

20Q: More Highlights from MarkeTrak

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Sergei Kochkin, Ph.D., Better Hearing Institute

From the desk of Gus Mueller

We're back this month with "Round Two" of our discussion with Sergei Kochkin regarding the wealth of data that has been collected over the years by the many MarkeTrak surveys. Dr. Kochkin is Executive Director of the Better Hearing Institute in Washington DC. Previously he was Director of Market Development and Market Research at Knowles Electronics and served as chairman of the Market Development Committee of Hearing Industries Association (HIA).



Gus Mueller

As most of you know, we're now up to MarkeTrak VIII, with the first survey conducted about 25 years ago. Prior to the first MarkeTrak survey, there also was an HIA survey in the early 1980s, so we really have three decades of information from the U.S. hearing-impaired population. What has changed and what has stayed the same? That's what Dr. Kochkin is here to tell us.

Market penetration for hearing aid ownership always has been an intriguing component of the MarkeTrak surveys. I suspect that the low penetration numbers reported over the years often have been served up to potential investors of hearing aid start-up companies. On the surface, there certainly would seem to be the potential for considerable growth, as we often see hearing aid market penetration numbers at only 20-25%. Despite advanced technology and miniaturization, these numbers have not changed significantly since the first MarkeTrak. I encourage you, however, to take a look at Sergei's comments on these numbers in last month's 20Q. He suggests that when we examine hearing aid adoption rates, perhaps we only should consider individuals whose lives have been negatively impacted in a meaningful way as a direct result of their hearing loss. In other words, maybe simply failing a hearing screening, or admitting you have a hearing loss, doesn't necessarily make you a hearing aid candidate. Using this more rigid criterion, Sergei suggests that the adoption rate may be closer to 50%. Check out the details in the June 20Q.

When we left Dr. Kochkin and our Question Man last month, they were talking about the four general reasons why some hearing-impaired individuals do not purchase hearing aids. The main categories that Dr. Kochkin identified were hearing aid features, hearing aid utility, psychosocial factors, and financial concerns. I think they pretty much finished talking about hearing aid features, and are ready to move on to "utility," so let's join them again. If you liked Part 1, I think you'll like this even more!

*Gus Mueller, Ph.D.
Contributing Editor
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More Highlights from MarkeTrak



1. Hello again. I did check out those publications you mentioned in our last discussion. Whew - that's a ton of reading! Thanks for providing the highlights.

Thanks, but there really is a lot of good information in all those articles that I'm only touching on. Where did we leave off from our previous discussion?

2. You talked about how "features" impacted hearing aid adoption rates, and so we're ready to move on to another influencer—how about psychosocial?

Sergei Kochkin Sure—that's one of the four main areas that we identified as influencing hearing aid adoption. We may be puzzled as to why only 9% of people with mild hearing loss adopt hearing aids. It could be related to advice from professionals. If we look at the four main professional groups that consumers with hearing loss might encounter, with the exception of hearing instrument specialists, the other three groups, physicians, ENTs, and audiologists all tended to give more recommendations against hearing aids than for them, when the patient had a mild hearing loss. Also, in the Kochkin-Bentler validation study on the BHI Quick Hearing Check, it was determined that our audiologic classifications of hearing loss were significantly different from patient and spouse perceptions of their hearing loss (Kochkin & Bentler, 2010). Thus, professionally we may be discouraging people with mild hearing losses who indeed view themselves as having a moderate hearing loss. So I think our classification system needs to be re-evaluated. A label can be a dangerous thing.

3. I suspect that the family doctor plays a big role in this?

Absolutely. Our data show that the family doctor is the #1 influencing factor on whether someone gets hearing aids. If the doc says you need a hearing aid the patient has a higher probability of visiting an audiologist or hearing instrument specialist. I think the new Better Hearing Institute (BHI) physician referral program being developed, which includes reimbursement for screenings, may be a motivator.

