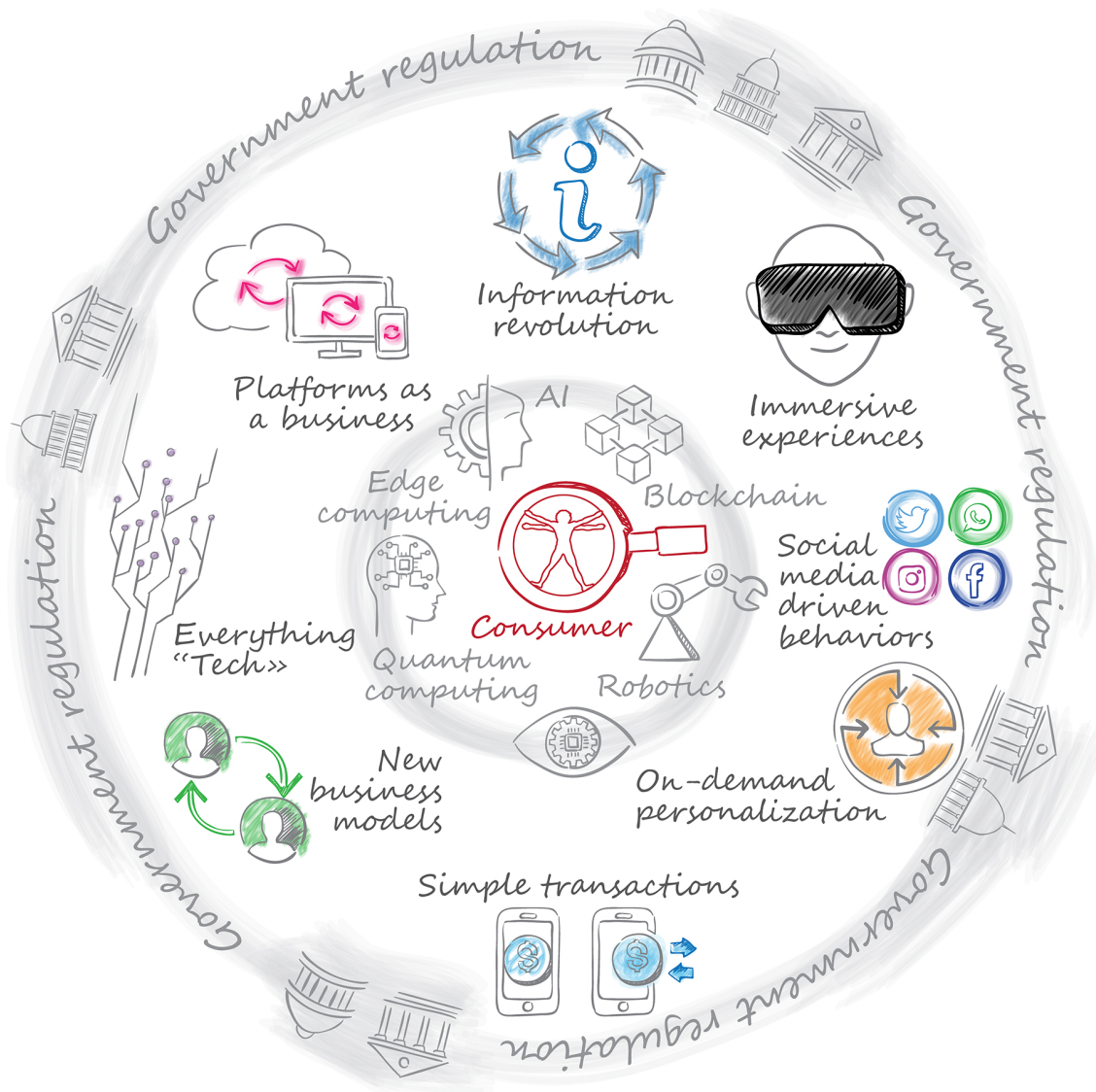


THE HEALTHCARE CONSUMER IS READY. ARE YOU?



KANSAL & COMPANY
— COURAGE TO LEAD —

INSIGHTS

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Since historical times, physical environments have shaped the behavioral, production and consumption patterns of societies. The Greek agora not only served the purposes of trade and commerce, it also served as the public place where the politics and culture of the Greek society was shaped. For last twenty centuries, similar design principles have been used and improved upon to create the social, political and cultural fabric of societies globally. The capitol, the mall, the public spaces – all have served as the centers of human interaction and experience. Physical models of production, transportation and consumption have shaped the trade, commerce and consumer expectations.

Technology continues to disrupt the physical models of production, transportation and consumption, and thereby the consumer experience and expectations globally. Advances in the fields of Internet of Things with embedded sensors everywhere, Artificial Intelligence, Quantum and Edge Computing, 5G, Blockchain, Autonomous Everything, Robotics and even Digital Twins are becoming mainstream.

They are defining the consumer experience in the following ways:

Information Revolution. Information is now literally on one's fingertips. Google has revolutionized the information search and consumption landscape. Informed decisions are now only limited by the intellectual ability of the person making the decision, not by the lack of information. And artificial intelligence is aiding make more and more decisions in our daily life.

Immersive Experiences. With the advent of Virtual Reality, Augmented Reality and Voice-enabled interfaces, consumers are able to experience products virtually before making the buying decision.

