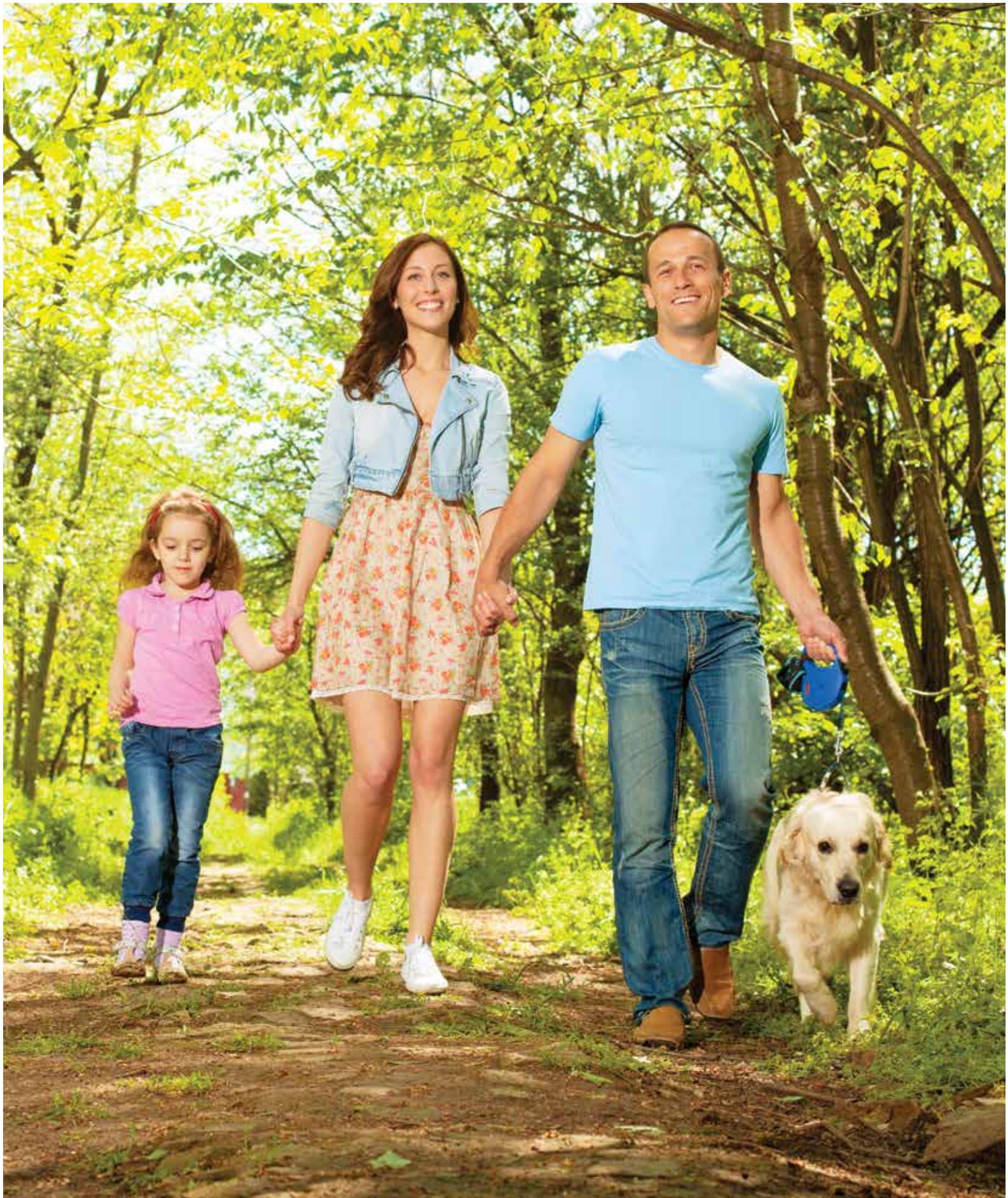


Consumers' Path To Healthcare Purchases Study

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Synchrony Financial makes it a priority to engage with consumers and has conducted several comprehensive research studies to better understand consumers' decision-making processes for major purchases such as electronics, appliances, flooring and fitness equipment. Recently, CareCredit completed a unique study that provides insight into **how people purchase healthcare services and related products**, including dentistry, veterinary services, hearing health, vision care and cosmetic procedures. Healthcare, and specifically the cost of care and affordability, continues to be an important issue to families. The following white paper outlines key insights from this benchmark-setting study.

Research Design

Timeframe: August 11, 2014 through September 5, 2014

Methodology: Online survey of patients who had made an elective healthcare purchase in the past 12 months OR are likely to make an elective healthcare purchase in the next 12 months

Total Sample Size — 1,954*

Respondents by treatment type:



* Several respondents indicated healthcare purchases in more than one profession.

Key Findings

When it comes to elective healthcare, consumers' path to purchase is often more extensive, time-consuming and involved than standard retail purchases. Consumers proactively seek out information, opinions and financing options before making a decision. Cost of care, insurance benefits and payment options are key considerations and causes of stress.

