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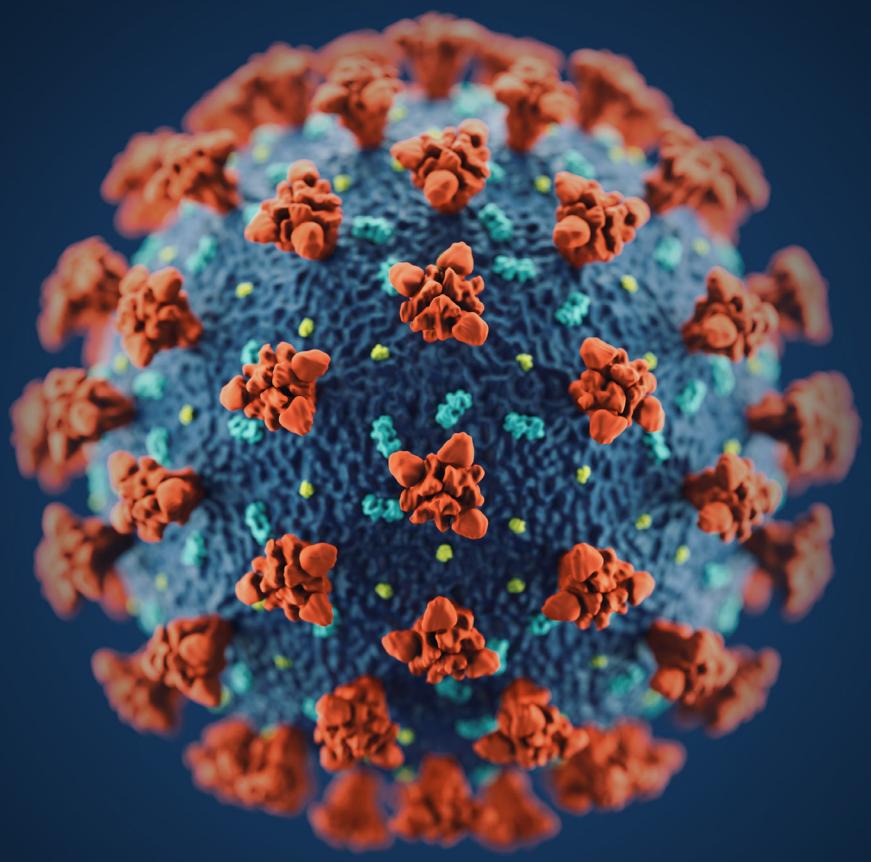

Changing consumer preferences towards health care services: The impact of COVID-19

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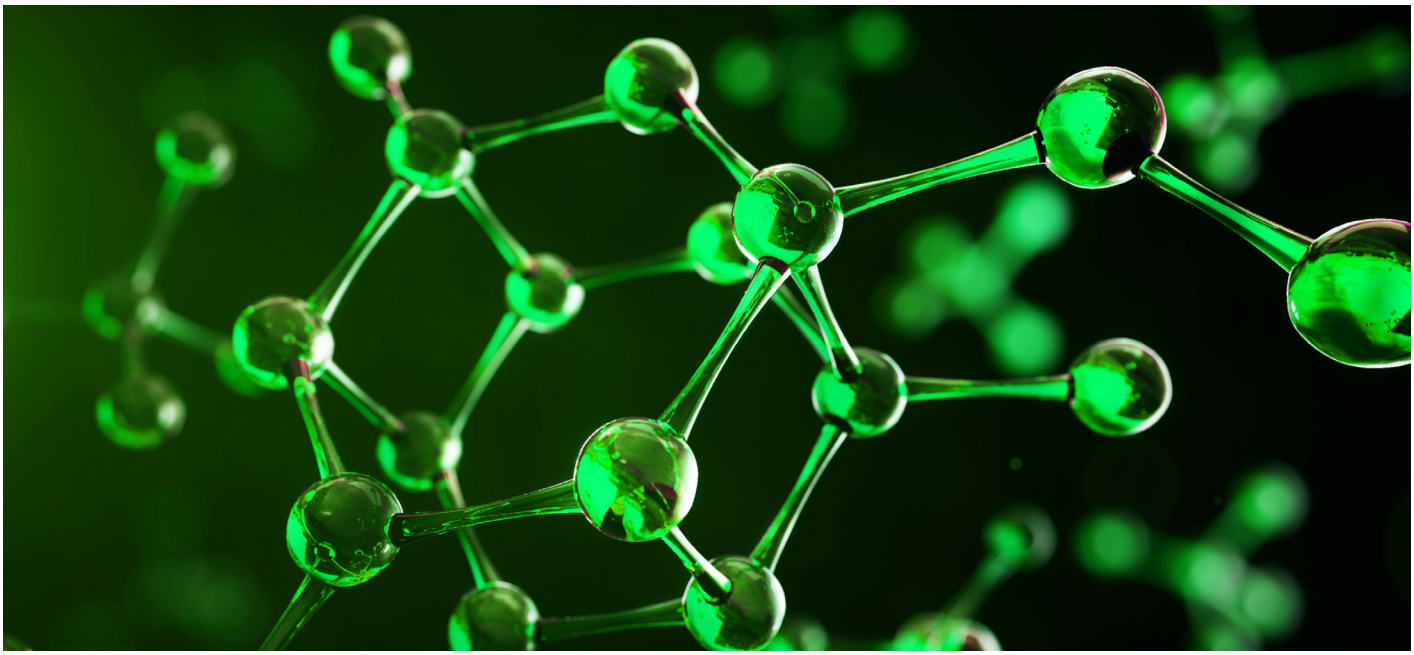


