

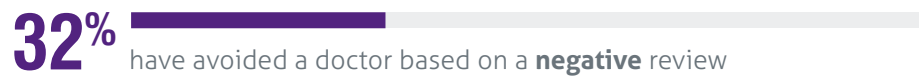


2015 Healthcare Consumer Trends

EMERGENCE OF RATINGS, REVIEWS, AND THE DIGITAL DECISION MAKER

RESEARCH HIGHLIGHTS

Healthcare consumers are increasingly seeking information about healthcare providers online:



Reputation in healthcare matters more to consumers when choosing a brand than any other industry—e.g. hospitality, retail, airline, etc.

INTRODUCTION

Consumers are always online, and the vast majority rely on ratings and reviews for decisions both small and large.

Within healthcare, transparency is paramount for consumers seeking the full story on services of unparalleled importance.

Digital sources of information often mark the first stop for healthcare consumers seeking everything from a physician recommendation to quality and outcomes information.

Many healthcare providers have a laundry list of reasons to avoid posting performance data online, but consumers remain steadfast in their desire to know what to expect before receiving care.

Consumers are prepared to reward transparent healthcare providers with not only their business but their advocacy—recommending providers to family, friends, neighbors, and anyone with an internet connection.

ABOUT THE STUDY

National Research Corporation set out to conduct a special survey on the digital behaviors of healthcare consumers. The findings of this study provide the foundation for this white paper. A few points of consideration on the study:

- Special Market Insights survey conducted online by National Research Corporation
- 3,000+ consumers polled in 48 states in February 2015
- Respondents proportioned by age and population density based on Claritas guidelines
- Survey focused exclusively on how consumers make decisions in a digital setting

Consumers Diagnosed with Online Obsession

Americans are “always on”: nearly nine in ten consumers (87 percent) access the internet regularly (PEW American Life, 2014). Within the context of healthcare, two in five consumers (39 percent) (Market Insights consumer study, 2015) visited WebMD.com in the past year and one in five consumers (22 percent) stopped at a local hospital or health system website.

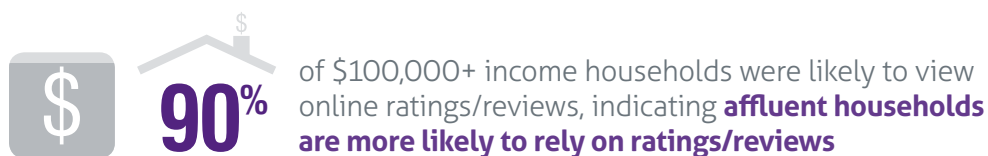
The digital experience precedes the physical experience for an increasing number of consumers.

Consumer reliance on websites for healthcare guidance is flanked by social and mobile platforms. Better than half (57 percent) of healthcare consumers highly trust information they receive via social media and a growing number (31 percent) would prefer a healthcare provider in the future based on interactions via social media. In 2015, the average user of social media as a source of healthcare information is 48 years old, up from 42 in 2012, asserting the surge in use of social media is outpacing the aging process itself.

The messenger is rivaling the message as one in five consumers (22 percent) have used a mobile device for healthcare purposes, one in four (25 percent) anticipate doing so in the next year, and a growing subset (18 percent) now prefer to interact with healthcare providers exclusively via mobile device. These digital drivers—web, social, mobile—once derided as empty forms of communication are now seen by consumers as a trusted source of education and influence as they make decisions—even in healthcare.

The Digital Experience is Driving Purchasing Decisions

The “always on” consumer has enlisted digital sources of information to reverse engineer the marketing process. They conduct their own brand research from the comfort and privacy of their favorite screen. Call it the “Amazon Effect”: savvy consumers seek information on products and services before the point of purchase, while relying on the opinions and expertise of other buyers along the way.



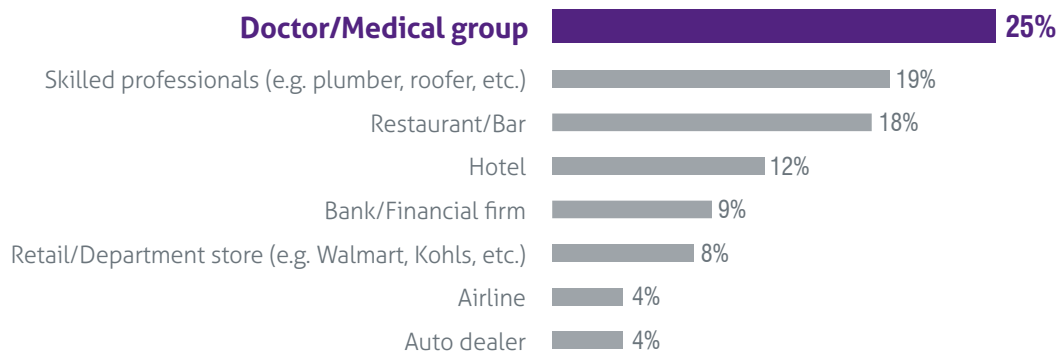
The High Bar of Healthcare

Where does this reliance on digital sources of information factor within healthcare—an industry with a reputation of being on the leading edge in advancement of technology but also on the lagging end in communicating with consumers?

