

The Healthcare Path to Purchase:

Consumer Research Update*

Vision Treatment



 **CareCredit**[®]
Making care possible...today.

*CareCredit Path to Purchase Research 2018.



Vision Treatment
(e.g., LASIK, PIOL)



Overview

Synchrony greatly values consumer opinions, and we periodically conduct large-scale research to capture consumer input and insights directly. In 2014, CareCredit, a Synchrony solution, completed a Path to Purchase study to understand how consumers think about, select, and purchase a wide range of healthcare services for themselves, their family members, and even their pets. The findings from this groundbreaking study proved so useful that we decided to repeat it every two years to monitor trends over time. This white paper presents key findings from the third wave of the study, completed in 2018.

Methodology

Research instrument:

Online survey

Timeframe:

June 6 - 21, 2018

Respondents:

2,762 U.S. consumers who had purchased healthcare services or products in the past 12 months and/or expected to do so in the next 12 months.

276 survey participants had made, or planned to make, vision treatment purchases.

Key Findings

The process to purchase vision treatment and related products is generally long and complex. Consumers tend to seek ample information, consider many factors, and take weeks or months to make decisions for healthcare purchases.

Driven by need

Nearly half of consumers (48%) saw vision treatment purchases as necessary, rather than discretionary (“needs,” not “wants”).

A long, complex process

On average, vision treatment purchase decisions take 129 days and generally involve six or more stages. While most consumers are often satisfied with their decisions, they are less satisfied with the decision-making process and experience.

Importance of research

Consumers tend to do extensive research before making a purchase, and 57% of vision treatment patients surveyed said they always research healthcare providers online before selecting a provider.

The Internet is key, but conversation still matters

Not surprisingly, the internet is a key source of information, with half of consumers reporting use of one or more web resources (e.g, search engines, provider websites, social media) when researching healthcare purchases. However, consumers who are considering vision treatment tend to rely more heavily on word of mouth (73%), including referrals from healthcare providers and input from friends and family.

Cost is a concern

Affordability remains a key concern for many and is an important factor in choosing a provider. In fact more than a quarter of respondents (26%) reported having declined vision treatment due to cost.

Consumers may be unaware of—but open to—financing

Relatively few consumers (29%) were aware of options to finance healthcare-related expenses. However, 58% were aware that providers can offer financing options, and 49% would consider financing if it meant they could receive treatment right away.



The decision to move forward with care typically involves multiple steps, with specific actions occurring at different points and sometimes repeating multiple times as consumers move toward a purchase. At various points in their decision-making process, consumers may research treatments, providers, and payment options; visit provider offices; consult with family and friends; contact their insurance company; and consider their personal finances.

Decisions about vision treatment tend to be longer and more complex than many other healthcare purchases. Only decisions about invasive cosmetic procedures tend to take longer, on average, and only cosmetic (all procedure types) and hearing purchases typically involve more steps.

Compared to 2016, vision treatment decisions have simplified slightly, decreasing to an average of 6.2 steps (vs. 6.6 in 2016). Not surprisingly, long, complex decision processes tend to involve significant research, with high percentages of consumers reporting they research potential vision treatments, providers, or both.

How long and complicated are vision treatment purchase decisions?

Average # of Decision Steps	Average # of Days to Purchase		Average Spend
6.2	129		\$2,096



What percentage of vision treatment consumers research treatments and payments before making a decision?

82%
Research Treatment

78%
Research Payment



Nearly two-thirds of vision treatment consumers used search engines in their online research (65%), while more than half visited medical advice sites like WebMD (55%). Provider websites and rating/review sites were also popular, while social media, apps, and other channels were used less often.

When researching a purchase, vision treatment consumers often turn to family members or friends for advice. In fact, consumers consult with those close to them far more often than they turn to relevant healthcare professionals.

Among vision treatment consumers who research treatments online, what sources do they use?

	Vision Treatment
A search engine (e.g., Google, Yahoo)	65%
Provider Website	48%
Medical advice website	55%
Website that compares or provides ratings/reviews of providers	37%
Social media, mobile app, message board, blog, other	≤9%

Where do vision treatment consumers turn when researching treatments offline?

	Vision Treatment
Key healthcare professionals	Optometrist/Ophthalmologist 23%
	PCP 11%
Family/friends overall	55%

When vision treatment consumers don't consult healthcare professionals, where do they turn?

	Vision Treatment
Spouse	47%
Other family members or friends	11%
No one else	33%



Consumers use a wide variety of resources to learn about potential vision treatment providers. A primary care physician is the top offline resource for vision treatment purchases, although input from family members and friends is also common.