4. I haven't heard about this program. Can you tell me more about it?

Awareness of the extent of hearing loss is a key issue for both the consumer and the physician. Our research shows that more than half of non-adopters (people with hearing loss who have not gotten hearing aids) have either not had their hearing tested in the last 10 years, or have not had it tested at all. They talk about their hearing with their family doctor more than they do with ENTs, audiologists or hearing instrument specialists. In the quiet of the physician's office it is difficult for the physician to empirically determine if the person has a hearing loss. Yet only about 15% of physicians engage in any form of testing during their patient's annual physical exam; and testing could be as benign as asking "How's your hearing?". I think if the physicians had an economic incentive, then perhaps they would test more patients. We are currently developing a physicians' guide to otoacoustic emission testing for adults which will be cobranded by the House Ear Institute and the Better Hearing Institute.

5. Sounds interesting, but I already see a lot of ads for “free hearing tests.”

That is true; but I suspect these ads appeal to people who are already aware that they have a hearing problem and are ready to seek a solution. In fact, the number one reason for purchasing hearing aids is the recognition that they have a problem. It's my contention that non-adopters need a reason for visiting a hearing health professional in the first place. Thus, it is important that they have a method for determining if they have a problem independent of this visit. One way is through their family physician, and I think a second way is to make precursor hearing checks available in as many venues as possible. With the Internet, online hearing checks like BHI's www.hearingcheck.org could help motivate people to take the next step similar to what the American Diabetes Association and American Cancer Society do to “see if you are at risk”. Recognition of the problem is a precursor to resolution of the problem.

6. What psychological issues would motivate an individual to adopt hearing aids?

Without a doubt, MarkeTrak research tells us that “invisible hearing aids” is most important to the consumer. This can only mean people are stigmatized by their hearing loss and want to hide it. Unfortunately, since this is a consumer need the hearing health industry has no choice but to market invisibility even though it seems as if we are reinforcing stigma. It's a real consumer need that should not be ignored. Maybe if society were a little kinder and gentler it wouldn't be an issue...but it is.

As an aside, for MarkeTrak IV in 1994, Gail Gudmunsen and I did a study where we randomly assigned consumers 13 pictures of the same attractive ear fitted with different styles of hearing aids from a 2nd bend CIC to a very large BTE and we asked them to rate the hearing aid on a number of factors (Kochkin, 1994a). One of the pictures was a bogus hearing aid --- it was simply the picture of an empty ear. Not surprisingly the smaller the hearing aid the greater the perception of its technology. While the empty ear still got the highest ratings, would you believe that even the empty ear was rated negatively by some people on all dimensions measured!

7. I think your 4th category was “financial.” I know you've studied how economic issues would influence people to purchase hearing aids.

Yes. Third-party payment coverage would have a tremendous impact and is in fact the number one influence. It would lower the average age of the hearing aid user by 13 years since people in that age group are currently working. Even half of the people with mild hearing loss would consider hearing aids if they had third-party coverage.

8. That makes me then wonder, how do adoption rates in the U.S. compare to countries where hearing aids are provided for little or no cost?

If we look at the first EuroTrak survey (Hougaard & Ruf, 2011), England had the highest market penetration at 38.6%, followed by Germany at 31.8% and then France at 29.8%. England provides free hearing aids, Germany provides only partial reimbursement, while France is pretty much a private market like the U.S.

9. What other financial considerations are there?

While an improved economy, which would include improved employment and consumer confidence, would increase demand, our survey showed that improvements in the value of stock and bond portfolios ranked very low.

MarkeTrak VII demonstrated that there was a \$30,000-40,000 difference (based on age grouping) in household income for those stating price was a barrier to hearing aid adoption. So there are significant segments of society who simply cannot afford hearing aids and they don't have the assets they can use to help pay for the product. A number of readers have criticized household income as an indication of wealth and ability to afford. While this may be true for some, it is a fact that a large percent of people with hearing loss would be classified as low income or poverty level according to the Bureau of Census.

10. Since price is such a big issue, what does MarkeTrak show regarding the effects of price reduction on demand for hearing aids?

