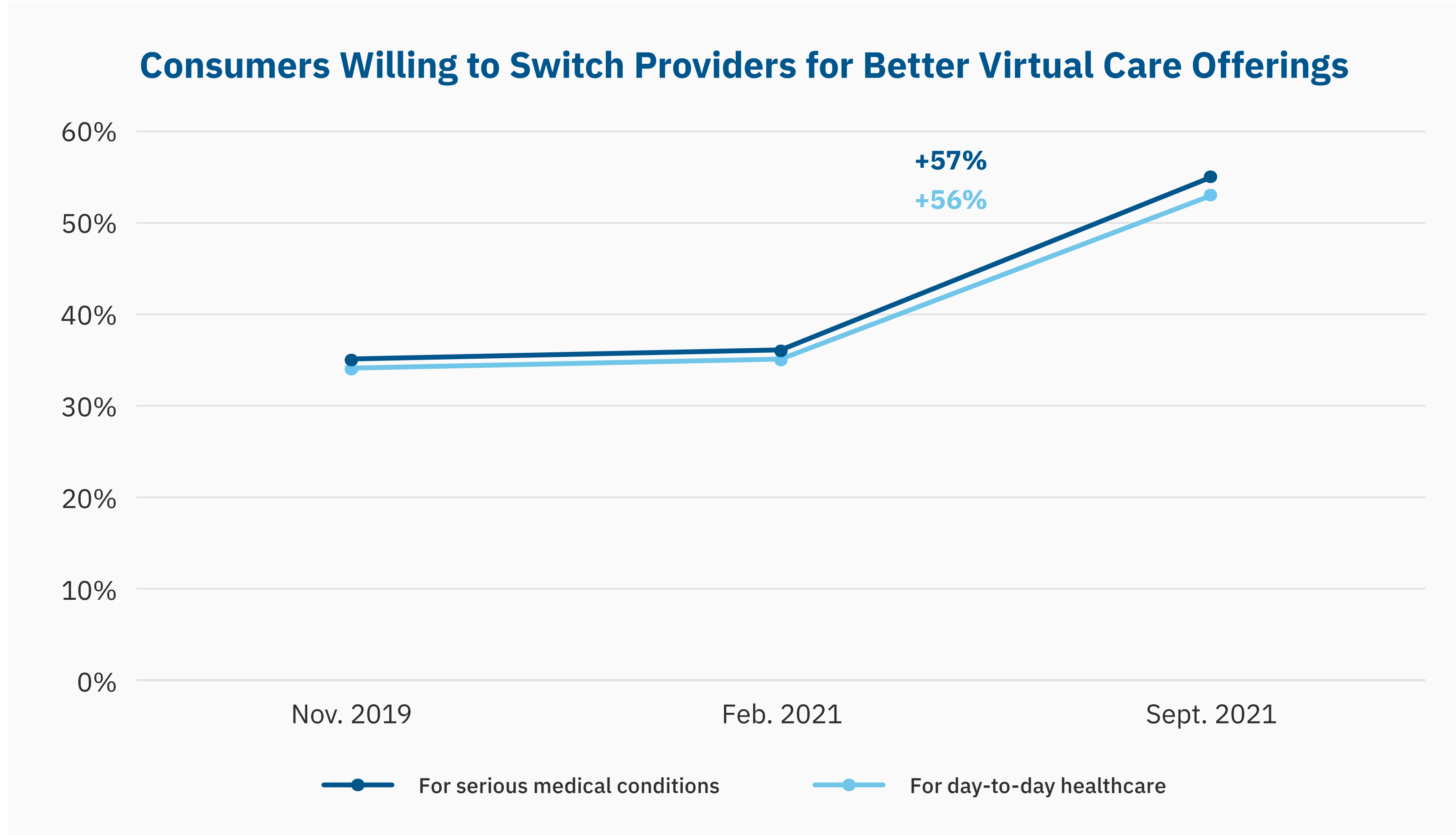
**No data available for 2019; comparison shown is between February 2021 and September 2021 research.*

In addition to convenience, cost and trust influencing loyalty, the pandemic continues to impact consumers' choices of whom they

WHAT'S CHANGED?