When researching providers online, the top resource tends to be health insurance websites in all cases, despite the fact that many types of vision treatment, including LASIK and PRK, are rarely covered by insurance. Only a minority of vision treatment consumers look for provider information using search engines or doctor rating sites.

What percentage of vision treatment consumers ask others for input when researching providers, (and whom do they ask)?

	Vision Treatment
Ask for input overall	73%
Ask a primary care physician or vet	51%
Ask a family member or friend	33%
Ask someone who needed the same treatment	22%
Ask a co-worker	7%

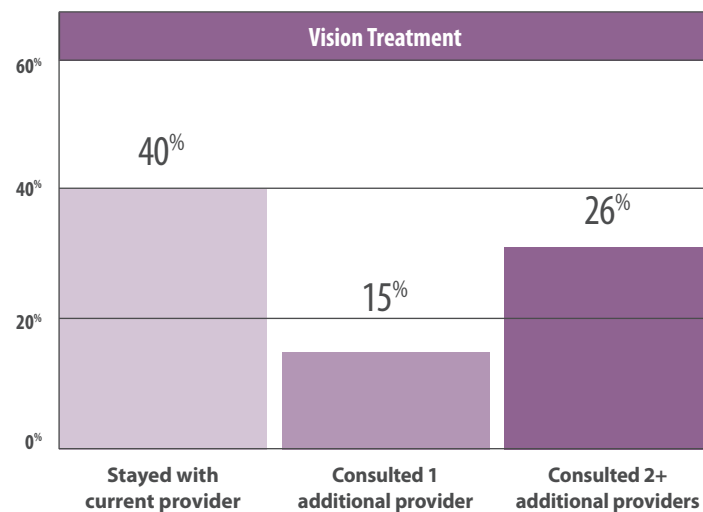
What percentage of vision treatment consumers research providers online (and where do they look)?

	Vision Treatment
Research providers online overall	57%
Health insurance website	40%
Search engine (Google, Yahoo, Bing)	14%
Doctor rating websites	15%

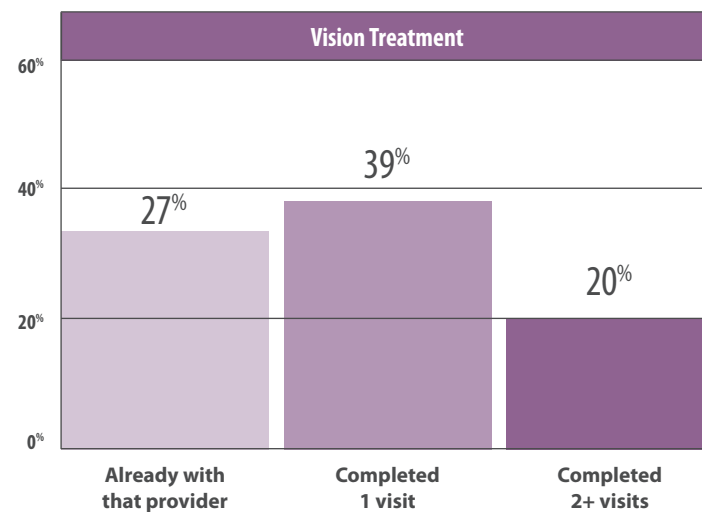


When choosing a healthcare provider for vision treatment purchases, patients are often inclined to stay with a current provider rather than looking for new options. Even when consumers consider additional options, they seldom need more than one office visit to choose a provider.

How many providers do vision treatment consumers consider before choosing one?



How many times do vision treatment consumers visit a provider before choosing him or her?



Cost can be a significant barrier to moving forward with care. More than a quarter of consumers reported that they have declined a vision treatment purchase in the past due to concerns about cost.

26% of vision treatment consumers have declined a vision treatment purchase due to concerns about cost.

Covering the Cost

Vision treatment consumers tend to strongly prefer providers who accept their insurance, with 81% saying they only choose providers who accept their insurance. However, insurance does not tend to cover many types of vision treatment, including refractive procedures such as LASIK and PRK. This is likely a primary reason that many vision treatment consumers say they would / did move forward with treatment if insurance did not cover the cost (46%), or when they cannot use credit to pay over time (47%).

How likely are vision treatment consumers to proceed with the procedure if insurance does not cover it?