Introduction

Healthcare sector has been at the centre of the COVID-19 crisis. On one hand it has had the responsibility of treating COVID-19 patients, while on the other, it has also faced several challenges much like other sectors.

In the midst of it all, the sector has had to continuously innovate and come out with new ways of taking care of patients. Significant changes in consumer preferences and behaviour towards seeking healthcare services are being observed. The players operating in this sector will do well to understand these behavioural changes and adapt their ways of working accordingly.

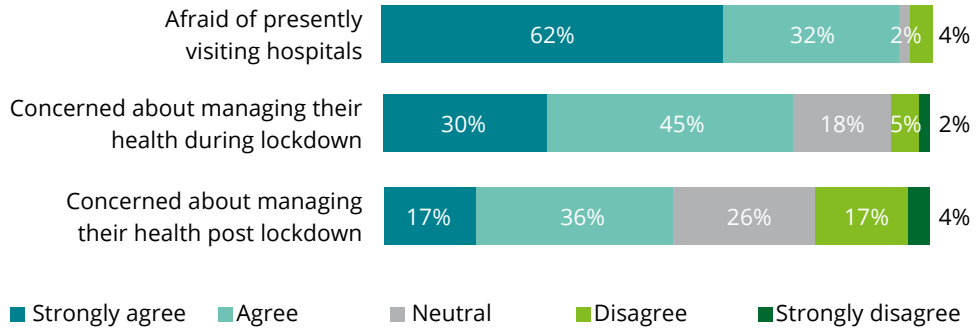
With this context in mind, we conducted a survey to gauge changes in consumer behaviour and understand changing consumer preferences and expectations from health care providers. We surveyed 419 consumers across geographies, employment status, gender, and age groups with a focus on evolving consumer sentiments, behaviours, and expectations from health care providers on care settings and safety protocols.

This paper, based on our analysis of the responses, proposes key interventions for health care providers to increase engagement with consumers and prepare their organisations for the post-pandemic world. We believe this will help organisations in the health care ecosystem create better business strategies and continue to thrive post COVID-19 by exploring new settings and delivery channels across the continuum of care.

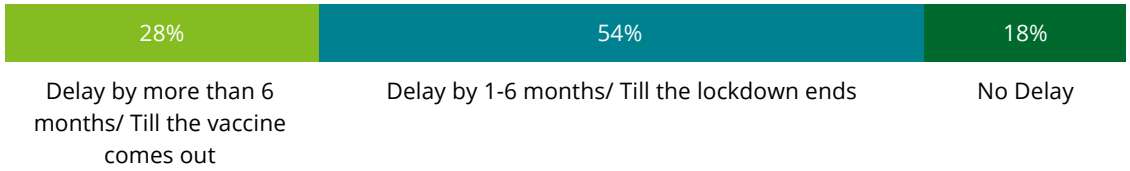
Hospital visits (OPD and IPD)

The responses reflected that more than 90 percent of respondents expressed fear of visiting hospitals, while over 50 percent were concerned about health management post lockdown. More than 70 percent respondents would prefer visiting hospitals that did not treat COVID-19 patients, while ~45 percent were willing to do so only if COVID-19 patients were treated in separate buildings.