Consumer loyalty continues to soften. The percentage of consumers willing to switch providers for nearer location, trust and respect, lower cost, shorter wait time, and virtual care availability have all risen, indicating that consumers are generally more willing to change providers than they were in 2019. Location and virtual care are the fastest-growing reasons to switch providers, both up more than 15 percentage points since 2019.

Figure 6: Consumers willing to switch providers for better virtual care offerings



receive care from. In some cases, it's a matter of getting the care consumers need when they need it regardless of past relationships with providers. Since February 2021, the number of respondents reporting they have had to seek services from new providers tripled and nearly one-third of consumers say they have had to change how they receive healthcare services, such as participating in virtual care.

While reasons for switching providers vary, recommendations are still the No. 1 way consumers choose providers. A full 55% of consumers report that they rely on the advice of family, friends, co-workers and other healthcare providers to guide their provider decisions. Online referrals play a role as well, with 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 that can harness it. Consumers have more choice and are still defining what a great experience should be. This creates ample opportunity for healthcare providers who can identify unmet needs and invest in strategic growth initiatives to maximize consumer satisfaction and help shape the consumer needs of tomorrow.

EMBRACING TELEHEALTH, VIRTUAL CARE AND HEALTHCARE AT HOME

Even before the pandemic, consumers made clear their demand for greater digital capabilities from providers; during the pandemic, 60% of consumers turned to virtual care, and 72% of them were satisfied or very satisfied with their experiences.

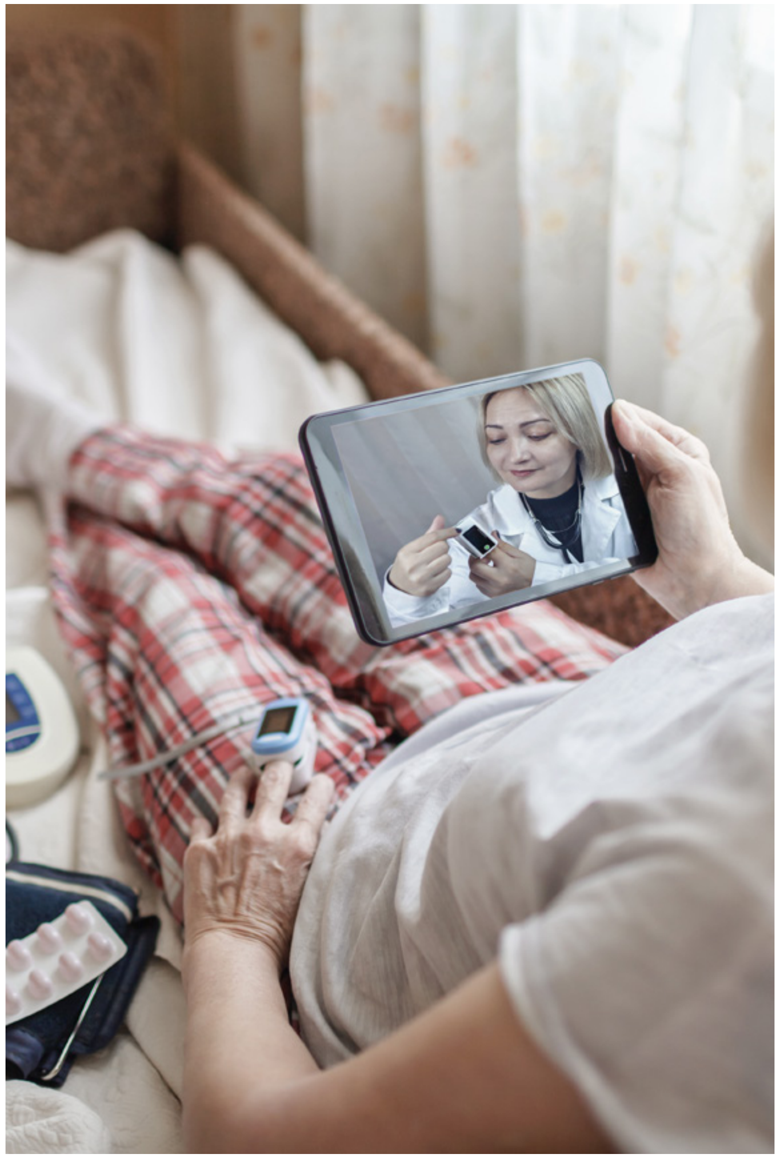
With consumer behavior validating continued interest in virtual delivery, virtual care can be an option for providers to meet consumers' care needs, especially among younger populations (18-44), and an opportunity to diversify their portfolios and revenue streams. Despite faster adoption among younger individuals, Huron's research indicates that telehealth is received favorably by all age groups.