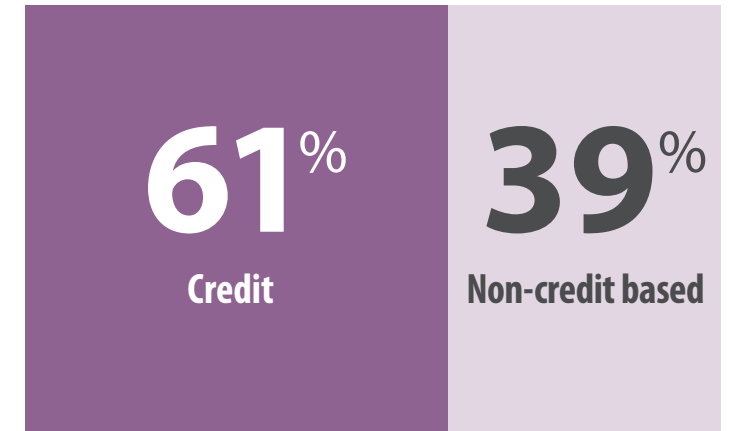
	Vision Treatment
Extremely or very likely	46%
Somewhat likely	29%
Extremely or very unlikely	24%

How likely are vision treatment consumers to proceed with the procedure if they cannot use credit or pay over time?

	Vision Treatment
Extremely or very likely	47%
Somewhat likely	33%
Extremely or very unlikely	20%

Overall, consumers use credit-based tender to pay for out-of-pocket healthcare costs somewhat more often than cash-based tender. Traditional bankcards are the most popular option, while relatively few consumers currently turn to dedicated healthcare credit cards or provider financing options.

How do vision treatment consumers pay for care?



What percentage of vision treatment consumers pay with a credit-based tender in general, and with general purpose credit cards in particular?

	Vision Treatment	
	2016	2018
Credit-based tender overall	55%	61%
General purpose credit card	34%	39%

What percentage of vision treatment consumers pay with cash-based tenders in general, and with key payment methods in particular?

	Vision Treatment	
	2016	2018
Cash-based tender overall	45%	39%
HSA or FSA	16%	15%
Cash/check or prepaid card	20%	17%
Debit card	15%	9%



Are consumers aware of key financing options that could help them manage costs?

Despite strong interest in credit-based tender, awareness of financing tools and credit cards dedicated to healthcare purchases remains low, with just 29% of consumers familiar with these resources. However, more consumers are aware that healthcare providers may be able to offer financing (58%).

29% are aware of financing tools credit cards specifically for healthcare expenses

58% are aware that providers may be able to offer financing options

What do consumers think about healthcare financing options, and how does this affect their choices?

While awareness of financing options is low, interest in financing options is fairly strong, with nearly half of consumers who do not have a CareCredit credit card (49%) willing to consider financing in order to get treatment immediately. Many report always looking into financing for large purchases (39%), and two out of five consumers would welcome financing offered by a healthcare provider.

49% would consider a financing option if it meant they could receive medical treatment right away

39% always seek financing options when making large purchases

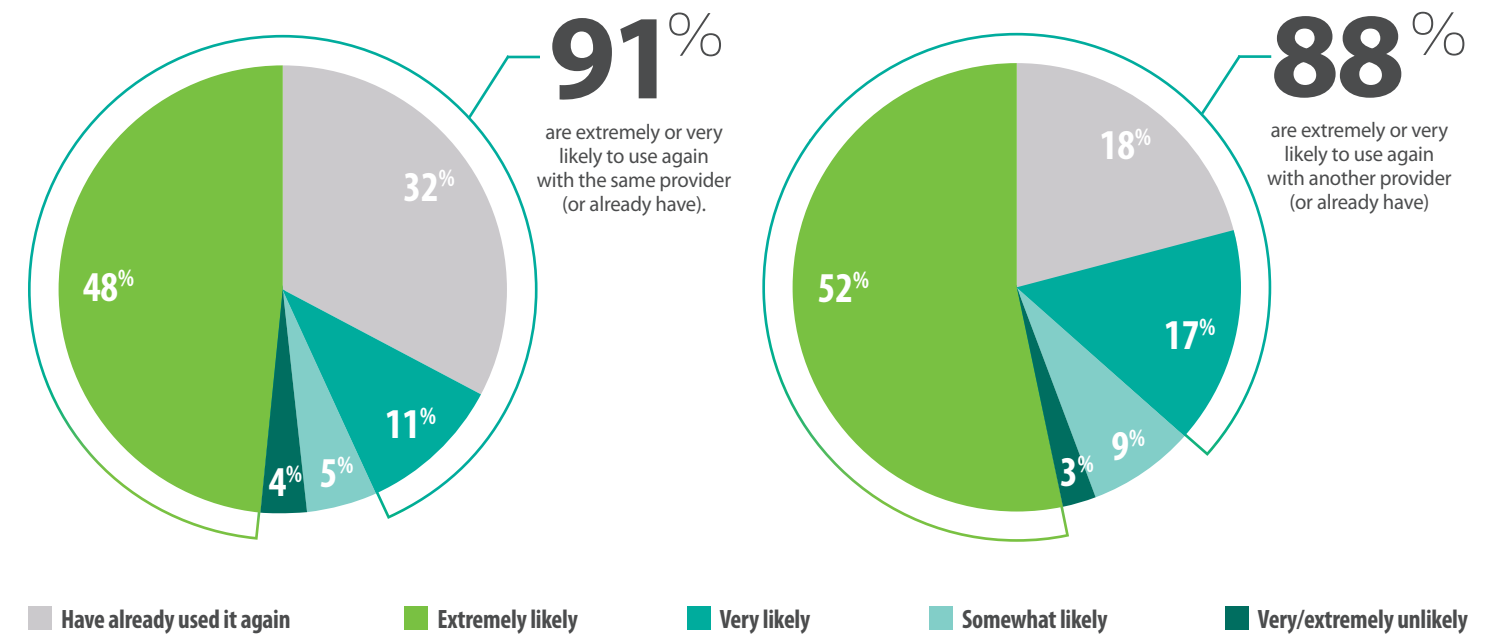
40% would be comfortable with financing available through a healthcare provider