Healthcare has the highest bar of any industry in terms of perceived importance of reviews.

One in four consumers (25 percent) felt the reputation of the business matters most when choosing a “doctor/medical group”—putting it first among comparable product and service providers (e.g. hotel, bank, airline, etc.). Compare this to 19 percent for skilled professionals, nine percent for bank/financial firms, four percent for airlines. Clearly consumers hold healthcare to the fire when it comes to the reputation of a provider, and why not? Healthcare is the most essential of all services, and a failed experience can hold ramifications no other industry can match.

Reputation Matters More for Healthcare Than Any Other Industry



SOURCE: National Research Corporation's Digital Decision Maker study, 2015, n size = 3,002

ONLINE VS. WORD OF MOUTH

Only 23 percent of consumers do not trust online reviews as much as personal recommendations. The remaining 77 percent do trust online reviews as much as—or more than—a personal recommendation, as long as at least one of the following conditions is present:

- There are multiple reviews available
- The reviews appear to be authentic
- The type of business is one in which reviews matter

Tangled up in Transparency

When considering the consumer focus on healthcare, another ante-upper is the increasing cost of healthcare services. Because they are paying more than ever before, consumers increasingly seek information on their healthcare options with the hope of finding a high value offering for their money. On the other hand, healthcare providers often lack the necessary information to allow consumers to make the right decisions.

Online sources of information provide an increasingly powerful tool for consumers to research their options ahead of time.

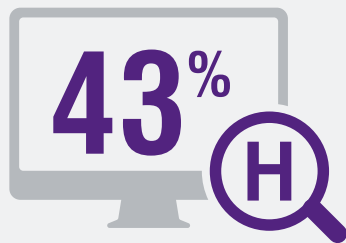
While industry focus has begun to shift to price transparency, the information consumers seek is not limited to cost.

Quality remains ambiguous to the consumer audience and only a sliver of the population (five percent) visit sites like Hospital Compare. For the brave consumers who either stumble upon quality information or call in to find pricing, there is much to be desired.

Cost, quality, and experience together form a whole value to the consumer.

Many healthcare providers fail to easily provide information on every part of the equation. The issue of transparency itself—the willingness to share both positive and negative information about the organization—has continued to dog providers in their quest to engage with healthcare consumers. Only providers who adopt a holistic view of transparency and are willing to easily share their performance will win over weary consumers.

CONSUMERS CRAVE DATA WHEN SELECTING A HEALTHCARE PROVIDER



of consumers currently in need of a doctor plan to use online reviews/ratings to find one

70% of consumers would like to see performance data before choosing a healthcare provider

45% have already viewed physician ratings/reviews online

30% claim viewing ratings/reviews online was their first step in finding a physician

21% of consumers have actually rated or left a review for a physician online

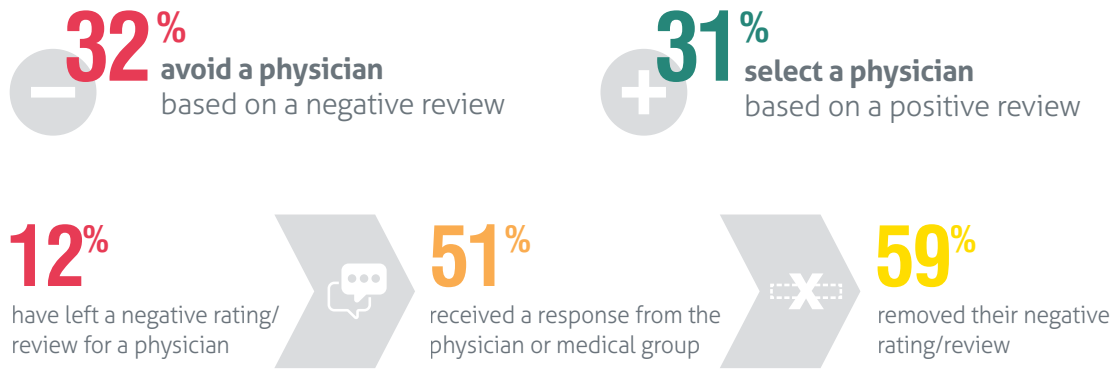
Red vs. Green: The Power of Positive Feedback

It's not uncommon to find a healthcare provider interested in sharing their performance with consumers—on the condition the information is overwhelmingly positive in nature. Across all industries, more than half of consumers (54 percent) say positive reviews cause them to increase their trust in a brand. Two in five consumers (41 percent) also claim negative reviews cause them to avoid a brand.

