

20Q: 25 Years of MarkeTrak MarkeTrak – The Highlights

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Sergei Kochkin, Ph.D., Better Hearing Institute

From the desk of Gus Mueller

Remember the spring of 1990? You were probably talking about the movie that had just been released starring Richard Gere and Julia Roberts. And maybe listening to some good Tom Petty music from the 1989 CD, Full Moon Fever. If you happened to travel through Colorado about that time, you no doubt heard about this guy named Jeff Lebesch, who was brewing



Gus Mueller

a unique Belgium beer in his basement called "Fat Tire." And, if you were reading about audiology at that time, you may have picked up the May 1990 issue of The Hearing Journal, and noticed an article "Introducing MarkeTrak: A consumer tracking survey of the hearing instrument market." The actual data collection process for this 1990 report started a couple years earlier, which means that MarkeTrak is now turning 25. And over those years, we've had eight, make that VIII, large scale MarkeTrak reports.

It was in the early 1980s that the Hearing Industry Associates (HIA) began looking into consumers' satisfaction with and attitudes about hearing aids. In 1984 the HIA published a lengthy report based on a survey of hearing aid owners and hearing-impaired non-owners, which set the tone for many of the MarkeTrak surveys to follow. I recall a couple findings from that early report that caught my eye: Most hearing-impaired non-owners went to their family doctor for help, and the majority (55%) was told that their hearing loss "wasn't severe enough" to warrant the use of hearing aids. Another striking finding was that about 14% of the people who owned hearing aids never used them. Funny thing—those data are not much different than what is happening today!

Through the years, the MarkeTrak surveys have become the "go-to reference" for most anything we'd like to know about the hearing aid market, the opinions of hearing aid owners or hearing-impaired non-owners. It would take pages just to list the titles of all the different issues and topics that have been reported in the 35-40 publications surrounding these studies. While the initial surveys were funded by Knowles Electronics, Inc. and the more recent ones conducted under the direction of the Better Hearing Institute, there is one person whose name has become synonymous with MarkeTrak—Dr. Sergei Kochkin. It only seems reasonable to have him stop by 20Q to provide us the highlights from these 25 years of data collection.

Sergei Kochkin, PhD, is Executive Director of the Better Hearing Institute in Washington DC. Previously he was Director of Market Development & Market Research at Knowles Electronics and served as chairman of the Market Development Committee of HIA. His background is in industrial

psychology and marketing, although he has more publications in audiology trade journals than most audiologists—including clinical topics such as best practice for hearing aid verification and validation. He also is recognized worldwide for his presentations and workshops, and the data he has provided over the years has been studied and absorbed by entrepreneurs, hearing aid manufacturers, audiologists, hearing instrument specialists and consumers. While Sergei's extensive library of publications from MarkeTrak data are known to be heavily laden with charts and tables, it's rather ironic that his most read publication about hearing aids does not include even one chart or table. In case you're one of the few who have missed this article, it's titled: *Hearing Aids - An Unexpected Way to Improve Your Sex Life*

Dr. Kochkin's undergraduate training was in anthropology, as his career goal at that time was to be an archeologist. We are thankful that in later years he re-focused his digging toward the MarkeTrak data, to help us better understand what consumers are feeling and thinking, and what we can do to make things better. Sergei joins us at 20Q to discuss some of the treasures that were unearthed from his many years of excavations.

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20Q: 25 Years of MarkeTrak - The Highlights



Sergei Kochkin

1. You're that guy that keeps doing surveys, right?

I guess you can call me the “survey guy with a purpose” although some people mistakenly think I am a just a statistician who has an illicit love affair with numbers! Actually, I am a marketing oriented psychologist. Through my role at the Better Hearing Institute (BHI), I use my expertise in quantitative analysis to engage the hearing health industry in a dialogue on core issues concerning hearing healthcare. Our explicit goal at BHI is to improve hearing healthcare and ultimately to help more people with their hearing loss. When I came into this industry from United Airlines in 1988 to work for Knowles Electronics, the goal was for me to find ways of expanding the market for hearing aids and therefore their [Knowles] components. The perplexing question was and still continues to be, why is the adoption rate for hearing aids so stubbornly low and what can be done to expand the market? I heard lots of opinions when I first entered the industry. And when I hear opinions, some which don't make intuitive sense, it motivates me to find the facts.

2. So to find the facts, you started doing surveys?

Actually, the first thing I did was to look at the 1984 Hearing Industries Association survey; this in my opinion was really the first MarkeTrak and I continue to use the methodology started in that groundbreaking research. In addition I read every market development article and dissertation on the subject that I could get my hands on. In MarkeTrak I and II, which were conducted around 1989, we used only a short screening survey and at first intended to simply administer this every six months to discern trends over time. We learned after these first 2 rounds that the market did not change very fast to warrant a survey every six months and that the surveys were not in depth enough to provide very many insights into the hearing health market. So starting with MarkeTrak III we used the National Family Opinion panel to screen 80,000 households to find people with hearing loss and hearing aids. Then, we went back to people with hearing loss with a detailed survey for hearing aid owners and another one for non-adopters.

3. Where did the term “MarkeTrak” come from?

I was an MBA student in the marketing department at Knowles and we introduced it as “A tracking survey of the hearing instrument market”. This was a name I gave it while at Knowles to denote its market orientation. A more descriptive name might be something like, *The National Hearing Health Tracking Survey (NHHTS)*, especially now that the survey is done through the Better Hearing Institute.