Consumer concerns around health management
% respondents

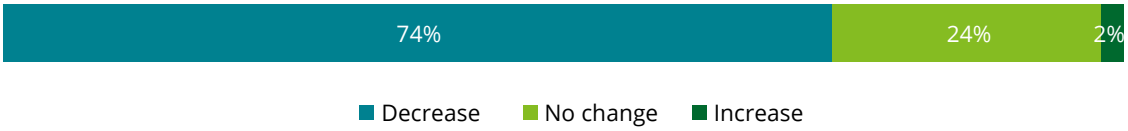


Willingness to undergo elective procedure
% respondents



Only 28 percent respondents intend to delay procedures by more than six months, citing fear of contracting COVID-19 in the hospital as the primary reason. Some respondents (18 percent) did not want to delay procedures, while the rest suggested delays until the end of the lockdown or up to six months.

Frequency of hospital visits once lockdown ends vs. pre-lockdown
% respondents



Almost three-fourth respondents indicated fewer hospital visits post-lockdown, with 77 percent of those respondents citing infection risk as the highest deterrent, while also indicating a preference for at-home remedies and telemedicine to avoid hospital visits.

Implications:

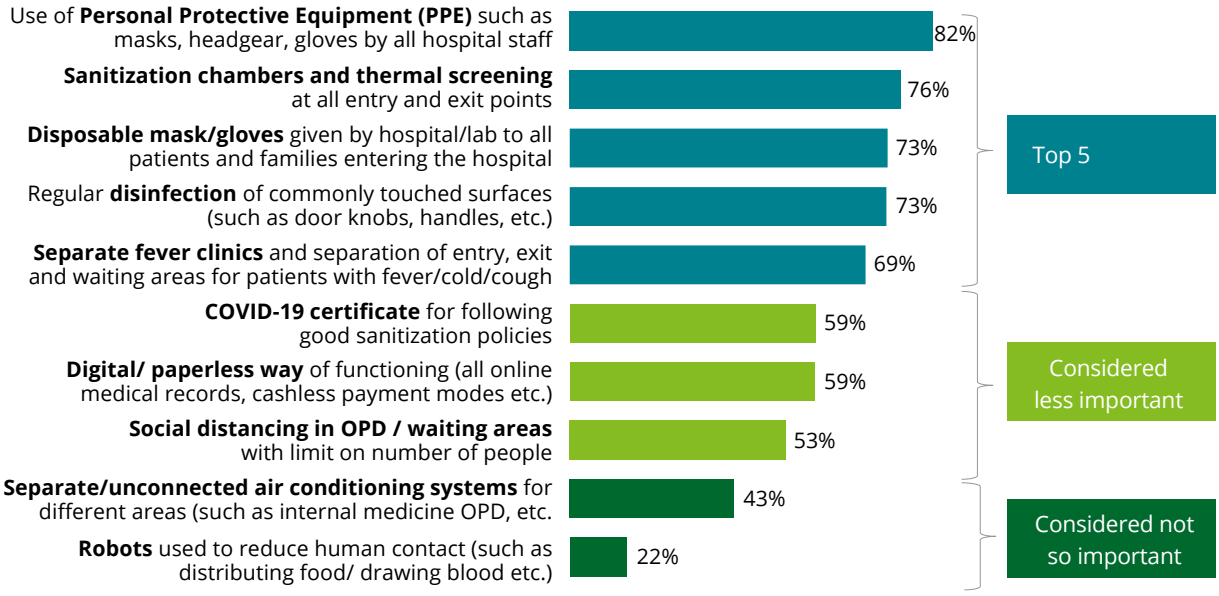
- Hospitals should consider preparing for pent-up elective procedure demands to peak over the next six months.*
- Consumer preference for visiting either non-COVID-19 facilities or ones treating COVID-19 in separate buildings may need to be factored in, as hospitals commence COVID-19 services.
- With long-term, on-premise footfall trending downwards, hospitals may consider developing capabilities for alternate channels of administering care, ranging from telemedicine to providing health care services at home.

*While demand for elective procedures will likely pick up over the next six months, hospitals may witness many of these being postponed as a probable outcome of a second wave of COVID-19.

Safety and precautionary expectations

While consumers expect hospitals and hospital staff to follow all safety protocols, some are "perceived" to be more important than others by consumers.