Following the initial rush to telehealth, leaders now have the opportunity to build intentional, data-driven strategies for virtual services.

> 75% of consumers were satisfied with their telehealth experiences in the last 12 months.

WHAT'S CHANGED?

Participation in virtual care continues to rise. A full 78% of respondents say they've participated in a telehealth visit within the last 12 months, compared with 60% of consumers surveyed in early 2021. Satisfaction slightly increased from 72% to 75%, indicating that satisfaction remains stable as more consumers opt for telehealth appointments.



Beyond telehealth, consumer interest in home care has also grown, likely due to their experiences with alternate care settings during the pandemic. Though typically associated with older adult care, post-surgery recovery and treating chronic illnesses, acute care in the home provides greater convenience and can be a better fit for many consumers' lifestyles.

As consumers continue to heavily influence change, care in the home could be a key consumer-centric mechanism through which healthcare organizations strategically shift care delivery to elevate consumers' care experiences and drive greater satisfaction in a quickly transforming healthcare landscape.

Before organizations invest in moving care outside the hospital or explore alternate sites of care, they need to understand how demographic, technical and social factors influence their specific market and consumer preferences and needs. This level of understanding will be crucial to close health equity gaps and address social determinants of health in meaningful ways as well as improve patient outcomes.

WHAT'S CHANGED?

More consumers are showing an openness to in-home care. Consumer interest in healthcare at home rose from 41% in 2019 to 56% in 2021. Roughly half of respondents in all age groups were interested, with the highest interest among those ages 18 to 44.

FINAL THOUGHTS AND NEXT STEPS

Healthcare consumers continue to seek 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 consumer experience.

To make that transformation, organizations need to develop a deeper understanding of their consumers. Huron's research finds that distinct consumer segments exist based on how individuals consume healthcare. Organizations should seek to better understand the specific consumer segments in their market to reveal valuable information about consumers' attitudes and preferences toward healthcare.

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. Among the most important consideration for consumers — trust and respect from their provider. Access to virtual care and digital offerings are also increasingly influencing consumers' decisions on where they choose to receive healthcare. With the digitally inclined consumer segment rapidly growing, preference for telehealth and virtual care options will continue to accelerate, and consumers report overwhelming satisfaction with their telehealth experiences thus far.

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 about multiple digital solutions.

Differences between segments are tied to consumers' concerns regarding affordability, quality, convenience and personalization. Those who can leverage their consumer knowledge to build strategies and make smart investments will have an advantage and position themselves to grow in an increasingly crowded and competitive market.

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. In February 2021, that research was updated to include a survey of 1,601 individuals, followed by a second update in September 2021 through a sample of 1,500 consumers, to assess how healthcare consumption in the U.S. has changed in response to the coronavirus pandemic and recent economic and social disruption.

Key Takeaways

Competing amid the acceleration 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 have a full 360-degree view of consumers, the segments that exist within a market and what drives those consumers' choices.

Plan differently.
Design an organizational strategy that prioritizes digital and clinical investments that drive trust, satisfaction, quality of care, convenience and personalization.

Act differently.
Put the consumer at the center of every decision and develop market and growth strategies based on the consumer segments you serve.

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