The decision to purchase healthcare is a lengthy process.

Consumers' path to purchase can be more personal and emotional than purchasing consumer products. On average, consumers take 76 days to go through several key areas of consideration. The length and complexity of the process is influenced by cost, time, need vs. want and insurance benefits (see page 5).

Cost and financing are key considerations.

Consumers research options both online and offline, with more patients overall (73%) researching cost and financing than researching the procedure/treatment (70%) (see pages 6-7).

Choosing a provider is based on relationships and trust.

Consumers select providers they have a relationship with, especially in dentistry, veterinary services and optical/vision care. If no previous relationship exists, the majority of consumers visit the practice one or more times before selecting a provider (see page 8).

There is low awareness of a healthcare credit card as a financing option.

More than half of consumers surveyed pay for care with a credit-based product. A significant percentage were unaware financing is available through a healthcare credit card and more than half were unhappy with the payment options available to them (see page 11).

CareCredit is an attractive option.

Consumers' likelihood of applying or using a healthcare credit card increases as the cost of care increases. Of those consumers who used CareCredit, if CareCredit had not been available, 24% would have gone to a different provider who accepts the card and/or 32% would have chosen not to receive care (see pages 11-12).

The Path To Purchase

There are **five key areas** of consideration in consumers' path to purchase. For some consumers, the treatment, procedure or surgery is initially introduced to them by their provider, most often in dentistry, optical and veterinary care. In other medical specialties, such as cosmetic treatment/surgery, vision surgery and hearing care, initial consumer awareness may originate from the media or friends and family. Consumers' consider cost and financing throughout the decision-making process.

Initial Consideration	General Research	Financial Considerations	Specific Research	Decision
Initial research of treatment options Visit provider office	Provider options Cost/ financing Treatment options	Financial viability and options Discuss care and cost with friends/family	Treatment/procedure/surgery details Provider details Financing	Pay for purchase

Consumers' path to purchase takes anywhere from one to five months and differs by treatment and procedure type. In general, the greater the purchase price or investment, the more involved and longer the decision-making process. Conversely, when the treatment is considered to be need-based, consumers' path to purchase tends to be shorter.

Medical Specialty						
	Vet	Optical	Dental	Hearing	Vision* Surgery	Cosmetic
Average days to decision	25.9	35.3	69.8	97.7	141.1	144.6
Average spend	\$560	\$292	\$1,177	\$1,256	\$575	\$2,620
Patients viewed care as an absolute necessity	55%	62%	60%	31%	48%	17%

* Majority of cost of surgery covered by insurance.

Researching Finances and Treatment Options

More consumers considered or researched finances than researched the procedure, treatment or surgery. The percentage of consumers who researched finances and/or the procedure differed by medical specialty, but in general, paralleled the amount of time to decision (see page 5).

Medical Specialty	Overall	Vet	Optical	Dental	Hearing	Vision Surgery	Cosmetic
Researched the procedure	70%	65%	63%	58%	88%	93%	92%
Considered/researched finances	73%	71%	69%	67%	84%	79%	86%

Note: These numbers reflect only those who responded to this question.

Consumers researched the procedure and finances offline, online and through family and friends. During the offline, face-to-face research, a significant percentage of consumers asked their provider about cost and financing care.



76%

Sought information **offline**

- 34% Visited a provider
- 30% Visited the office regarding cost
- 25% Asked provider about financing



50%

Went **online** for information

- 41% Researched treatment options
- 34% Researched provider options
- 32% Researched cost
- 10% Researched financing



40%

Gathered information from **friends and family**



When seeking information online, consumers used search engines, provider sites and medical advice websites. Consumers considering hearing care, cosmetic treatment/procedures or vision surgery were much more likely to visit medical advice websites and sites that provide ratings and reviews, especially of providers.

Medical Specialty	Overall	Vet	Optical	Dental	Hearing	Vision Surgery	Cosmetic
A search engine (e.g., Google, Yahoo!)	72%	77%	60%	71%	77%	74%	72%
Provider website	55%	44%	58%	46%	58%	64%	64%
Medical advice website	52%	42%	24%	51%	59%	73%	61%
Website that compares or provides ratings/reviews of providers	44%	30%	39%	38%	55%	55%	50%
Product specific message board	10%	12%	5%	4%	12%	10%	14%

Selecting a Provider

In professions that generally involve ongoing care, such as dentistry, optical and veterinary services, the majority of patients selected either the provider they already had a relationship with or went to a provider and chose them on the first visit. For more involved treatment, procedures or surgery, consumers took more time researching and visiting providers before their final selection.

Medical Specialty						
	Vet	Optical	Dental	Hearing	Vision Surgery	Cosmetic
Already used the provider	66%	57%	56%	20%	23%	25%
Purchased on first visit	20%	30%	34%	40%	33%	31%
Two or more visits	9%	10%	7%	18%	23%	33%

In selecting providers, the vast majority of consumers limited their choices to practices that accept their insurance. Of the more than half of consumers who researched providers online before selecting one, a significant portion were frustrated about the provider information available to them.



