

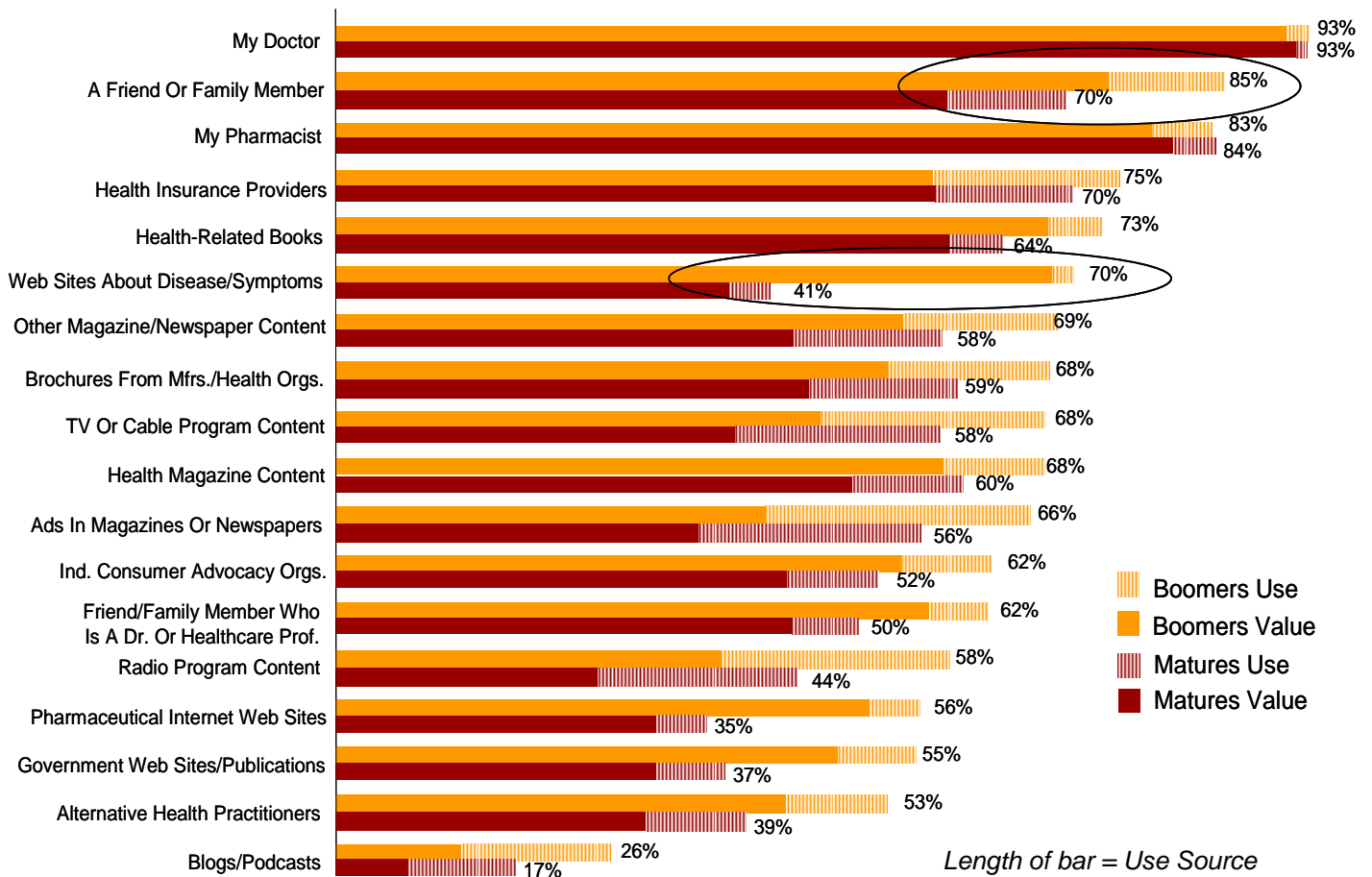
Boomers and Decisions About Their Health: It's All About Control

Sources for Health Information

Between health related websites, insurance and pharmaceutical websites, blogs, health magazines, talk radio and cable TV, there is an abundance of information about health related topics. It is all part of the information age; masses of information coming through multiple channels. But is anyone paying attention? Emphatically Yes! Focalyst surveyed 30,000 Boomers (born between 1946-1964) and Matures (born before 1946), and found that they use a variety of health related information sources, with Boomers more information hungry than Matures. Doctors and pharmacists remain the first line of advice and information along with word of mouth from family and friends.