Key consumer expectations for measures to be taken by hospitals/diagnostic labs
% respondents (multiple responses could be selected)



Consumer perception of adherence to safety protocols is also affecting their preference for the type of facility they want to visit. Around 65 percent respondents, who visited local nursing homes in the past, have expressed reluctance to do so now, based on their perception of inadequate compliance to COVID-19 safety norms. Moreover, ~59 percent respondents showed higher preference for visiting reputed hospital chains, as they believe those facilities to have better adherence to safety norms.

Implications:

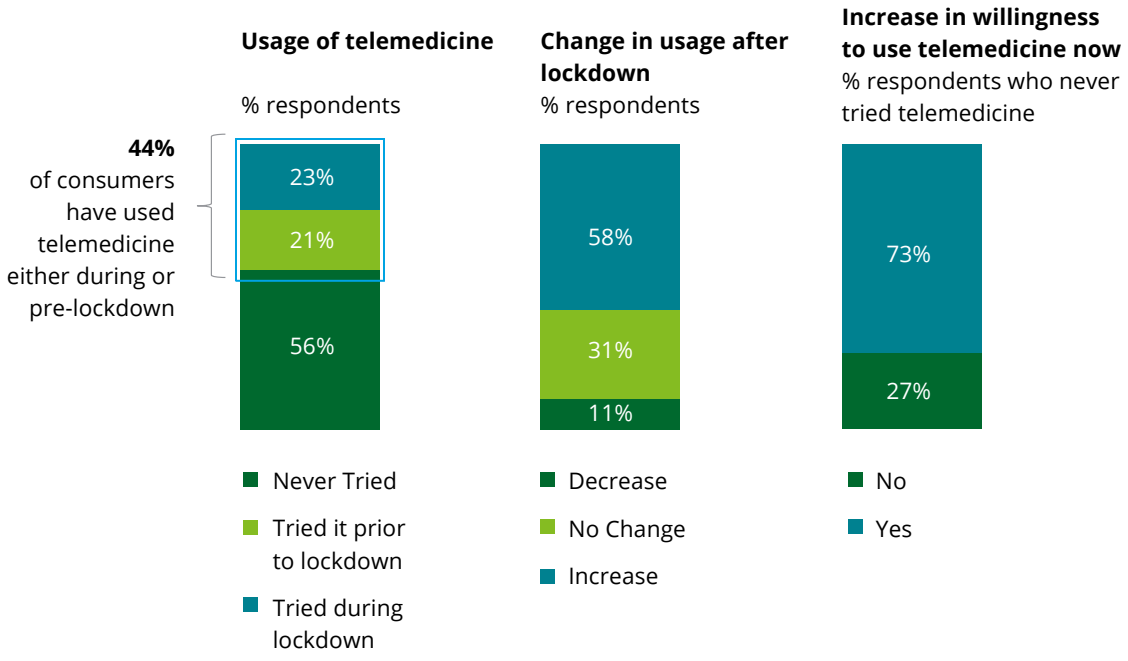
- In order to win consumer confidence and regain footfall, hospitals need to prioritise consumer safety and protection on premises and invest towards marketing themselves as "COVID-19 safe" to consumers.

Health care delivery at home

While consumers have already started exploring alternate mediums and platforms of receiving care, we believe that the aforementioned change in sentiment, catalysed by COVID-19, is likely to have clear, second-order effects on how care is administered and received. Home health care is expected to be a big winner as consumer receptiveness towards out-of-hospital, at-home services across the care continuum shoots up, with 70–80 percent of the sample responding positively towards at-home-care settings across consultation, diagnostics, day-care services and in-patient care.

Doctor consultations

The shift in preference towards home-based health care has resulted in an increase in usage of and preference for telemedicine across specialties.