First, the only time MarkeTrak made it into the annual AAA Trivia Bowl for the past 23 years was the question: "What percent of non-adopters would wear hearing aids if they were free and invisible?" Some of you out there might recall that the answer was only 35%! But, that was in the analog days. The figure now is closer to 55%, given the most recent MarkeTrak data.

The findings of a couple studies conducted by two economists (Aaron, 1987; Amlani & De Silva, 2005) and two papers related to MarkeTrak (Kochkin, 1992; 1994b), demonstrate that the price for hearing aids is inelastic (< 1). This means, that no matter how much you reduce the price, you cannot make up the revenue by increases in demand. Thus, the answer is third-party coverage or hearing aid tax credits. In the recent MarkeTrak VIII paper, consumers were offered price reductions all the way down to a \$500 hearing aid, and increased demand was not impressive. It is interesting though, that those who want inexpensive hearing aids or hearing aids covered by insurance, tend to have higher incomes than the current customer of hearing aids. They are younger, have families and thus they have other priorities, like paying the mortgage and supporting their families.

11. But I thought you said many years ago that price had no impact on customer satisfaction?

We have looked at the relationship between price and customer satisfaction many times over the years thinking that people who paid less for their hearing aids would be happier. We know now that the issue is not that simple. In MarkeTrak VI, we combined many studies that included a total of 16,000 APHAB (Abbreviated Profile of Hearing Aid Benefit) scores as well as the price the same people paid for the hearing aids. It dawned on me that the issue had to be *value*, and not price. So, we looked at the relative APHAB benefit score (benefit/unaided score) and calculated the average price paid for every percentage point change in hearing handicap point reduction and plotted the findings. The relationship emerged; people are happy to pay for substantial benefit, but it is hard to find a happy customer who paid little or nothing for a hearing aid that gave them no benefit. As you would expect, customers were highly dissatisfied if they paid big bucks for mediocre benefit.

12. Speaking of satisfaction, I think it is safe to say that MarkeTrak contains more information on customer satisfaction with hearing aids than there is published anywhere else in the world. What do you see as the key trends over the last 20 years?

In looking at overall indices, overall satisfaction, willingness to recommend hearing aids and willingness to repurchase hearing aids" little has changed. Approximately 6 out of 10 people are either "satisfied" or "very satisfied" with their hearing aids and only about half would repurchase their hearing aids. The "trend" appears to be the status quo.

13. That's discouraging. With advances in technology you would think that consumer satisfaction would have increased dramatically. What do you think is going on?

I do believe technology has improved dramatically. However, two key issues seem to be holding satisfaction back: the utilization of best practices to optimize the technology and the availability of hearing access to public places by those who use the product.

14. I know there were a few MarkeTrak publications on the role of best practice and consumer satisfaction. What are the key take-aways?

Quite simply, utilizing best practices results in good outcomes. In looking at 17 aspects of the hearing healthcare journey and their relationship to perceived outcomes by the consumer, we found that practices with comprehensive hearing aid fitting protocols versus what I call "minimalist protocols" tended to have more satisfied consumers. These consumers derived more benefit from their hearing aids and therefore believed their quality of life improved as a result. Subsequently, we found that audiologists and dispensers who use best practices to fit hearing aids also stand a better chance of mitigating the effects of the patient's tinnitus as well.

15. Were there any best practices that stood out as contributing more to success than others?

In looking at the difference scores in outcomes between great successes and great failures, the following factors were significant: use of probe-microphone measurement; use of any form of validation (can you hear any better since you met me?); whether the desired sound quality, fit and comfort were achieved, utilization of loudness discomfort measures; and the number of visits to fit the hearing aid. What makes this type of research so difficult is that many of these issues are inter-correlated. For instance, the number of patient visits to fit the hearing aid was seen to be a function of whether or not the professional utilized verification and validation measures. I am sure that achieved sound quality of the hearing aid is related to utilization of best practices to optimize audibility within the patient's residual auditory area, as well as quality control of the hearing aid prior to the fitting. Without objective feedback, I think it is difficult to achieve an optimal fitting of hearing aids, and therefore achieve hearing aid benefit and the associated improvement in quality of life.