Figure 1

Sources Used for Health Information and Their Value*



Source: The Focalyst View '06

Length of bar = Use Source

 *Very/Somewhat Valuable

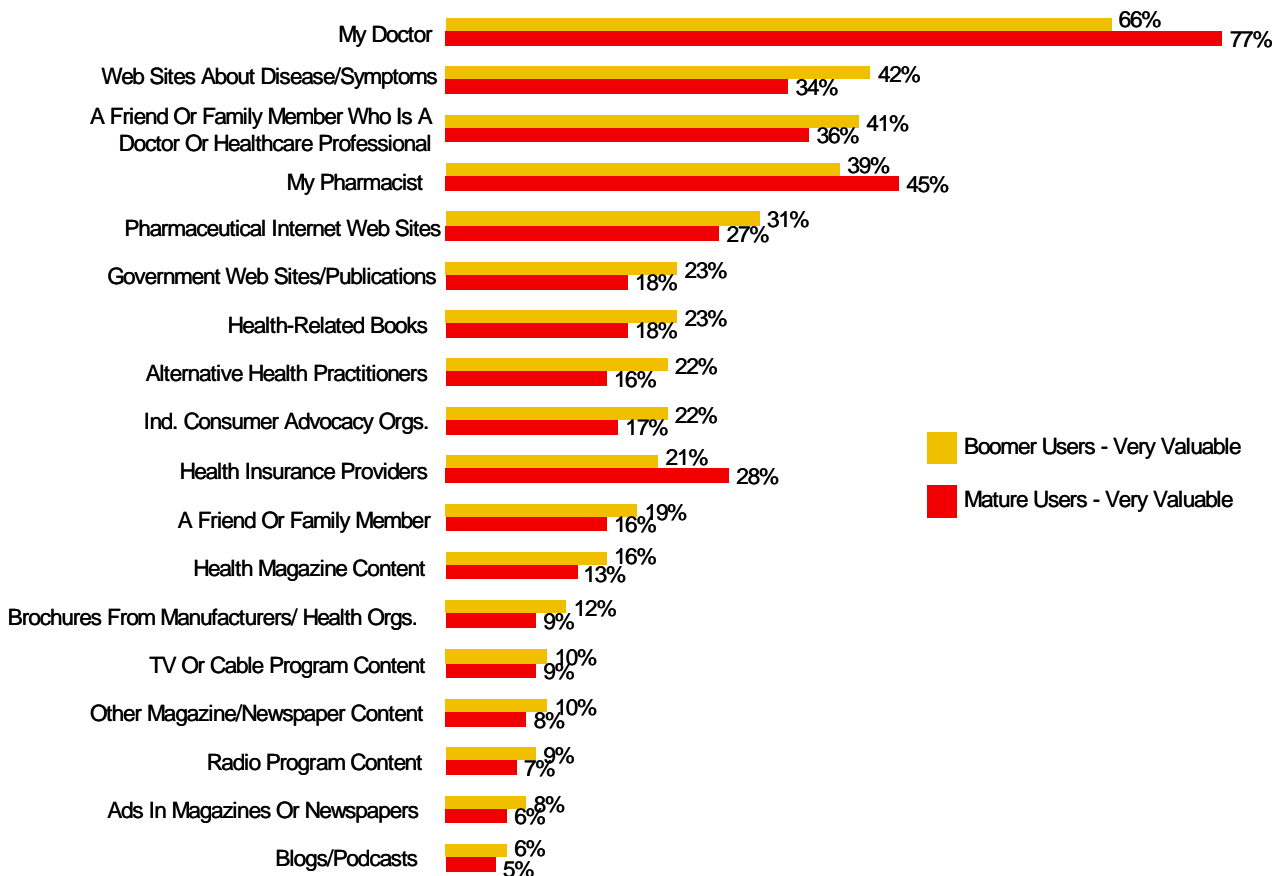
 Base = Total Sample

Do all these health related sources provide information that the older consumer finds valuable? Overwhelmingly, physicians are thought to provide valuable information and advice. For Boomers, friends and family are turned to about as frequently as pharmacists (84% and 83%), and for Matures, pharmacists and health insurers are the sources that are most used (84% and 70%). While Boomers consult a greater number of sources on average as they have greater access to electronic media than do Matures, the level of value of healthcare sources dips among the younger age group.

While all of the listed sources do have value to those that use them, when asked which sources they find "very valuable," Boomers were much less likely to answer with healthcare professionals, but much more likely than Matures to turn to traditional media like radio or magazines or new media like web-sites, to find medical information and advice they valued (Figure 2).

Figure 2

Highly Valued Health Information Sources by Age*



Source: The Focalyst View '06

Base = Consumers that stated they use specified source and found it "very valuable"

In fact, while Boomers find that doctors are the most valued source for health related information, they find them to be somewhat less valuable than Matures (66% vs. 77%). Boomers are much more likely to value information that they find online, as their second most valued sources are web sites about diseases, and pharmaceutical web sites are ranked highly as well.