Only use healthcare providers who accept **their insurance**



Always research healthcare providers **online** before selecting a provider



Not satisfied with information available to them about **providers**

* CareCredit Cardholders



Paying for Healthcare

Cost and financing were highly-researched topics and key considerations on consumers' path to purchase. Consumers used a variety of methods to pay for healthcare services and related products. A slight majority (54%) used credit-based payment methods*.

Credit-Based 54%			Non-Credit Based 46%	
				
General Purpose Credit Card	Medical Credit Card	Provider/Other	Cash, Check or Debit Card	HSA/FSA
33%	13%	12%	38%	11%

* Some respondents indicated using more than one payment method.

Consumers indicated affordability, payment options, cost uncertainty and coordinating insurance as the four key challenges when determining their payment choice. **Many had to delay care because of cost.**

Affordability

"I will have to wait until my son's football season is complete to offset the expenses."

"What do I have to sacrifice to pay for treatment?"

Payment Options

"Which credit card is the most practical to use?"

"How am I going to pay for this?"

Costs Uncertainty

"Are there going to be additional costs?"

"I'm shocked at how expensive it is."

Coordinating Insurance

"Are my insurance benefits being used to their fullest?"

"The insurance company wouldn't cover the procedure at first."



Attitudes Toward Financing

Nearly half of consumers were dissatisfied with the payment options available to them. Seventy percent of consumers who had not previously used a healthcare credit card were not aware that the payment option was available. Yet, when made aware of a healthcare credit card half would consider financing if it enabled them to purchase the healthcare service or related items immediately.



Not satisfied with payment options available



Not aware of financing



Would consider financing if it would enable them to get care immediately

In all medical specialties, the percentage of consumers who are **very likely or extremely likely** to apply for or use CareCredit **increased** as the cost of care increased.

						
	Vet	Optical	Hearing	Dental	Vision Surgery	Cosmetic
\$1,000	49%	49%	28%	49%	31%	35%
\$600	42%	38%	19%	43%	23%	25%
\$200	33%	29%	13%	32%	17%	20%

Consumers' Preference Toward CareCredit

Of the consumers who were aware financing or healthcare credit cards were available at select practices, 16% were aware of CareCredit, from Synchrony Financial. Those consumers viewed the option as highly valuable.



Use financing as a tool to help with unplanned healthcare expenses



Like the idea of having a credit line reserved for health and wellness expenses



View it as an important tool to manage their family's expenses

The primary reasons consumers had for using or considering using financing to pay for healthcare centered around the ability to use special financing. If a doctor they were considering did not have financing options available, almost half said they would have gone to another provider and/or not made the purchase.

If CareCredit had not been available:



Would have gone to another provider

and/or



Would not have made the healthcare purchase



Those consumers who had previously used CareCredit indicated having a healthcare credit card could help them with ongoing elective care needs at their initial providers and other practices that accept the card. A vast majority (87%) indicated they have already or are **likely to use CareCredit again** with the same provider. A slightly lower percentage (85%) said they would likely use it again at another provider.



Are likely to (or already have) reuse CareCredit at their **initial provider**



Are likely to (or already have) reuse CareCredit with **another provider**

Opportunity

Having a deeper and detailed knowledge of the unique way consumers research, consider and purchase healthcare can help providers better meet the needs of consumers. For instance, these insights can:

- Illustrate to providers the need to have a strong online presence.
- Encourage them to find ways to minimize stress during the consumer's decision-making process, like helping with insurance benefits, accommodating working schedules and making financing options available.
- Provide ideas on how to enhance communication by addressing perceived risk of treatment and other barriers to care.
- Communicate the importance of accepting a variety of payment options, including CareCredit, and allow patients to have easy access to information on these options early and throughout their path to purchase.
- Emphasize consumers' ability to use CareCredit for their family's ongoing healthcare needs, which can benefit the practice in terms of patient loyalty and retention.

About CareCredit

We do something very simple at CareCredit: we help people get the care they want for themselves and their families.

And, for us, that's very important. Together, with more than **186,000 healthcare providers**, we're helping people access care.

Thousands of times each day, people are using their CareCredit health, wellness and beauty credit card to have important dental work done, be fitted with new hearing aids, have vision or cosmetic procedures, and get care for a beloved family pet.

We help make it easier for people to get the care they want and need, right when they need it, without having to delay treatment or appointments.

For almost 30 years, CareCredit has been providing a valuable financing option for treatments and procedures that typically are not covered by insurance, or for times when insurance doesn't cover the full amount. CareCredit is also used by cardholders to pay for deductibles and co-payments.

We think people like having financing options because that gives them the freedom to make decisions about treatment options so they can do what's best for their situation and their family.

That's why CareCredit is here. We help make care possible ... today.

The CareCredit credit card issued by Synchrony Financial, is one of the **largest health, wellness and beauty credit cards in the nation**, serving millions of families each year.

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Contact your CareCredit representative or
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