Healthcare Financing: Repeat Use and Lasting Value



While a large or urgent purchase may be the impetus for many consumers to apply for healthcare financing, the vast majority expect to use financing for more than the initial purchase. Among consumers who have a CareCredit credit card, 91% either have or definitely plan to use the card again with the same healthcare provider, and nearly as many (88%) have or will do so with additional providers.

When consumers have a CareCredit credit card, how likely do they say they are to use it again (with the same provider or another provider)?



Financing Provider Snapshot

A pioneer in healthcare financing for more than 30 years, CareCredit is a leader in providing patients with valuable promotional financing options for treatments and procedures not covered fully by insurance.

More than 210,000 locations around the country, offering care in dozens of specialty areas, accept CareCredit to help patients and clients get the health, wellness, and personal care they need. CareCredit helps providers increase cash flow while decreasing billing and collections. The process to add CareCredit as a payment option is easy and quick.

CareCredit currently has over 11 million cardholders, and every day, more than 14,000 individuals apply for a CareCredit card to help them pay for care. Cardholders have more than \$35 billion in available credit, and they use it almost 60,000 times per weekday, on average, to pay for their healthcare expenses. What's more, cardholders have extraordinarily positive opinions about CareCredit; 94% report being highly satisfied, 97% rate CareCredit a good to excellent value, and 97% say they would recommend it to a friend.*

CareCredit is a Synchrony solution. Synchrony has been offering financing solutions for leaders in diverse industries for more than 80 years.



Understanding consumers' attitudes, expectations, and habits helps vision treatment providers to **better serve current and prospective patients, and achieve their practice goals.**

- The lengthy decision-making process presents many **opportunities to communicate** with consumers and offer information and input that **consumers welcome and value.**
- Consumers often have a strong preference and likelihood to purchase from their current providers, underlining the **importance of supporting existing patients** during their decision-making process.
- Because consumers may consider multiple providers, the **opportunity to attract new patients** is also significant, particularly by providing the **information, access, and payment options** consumers are seeking.
- An **informative website** is important for providers, as are listings on **insurance company sites.** Strong search engine performance can be helpful, while social media, message boards, and other digital channels are less of a priority.
- **Personal referrals are powerful**, so encouraging current patients and other healthcare providers to refer new patients could have a strong impact.
- Many consumers expressed interest in **credit-based financing options** and/or indicated they have derived lasting value from such options. However, many consumers may not be aware that such options are available. Offering a financing solution like a healthcare credit card and prominently promoting it could help **differentiate vs. other providers, attract new patients, and increase satisfaction and loyalty** among current patients.

CareCredit can be used at enrolled provider and select retail locations for:

- Ambulatory Surgery Centers
- Anesthesiology
- Audiology
- Bariatric Surgery/
Weight Management
- Chiropractic Care
- Cosmetic Surgery
- Day Spa and Med Spa
- Dentistry
- Dermatology
- Durable Medical Equipment
- Gastroenterology
- Obstetrics and Gynecology
- Ophthalmology
- Optometry
- Orthopedic Surgery
- Podiatry
- Primary Care
- Urgent Care
- Urology
- Veterinary Care
- And More!

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