Matures, on the other hand, place high value on medical and healthcare professionals, with 45% finding pharmacists to be the most valued source after their doctors, followed by friends or family members that are healthcare professionals. This trend demonstrates how important face-to-face interactions are with the Mature consumer group.

Why do Boomers find medical professionals less valuable? A consistent theme among this age group is the desire to maintain control of their lives for as long as they can. They are educated and aware, and prefer to empower themselves and become better informed from multiple sources across media channels -- picking and choosing which ones they will trust depending on the situation. Ultimately, this allows them to feel in control of their personal well-being.

While they obviously have a degree of trust in their physicians, there is a prevailing attitude that they need to investigate other options when it comes to their health. Websites, friends and direct-to-consumer advertising provide them with a wealth of information about potential treatments for their symptoms so that when they go to doctor's visits, they are already well informed, with definite ideas about treatments for their conditions and educated questions.

While ad-supported media, such as brochures, print ads and podcasts, all have value among those that use them, the fact that they are "biased" seems to remove some of the trust that consumers have for these sources. Older consumers use these sources to add to their depth of knowledge, but overall find impartial sources to be more credible.

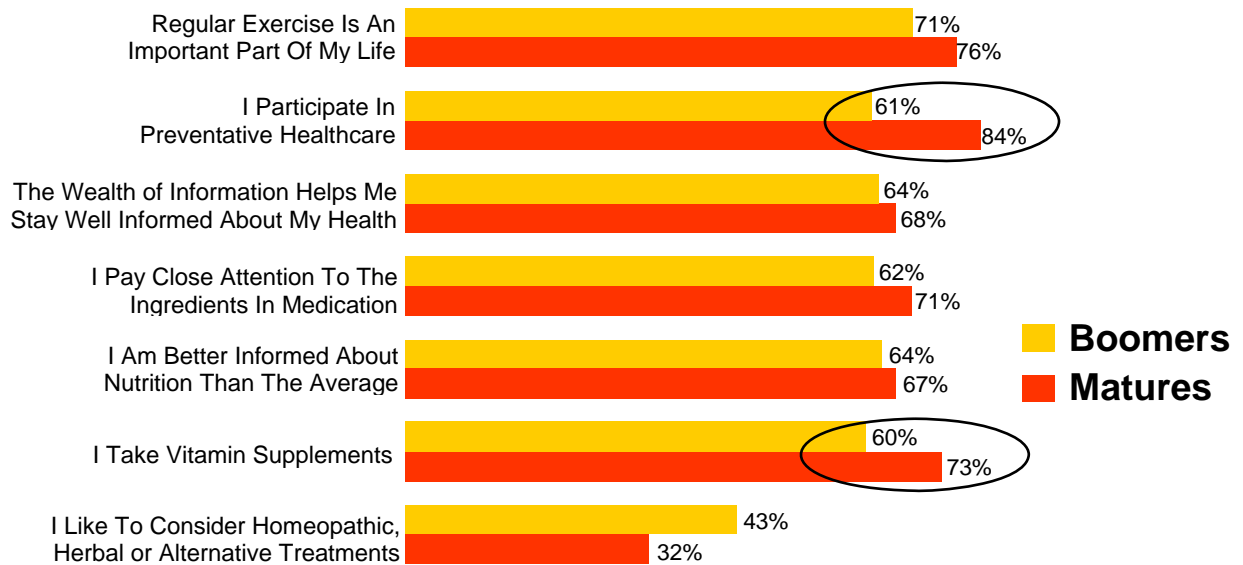
Attitudes About Health and Healthcare Providers