Social Media driven behaviors. Pervasive social media is shaping consumer consumption patterns and brand choices. Peer-to-peer recommendations now happen at scale and can make or break a product in an instant.

On-Demand Personalization. Consumers are deigning the products they want. The products are becoming tech-heavy. There is a growing demand for need based products for short durations of time, versus the historical limitation on choices.

Simple Transactions. One-click, on-the-go, digital payments and transactions are quickly becoming the norm. Cash based transactions and book keeping systems are quickly becoming obsolete.

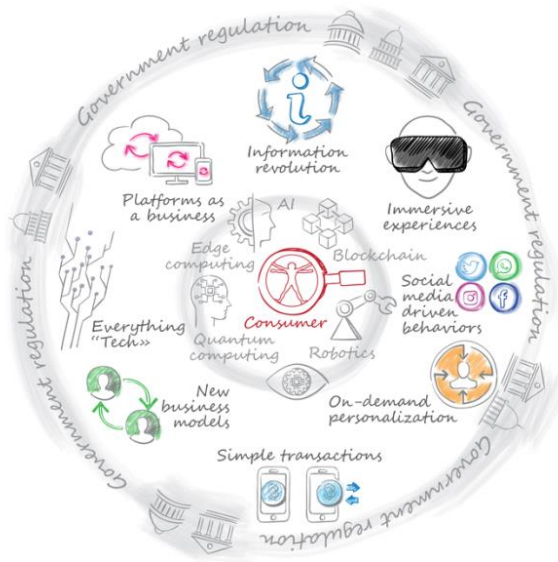
New Business Models. Consumers are choosing new business models – e.g., subscriptions for cars, usage-based payments for real estate (wework), clothing (rent the runway), etc.

Everything Tech. InsureTech, FinTech, HealthTech are the buzzwords of the day. Companies that are leveraging technology to create new consumer experiences and business models are the new darlings of the wall street.

Platforms-as-a-business. From expecting one-stop-shop experiences from platform businesses such as Amazon and Alibaba, to platforms being offered as the place to do business for new companies (sell insurance on Amazon platform), platform economy has become pervasive.

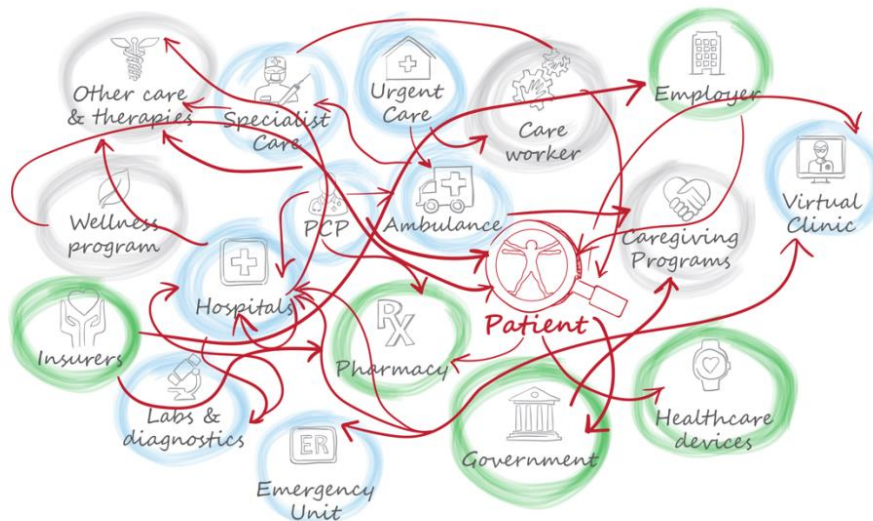
Regulation is playing catch-up. Traditional norms of Privacy, Transparency, Intellectual Property are being challenged. Governments are learning to balance the needs of consumer protection with the wants of the businesses to grow at hyper speed.

Figure 1: The New Consumer



However, when it comes to healthcare, consumers are still navigating a highly fragmented landscape. There are multitude of choices, inability to make informed decisions, and high financial variability in consumption of same services across different providers. The inefficiencies lead to high cost of healthcare to governments, employers and individuals.

Figure 2: The Pre-dominant Healthcare Experience



While the incumbents have clear incentives to maintain the status quo, the disruptive potential of technology in healthcare is real. A recent survey of millennials shows that “73% search for medical advice online rather than going to the doctor, 48% trust online resources to accurately diagnose symptoms, 93% do research in addition to asking doctor’s advice, and 65% would not see a doctor who is not online.”¹

¹ Multiple sources
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Given the trends, Tech giants such as Amazon, big store retailers such as Walmart, and many other are entering the healthcare market with a view to cross-sell and up-sell healthcare services to their very large, loyal customer base. At the same time, progressive incumbents such as CVS, major hospital systems and insurers are digging their heels to protect their businesses by focusing on consumer experience. They are expanding their customer base and reach through strategic partnerships, mergers & acquisitions and new offerings. They are undergoing digital transformation to drive operational efficiency and enhance customer experience.

The opportunity is immense. Are you ready to serve?

About the Author

Ruchin Kansal is the Managing Director of Kansal & Company. We coach transformative leaders, consult with companies to find new markets, and co-create with investors and entrepreneurs to build the future of healthcare. To learn more, visit www.ruchinkansal.com.