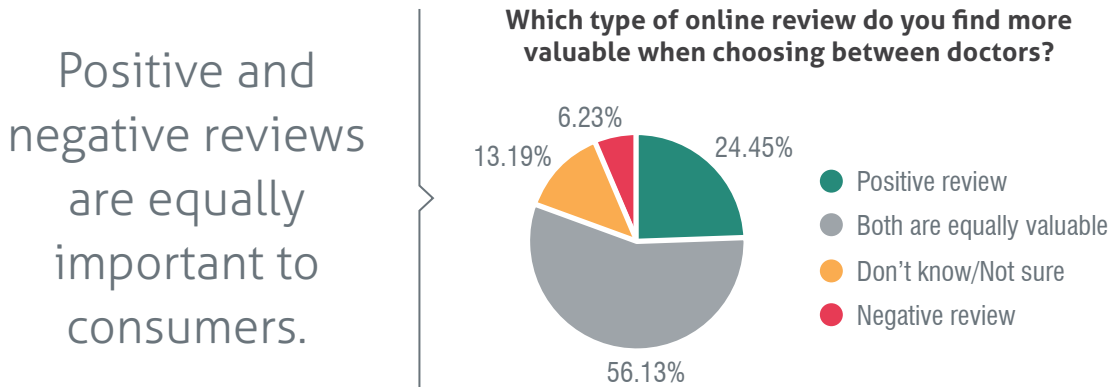
Despite evidence suggesting positive feedback has more pull, the "psychology of red" keeps many providers paranoid of the negative review.

This fear, however substantiated or unsubstantiated, becomes an internal barrier to embracing and providing transparency to the consumer.

When it comes to healthcare, the polarization between positive and negative feedback seems to hold even more charge. Restless consumers are tired of being in the dark when it comes to such an important service, and providers who've grown used to operating in an opaque industry seem unwilling to share. When it comes to the ever-important step of selecting a physician, consumers are evenly split between reviews of a positive and negative nature.



Not only do the positive notes dwarf the bad marks, any negativity provides an opportunity for service recovery and loyalty conversion.



Physician Reputation and Brand

Physicians are an essential piece of the digital transparency equation. Qualitative research among consumers indicates consumers cite their physician as the first person they encounter in their care journey (Market Insights PCI study, 2014). Providing information to consumers on this ever-important front door has obvious benefits. For physicians, making themselves more visible may actually elevate their profile and create a desirable lift in reputation, not to mention patient volume.

For hospitals and health systems, the benefit of elevating physician profiles—regardless of physician affiliation—can create a boon in brand awareness and value across the board.

In fact, the hospital-physician bond factors into consumer trust. Most consumers (71 percent) feel it is either “somewhat important” or “very important” for a physician to be employed or affiliated with a health system they trust. The question remains: do consumers have a firm grasp on who or where their physician has established relationships or is this bond simply another dotted line for them to connect later?

For consumers, the physician/hospital bond isn’t the only vital relationship. For the four in five consumers who have a physician, the desire for a strong connection, and eventually a trusting relationship with their physician, is paramount.

Signs of Trouble in Consumer/Physician Relationships

51% of consumers described their physician’s value as limited to “routine care”

43% of consumers visited a new physician in the past year

45% of consumers feel only “somewhat loyal” to their current physician

22% of consumers need a physician right now

When consumers don't feel a connection with their physician, satisfaction suffers and the desire to select a new provider increases. The consumer/physician carousel is already spinning quickly and as better information and understanding of options emerge for consumers, it seems unlikely to slow.

THE QUEST FOR THE PERFECT PHYSICIAN

As consumers search for a change of pace, where does transparency fit into their quest? **Three in five consumers (60 percent) feel online ratings/reviews are important during a new physician search.**

While searching, consumers feel “a site which I recognize and trust” is the first search result they would explore. While exploring, most consumers (78 percent) felt it is important to see reviews left by actual patients. And when deciding on a physician, more consumers (47 percent) think seeing positive reviews trumps seeing physician bios (32 percent).

Consumers often lack familiarity with the ins and outs of healthcare but more than make up for it in sheer determination.

By offering tangible information on who to see and where to go, healthcare providers can diffuse consumer confusion and offer quantifiable value to an audience desperately seeking more.