While Boomers are using many more sources for health information, they actually feel less informed than older consumers (see Figure 3). They want and have the ability to get more information, but differing information may be causing confusion about what actually is the best treatment. As Matures are more content to rely on their doctor's advice and are not as prone to question them, they report feeling more well informed about nutrition and their own health than Boomers.

Interestingly, despite the active lifestyle embraced by Boomers, older consumers are more actively engaged in their own health care -- participating in preventive as well as proactive measures such as exercising, taking vitamins and paying attention to their medications. Boomers appear to be struggling to gain control, while Matures already feel in control.

Figure 3

Attitudes Toward Health



*Examples given to respondents include flu shots and health screenings.

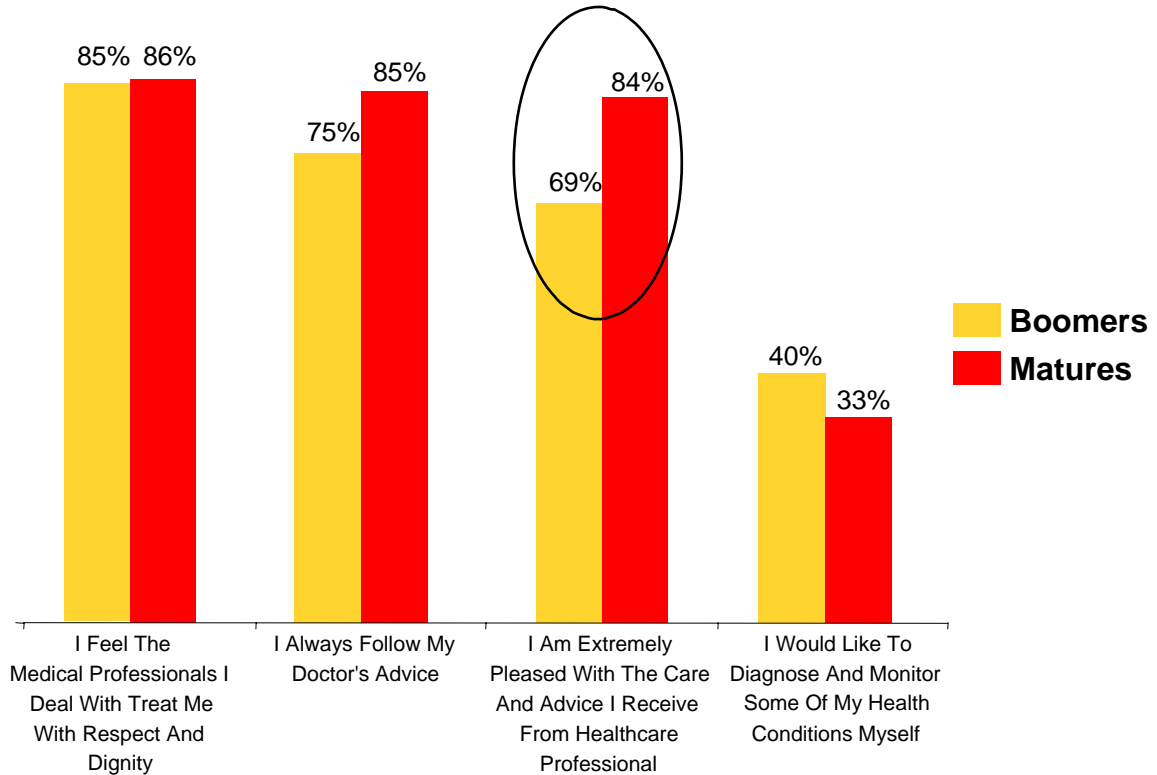
Source: *The Focalyst View '06*

Mature consumers are likely taking these measures due to doctor's orders, as more than 8 in 10 Mature consumers say they always follow their doctor's advice (see Figure 4). While three-quarters of Boomers say the same, there is a marked difference in how pleased Boomers are with the advice given to them by their physicians. In fact, a third of Boomers are not pleased with the advice they receive from healthcare professionals, and in turn more than a third want to be able to self-diagnose or monitor their health conditions.