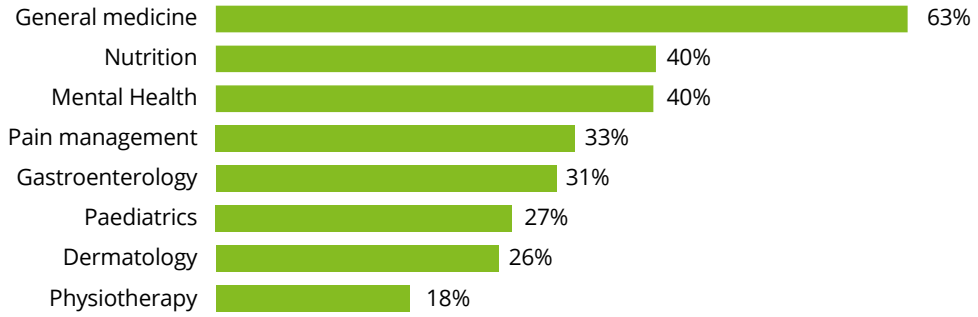


The user base for telemedicine is seen to have more than **doubled** during the lockdown from **21 percent to 44 percent respondents.**

Amongst the respondents who indicated increase in telemedicine usage post lockdown, 77 percent highlighted time savings as a key reason for their preference. Additionally, around 73 percent respondents, who had never tried telemedicine before, expressed an inclination towards using telemedicine at the moment. Amongst the respondents who are unwilling to use telemedicine, a large portion (more than 50 percent) believe that consultations without in-person examination would be ineffective.

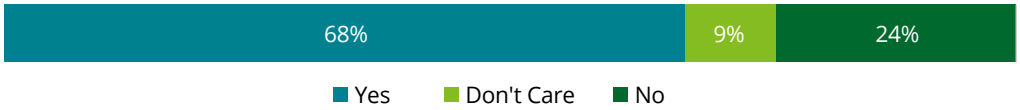
From general medicine to physiotherapy, there exists significant interest in telemedicine across specialties.

Willingness to use telemedicine for consultations across different specialties
% respondents (multiple responses could be selected)



Consumers also exhibit clear preferences towards choice of telemedicine platforms. A majority of respondents (~70 percent) prefer to continue pre-existing relationships with family doctors/General Practitioners (GPs) by replacing in-person consultations with telemedicine consultations. Consumers also place value on brands as indicated by more than half of the respondents, who prefer telemedicine platforms from reputed hospital chains.

Prevalence of data privacy as a concern
% respondents



Additionally, data privacy, confidentiality, and security were some of the major concerns amongst respondents. This indicates a need for platforms/providers to ensure that adequate data protection systems are put in place.

Another key constraint seems to be the Willingness-to-Pay (WTP). Around 57 percent (of those enthusiastic about telemedicine) expressed that they would not be willing to pay as much for a telemedicine consultation as they would for an in-person consultation.

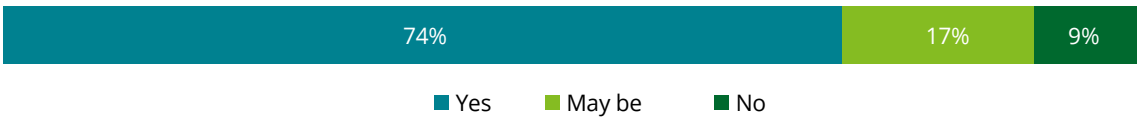
Implications:

- It is critical for hospitals to consider ramping up telemedicine service platforms and digitally upskilling medical staff, considering the willingness towards telemedicine services for consultations across specialties.
- Increased interest towards telemedicine, in all likelihood, may trigger long-term trends such as home collection of diagnostic samples and home delivery of pharmaceuticals, which will necessitate incumbent players to develop capabilities towards non-traditional forms and channels of care delivery.
- Providers will have to ensure that services are priced according to patient's willingness to pay and that data security concerns are addressed.

Diagnostics

Large diagnostic players are exploring alternate avenues of testing, ranging from mobile vans and drive-through testing to home collection of samples, in a bid to facilitate diagnosis amidst restricted mobility owing to the lockdown.

Home collection of samples over visiting a hospital/lab
% respondents



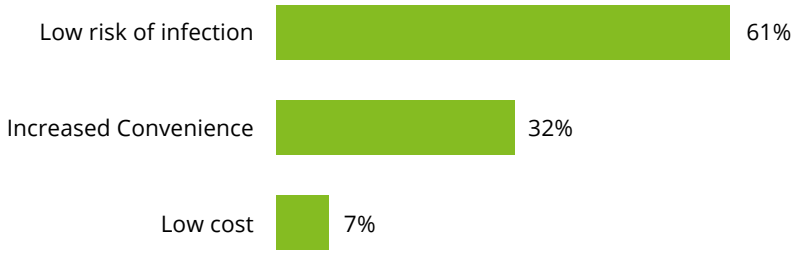
Implications:

- With an overwhelming majority (74 percent) of respondents preferring home collection of samples over visiting a hospital or a lab, diagnostics players should consider scaling up capabilities developed during COVID-19 for home collection and/or explore potential partnerships with players to enhance last-mile connectivity and expand home collection networks in individual geographies.