16. You briefly mentioned the relationship between best practice and repeat visits? Didn't you actually do some financial calculations related to this?

One glaring anomaly in the data is that consumers with poor outcomes were coming back to the hearing health professional a lot, while those with great outcomes seemed to be fit in a couple of visits. In further querying MarkeTrak, we discovered that that the utilization of verification and verification resulted in a reduction of about 1.2 patient visits. What was shocking is that only 36% of fittings involved both verification and validation. Therefore, you could estimate that if hearing health professionals utilized verification and validation that they would save 521,000 patient visits and manpower costs of at least \$56 million. The savings would actually be even greater when you consider the high cost of returns for credit, not to mention what could be gained for utilizing the time saved for things like counseling, consumer outreach, physician marketing, etc.

17. What about counseling and auditory rehabilitation?

The correlations between the number of counseling variables and patient outcomes were rather low, but that does not mean they are not important. First, the utilization of aural rehabilitation was only 18% for new-users and 9% for experienced users, and self-help group referral, the use of LACE, and the use of self-help material was nearly non-existent. Therefore, their impact on the consumer journey is difficult to adequately determine from this study.

18. The other key area you mentioned that may be negatively impacting consumer satisfaction with hearing aids is public access. What are your thoughts on this issue?

People want to hear in situations other than one-on-one in quiet. Consistently we find that consumers are happier when they have high multiple environmental listening utility (MELU) with their hearing aids, i.e. they have hearing aid benefit in many listening situations. Our goal when fitting hearing aids is to help the consumer reclaim all those listening situations they lost due to their hearing loss. Hearing aids per se help most people with hearing loss in near field situations, and not so well in noisy and far-field situations. Our highest satisfaction levels with hearing aids are one-on-one communication (76%), followed by small groups, TV, listening while riding in a car, and listening to music, all in the 60% range. Most other situations including the using the phone are closer to 50% satisfaction or less. I think if we had more advocacy from hearing health professionals in inductive looping of public places (even people's homes), and greater utilization of near-field applications with new wireless technology, that consumer satisfaction would increase because the functionality of hearing aids would increase. It would be interesting to study satisfaction in consumers who live in areas where many public places are inductively looped such as Holland, MI and the Fox Valley area of Wisconsin.

19. One of the things that I've appreciated about MarkeTrak is that it has clearly shown that hearing aids really can change a person's quality of life. That's a message worth telling. Can you comment on that?

Yes, the National Center on Aging (2000) study was the first to show this finding. We wanted to make this a permanent part of MarkeTrak by directly asking consumers how hearing aids changed their quality of lives. The news is generally pretty good. The average benefit (hearing handicap improvement) achieved by patients with recent hearing aid technology is 55%. The upper bounds of hearing handicap improvement with best practices may be in the 65-70% range; we don't know exactly what would happen if we started systematically utilizing listening training such as with LACE, or if public accessibility were improved in the U.S. I think wireless technology and/or inductive looping should improve this figure. Furthermore, 75% patients report at least one area of their life was improved through wearing hearing aids while 8 out of 10 hearing aid users are satisfied with the changes that have occurred in their lives due to hearing aids. Nine out of 10 patients are projected to experience significant improvements in their quality of life once they experience a 70% reduction in their hearing handicap. Again, we find a strong relationship between quality hearing healthcare, and hearing aid benefit and quality of life improvements.

20. So, 25 years of surveys. What do you see on the horizon?

After this long journey I am fairly optimistic for people with hearing loss. Hearing aid technology gets better and better. We have a good handle on barriers to hearing aid adoption to enable us to systematically break down some of those barriers. We have shown the vital role the hearing health professional plays in achieving real world hearing aid user success, and with improvements in best practices I would expect more and more consumers to become satisfied with their hearing aids. Finally, wireless and looping technologies increase the chances that more people will derive benefit from their hearing aids in both near-field and far-field listening situations. When we increase the MELU of hearing aids, more and more people with hearing loss will clamor for the technology.

Editor's Note: All MarkeTrak survey publications are available at: www.betterhearing.org

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