Healthcare providers need to realize that Boomers need different treatment than Matures. They are informed and aware of nutrition, diseases, symptoms and treatment options, and want to have a sense of control over what choices are made for their health. They also need access and time to discuss options with their healthcare providers. Healthcare providers and health product marketers need to be creative in offering solutions that will help them feel in control of their health and their wallets. Offering longer appointment times, telephone or e-mail access to their physicians or advice nurses, or easy to navigate websites that help them stay informed without adding significant costs are steps in the right direction.

Figure 4

Attitudes Toward Healthcare Providers



Source: The Focalyst View '06

Concerns about the costs of healthcare

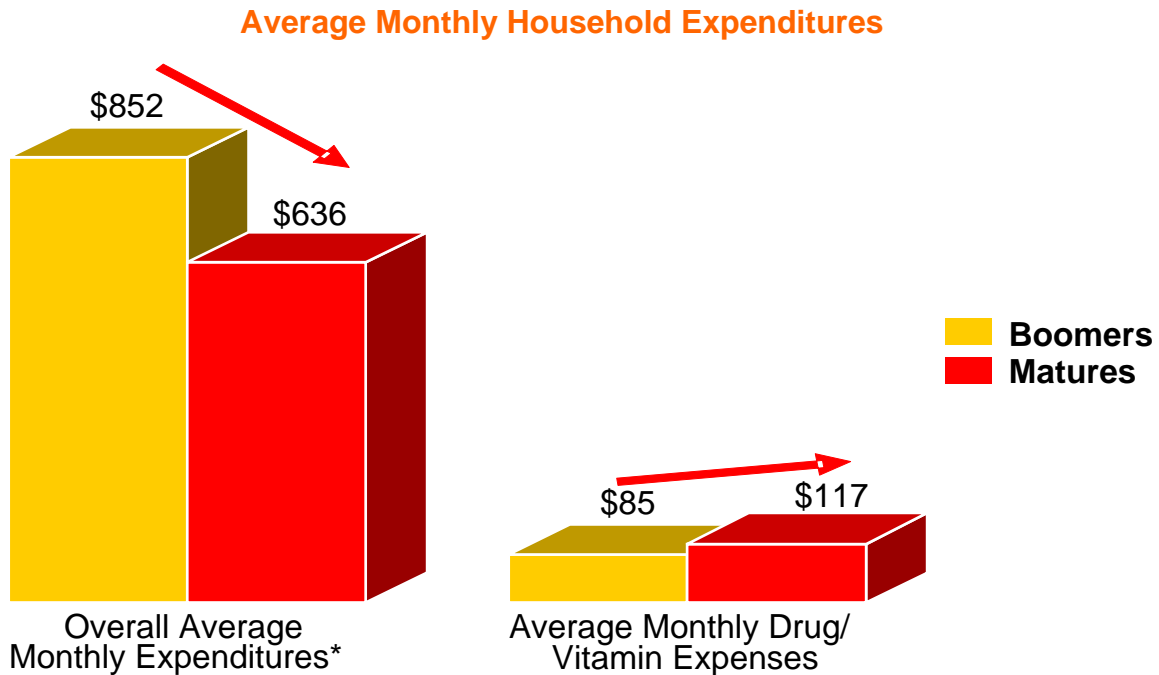
While wanting to maintain control, both Boomers and Mature consumers are also faced with exploding healthcare costs. According to the 2005 U.S. Consumer Expenditure Survey, consumers ages 45 and older accounted for 71.1% of the dollars spent on health care in 2005, or \$222.3 billion.¹ Those over 65 accounted for 43% of that, over \$96 billion in total.