In-patient care

Another area where we foresee potential for growth is home health care—the delivery of services such as post-procedure care in one's home as opposed to a hospital.

Reason for preferring home stay over hospital stay
% respondents



Consumers have clear expectations on safety precautions from providers of home health care. Similar to their preference for precautions to be taken by hospitals, the use of Personal Protective Equipment (PPE) by staff is an important measure, expected by 46 percent respondents. Hygiene and cleanliness were also important factors, held by 38 percent respondents. Other expectations include adherence to emergency management practices and COVID-19 certifications.

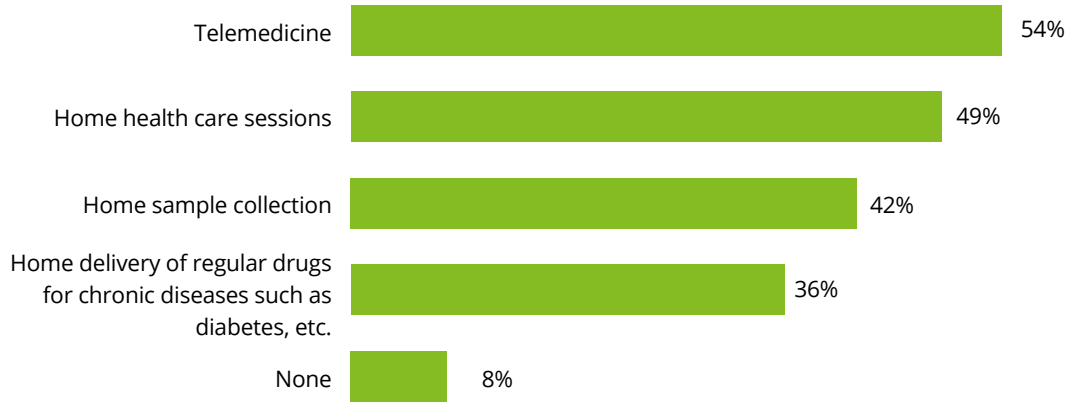
Implications:

- Home health care is likely to become an integral part of the services offered by hospitals and independent start-ups.
- Alternatively, it could also emerge as a collaborative offering from hospitals and start-ups as a combined package, for instance, at-home post-procedure care, as part of a surgical procedure package.
- With an increase in elderly population in tier-2 and tier-3 cities, demand for home health care services is likely to increase.
- Additionally, home-care coverage under health insurance could translate to higher uptake percentages amongst consumers and as a regular offering by hospitals.

Subscription-based service models

Home-based care is transforming and evolving to meet patients' needs. Most respondents suggested that they are willing to subscribe a variety of home-care services at a discount.

Willingness to purchase a subscription for various services
% respondents (multiple responses could be selected)



Implications:

- Although providing subscriptions to consumers at a discount may result in short-term losses, it is likely to take care of the working capital issues to some extent with upfront payment. It also ensures a fixed consumer base over a period of time and facilitates visibility on the patient flow, thereby creating better solutions for common requirements.
- Practicing subscription models also create opportunities for customised marketing and continued patient engagement, increasing the likelihood of higher and more consistent RoIs on marketing expenses.

Conclusive remarks

With changing consumer behaviour, the demands from health care providers are changing, with an increased preference for alternate non-traditional care delivery settings. Consumers are increasingly preferring to have their healthcare needs met remotely or from the comfort and safety of their homes. They expect their healthcare service providers to prioritise adherence to safety protocols. Moreover, they are willing to have a longer term engagement with providers with whom they develop trust and comfort.

The innovative players in the space are already recognising these trends and are coming out with ways to address them, through tech-enabled solutions. Going forward, we see health management to become a lot more integrated, with players offering different services coming together and offering the consumers the care they need. Several of the services will either move to a virtual setting, or to consumers' homes, with technology platforms pulling them together—much like a jigsaw puzzle.

Organisations that accept these changes and think of them as opportunities to evolve will benefit, while those that resist the change and simply wait for the pre-COVID world to return will find the going increasingly tough over time.

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