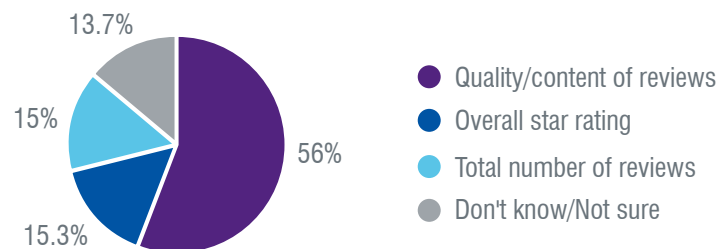
Digital Information as a Driver of Transparency

The digital means of communication continue to be the best hope for a transparent healthcare landscape in the future. Consumers will increasingly seek digital sources of information to decide on their care, and they've shown they aren't afraid to make a switch based on the information they receive.

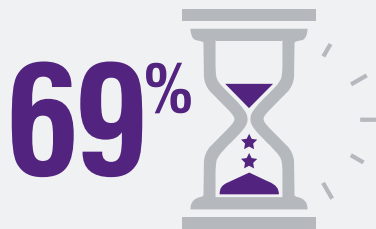
Today's consumer already goes online before they put on a gown, and tomorrow's consumer will do so with increasing frequency. Younger consumers who grew up with the personal computer will start to interact more frequently with healthcare providers. The quality and speed of information provided to these consumers will be vital. More than half of consumers (58 percent) already dismiss any review older than a year as "out of date." Digital information and the quality therein will re-prioritize what's important to the average healthcare consumer.

Whoever provides the most accurate, timely information stands to win over the increasingly connected consumer.

When considering star ratings vs. written reviews, which of the following is most important when selecting a doctor?



CONSUMER THRESHOLDS ON RATINGS/REVIEWS



69% of consumers would wait an extra 30 minutes for a 4.5-star doctor compared to a 3.5-star doctor

94% feel three stars or higher for a physician is necessary for them to consider a visit

89% do not feel a doctor rating is legitimate if it has less than five reviews (in a random search of 100 physicians across the US the average review count per physician is four)

48% would be concerned about trusting a site that had all five-star ratings

Reputation Ownership Begins with Digital Transparency

It's easy to get caught up on the magic number of online ratings and reviews, but the most important numerical trend is the consumer demand for greater amounts of information. Of course this is only true if they can trust the information they receive. More than half of consumers (56 percent) feel quality of content is more important than anything else – including star rating or number of reviews.

Hospitals and health systems would do well to consider consumers' fondness for sites they trust and brands they recognize. They could benefit from branding their ratings and reviews sites the same way they brand all other services.

Third-party sites often lack demonstration of the hospital-physician connection. Consumers are looking for less confusion and more definition on the physician(s) in question, and that includes how they perform and who they perform for in most cases.

The Unquenchable Thirst for Better Data

The consumer desire for faster, more accurate, more accessible information is continuously rising. A few years ago, it would have been unthinkable for a consumer to leave their provider network or sever their physician relationship in pursuit of better care. Armed with transparent information, today's consumers can increasingly determine who provides better care and where they can be found, and consumers are less afraid to go get it.

Up Next for the Digital Decision Maker

26% of consumers are willing to venture out-of-network to see a physician if the physician garnered superior ratings/reviews from others

70% of consumers want online ratings/reviews for physician assistants, nurse practitioners, and other caregivers who may influence their care

↑↑↑ Consumers increasingly desire to see how providers rate on specific care factors—quality of care, accuracy of diagnosis, average wait time—based on what they value most as an individual
★★★★★

Consumers are increasingly willing to breach the confinements of their insurance network and traverse the intimidating out-of-network landscape to improve their care. The desire for transparency transcends traditional decision making and is placing the consumer firmly in the driver seat for selection of services across the continuum of healthcare.

CONCLUSION:

The Deepening Value of Digital

Consumers seek transparency across industries but especially in the opaque world of healthcare. They are most willing to reward a healthcare provider who shares authentic, trustworthy information on their performance. Consumers of all ages and incomes value the easy-to-access information provided by digital means, but it's the growing swath of forty-somethings and affluent consumer households who most are willing to reward transparent providers with their business and their loyalty.

The transformation of healthcare will be led by a paper-to-pixel, digital transition of information that leaves no refuge for poor performance.

This inevitability may threaten some providers and create reluctance to change, but others will view the digital shift as an opportunity to prove value and gain trust. If there is any trend or any turning point for healthcare providers to embrace the digital age—and the transparency it provides to the consumer—there appears to be no time like the present to go digital or go home.



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