Consumers ages 45 and older spent over \$220 billion on healthcare in 2005, 71.1% of all healthcare spending

Costs of healthcare are impacting their day-to-day spending as well. Although Matures report lower average monthly household expenditures than Boomers for many product categories, the spending allocated to drugs and vitamins almost doubles (10% to 18%), as indicated in Figure 5. A desire to have control over their healthcare and their spending has led to the rise of consumerism within the healthcare industry. This trend is expected to grow as costs continue to rise, as consumer directed health plans become more pervasive in the insurance industry, and as consumers continue to seek out alternative and homeopathic remedies, which are typically not

covered under traditional insurance plans. As Boomers seek to take charge of their own health destiny they truly become healthcare consumers and will be making more choices about where their healthcare dollars are spent.

Figure 5



*Based on expenditures for food/groceries, personal care/toiletries, drugs/vitamins, music/ videos/ books, cleaning supplies, pet supplies, home improvement products and gasoline

Source: *The Focalyst View '06*

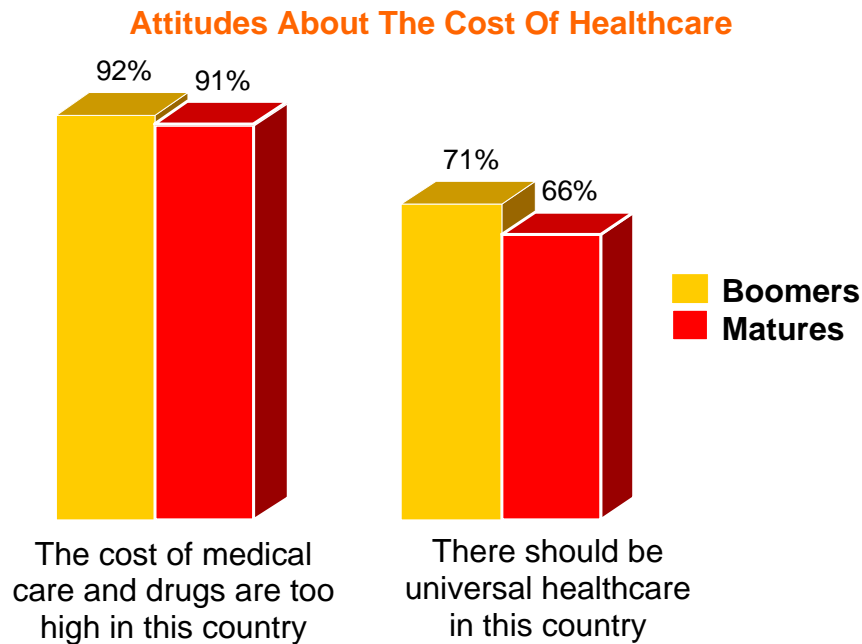
Retail Health Clinics

The rise of on-site health clinics in retail stores can facilitate greater control. By providing easy access and low cost these facilities can make basic care more affordable, fast, easy and, most important, within the patient's control. By the end of 2007 there will 700 walk-in health clinics in retailers like Wal-Mart, Walgreen's, CVS and Rite-Aid according to the Convenient Care Association, and this number will double in 2008.² Low costs and convenient hours will continue to drive the growth of these outlets.

On-site health clinics may prove particularly popular among Boomers, who are time-crunched and cannot be limited to regular doctor's office hours. These patients may already have diagnosed themselves, but need a medical professional to prescribe medication.

The American Medical Association has expressed concern about the quality of care, but these clinics rose out of patient demand for immediate, low-cost medical attention. Nine of ten Boomers and older consumers think the cost of medical care and drugs are too high with about 7 of 10 supporting universal healthcare (see Figure 6). While not government funded, retail health clinics bring basic healthcare closer to the consumer.

Figure 6



Source: *The Focalyst View '06*

According to Harris Interactive, three-quarters of adults 18+ agree that on-site health clinics at retail stores provide a fast and easy way to get basic medical services.³ Almost 9 of 10 (87%) consumers 65+ are treating an ailment with a prescription drug and over half (52%) are using an OTC product. Convenient basic health care where you buy your medicines and receive trusted advice from health-care professionals like pharmacists and nurse-practitioners makes in-store health centers a logical combination.

Conclusions

Older consumers have decisions to make about their health, and there are now many sources for them to turn to when gathering information. While Mature consumers are more apt to take direction from traditional sources than are Boomers, new media, such as pharmaceutical websites, are also valued. Boomers are turning to multiple sources for information as they struggle to gain control of their own healthcare. As compared to Matures, they place less value on healthcare professionals and more value on media sources. But despite the wealth of information available to them, they are less likely than Matures to say that the information actually helps them feel that they are in control. Marketers need to continue to help Boomers feel more informed about treatments and options, gain their trust, and help them feel that they are in control of both their health and their spending. Provide more choice and better care, without breaking the bank. The growth of retail health clinics as an option meets some of these needs, and will be a trend to watch for the future.

Key Findings on Healthcare Information and 42+ Consumers:

- Boomers want to have control of their own health and voraciously seek out health related information to help them make decisions.
- Despite researching health information, Boomers are less likely than Matures to say the information helps them feel in control.
- Despite the usage of healthcare professionals at a rate nearly equal to Matures, Boomers are consulting a wider variety of sources, both as a result of their information seeking nature and a greater access to sources.
- While all Boomer and Mature consumers are wary of media with a perceived bias, Boomers are much more trusting of ad-supported information sources.
- Mature consumers are following their doctor's orders with regards to preventative healthcare, exercise and nutrition.
- While almost all Boomers feel that their doctors treat them with respect, they are somewhat dissatisfied with the care they are receiving, and more than a third would like to diagnose and monitor their own health conditions.
- Both Boomers and Matures are extremely concerned about rising healthcare costs, and as they age a larger portion of their day-to-day spending is allocated to health related costs.
- Boomers need to be handled differently than Matures; they demand access and time with their healthcare providers to discuss options.
- Health clinics in retail stores can assist with control of both healthcare and exploding healthcare spending by providing convenient and low cost treatment.

The majority of the analysis in this report stems from data from The Focalyst View, the largest, most comprehensive view of Boomers and beyond. With 30,000 respondents between the ages of 42 and 87, the study provides the most comprehensive view of this lucrative market. Focalyst is a leading source of information and insights about Baby Boomers and Mature consumers, offering a broad range of qualitative and quantitative custom research solutions. For more information call 212.548.7270 or email Heather.Stern@focalyst.com.

¹ Focalyst analysis of the 2005 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics.

² "Walk-in Clinics Offer Cheaper Health Care," Kiplinger.com. June 8, 2007. Accessed at http://www.kiplinger.com/businessresource/forecast/archive/Walk_in_Clinics_Offer_Cheaper_Health_Care_070608.html

³ "Most Adults Satisfied with Care at Retail-Based Health Clinics," Harris Interactive, April 11, 2007.