4. Well, we're all familiar with MarkeTrak now, so don't change it and confuse us. I believe that recently I've been seeing reports from MarkeTrak VIII? There have been eight big surveys?

Yes, this is the eighth MarkeTrak survey, and we just completed our 11th publication from these data. Over the years we've also administered several versions of the hearing aid owner survey to many samples of hearing aid owners, working with manufacturers to see if we could discern differences in satisfaction with various types of hearing aids. For instance, in a study of more than a dozen technologies in the early 90's it appeared that people with hearing aids that had directional technology had a much higher level of satisfaction than those without directional technology, regardless of the number of channels and memories. I think that stimulated consumer and clinical research into the benefits of directional hearing aids. At that time less than 20,000 directional hearing aids were sold worldwide and only one manufacturer routinely implemented the technology; now it is a standard feature for most BTE and ITE hearing aids across all manufacturers. The end result is a real incremental benefit in some noisy situations for some consumers, though not as dramatic as I had envisioned considering some of the work of Brian Walden and Todd Ricketts.

5. So is all this MarkeTrak VIII data just more satisfaction stuff, or is there something new?

As it evolved, every MarkeTrak survey has new components to it and some that do not change for tracking and trending purposes. But we do continue to look at satisfaction in depth, since I think it is one of the key drivers of consumer acceptance of hearing aids. An interesting thing I discovered in designing MarkeTrak is that very little had been done on customer satisfaction with hearing aids prior to 1988 with the exception of some doctoral dissertations. At United Airlines I was involved with the development of the onboard consumer satisfaction survey. This was considered a critical area of consumer intelligence since negative ratings pushed the consumer away from your product while positive ratings drew them toward your product. We also knew from the work of W. Edwards Deming, an international consultant on quality and productivity, in his landmark book *Out of the Crisis* (1982) that quality does determine the success or failure of a product or a service. So it was rather perplexing to me that customer satisfaction was not on the radar when I first entered the hearing industry.

6. Interesting, but back to my question . . . ?

The short answer is yes, when our analysis is completed, MarkeTrak VIII will be comprised of at least 15 publications on a large variety of topics. Since the entire MarkeTrak process has been a 25 year effort, as well as dialogue with the hearing health industry, I should first tell you the scope of all the topics published across all MarkeTraks and then we can go from there:

- Prevalence of hearing impairments in the U.S.
- Demography of the U.S. population with hearing loss
- What is the real adoption rate of hearing aids?
- 20 year trends in customer satisfaction with hearing aids
- Why people delay adoption of hearing aids or what are the key obstacles to hearing aid adoption?
- How long do people really wait to get hearing aids once they learn they have a hearing loss?
- Prevalence of tinnitus and efficacy of treatments
- Impact of hearing loss and hearing loss treatment on quality of life
- The impact of the hearing health professional on real world success with hearing aids
- Pediatric hearing loss and the reasons for their low adoption rate of hearing aids
- Impact of the physician on hearing aid adoption
- The impact of hearing loss treatment on job performance
- Would lower prices grow the market for hearing aids?
- Why are so many hearing aids in the drawer?
- What would expedite demand for hearing aids?
- Is there a relationship between price and customer satisfaction with hearing aids?
- Does stigma really impact hearing aid acceptance?
- What first motivates a person to get hearing aids?
- Is there a relationship between price paid for hearing aids and customer satisfaction?
- Are bilateral loss subjects happier with one or two hearing aids?
- What improvements do people want in their hearing aids?
- What is the impact of direct mail and personal sound amplifying products on the hearing aid market?
- Do people really need a volume control on their hearing aid?

7. Wow, that is quite a list of topics. Everyone seems to be interested in hearing aid market penetration, so let's start there. What's the latest news?

Thanks. You started with one of the more complicated issues. Maybe the "latest news" is a publication from Johns Hopkins (Chien & Lin, 2011) that reports even lower hearing aid market penetration than what we have reported in MarkeTrak, which I believe is slightly less than 25%. But I have some comments on this. First, I now think that the figures that we have been using over the last 30 years are not really an accurate description of what is going on. There had been an inherent assumption that anyone with admitted or measurable hearing loss is a candidate for hearing aids. The most prevalent number out there emanating out of the 1984 study is only one in five people with hearing loss use hearing aids. Some messages are even worse stating only 1 in 5 people choose to do anything about their hearing loss (*because they don't buy hearing aids*). Somehow by demonstrating such poor utilization, it is believed this will stimulate demand for hearing aids. If I were a person with a hearing loss I would ask one of two questions: first, "What's wrong with hearing aids since hardly anyone uses them?"; and second, "Do I want to be an outlier? You must really have to be disabled to use hearing aids." When they then look at the type of person wearing hearing aids, typically the very elderly, the potential younger candidate must enter into an existential crisis thinking that their need for hearing aids is a sign of impending death. Not surprisingly, they may go into denial.

8. You make a great point. I'd never really looked at it that way before.

I am also a slower learner, unfortunately. It was not until MarkeTrak VII (2004) that we decided that we need to look at hearing aid adoption and barriers to adoption as a function of hearing loss. All the signs as far back as MarkeTrak III (1990) stated that the number one reason people don't buy hearing aids is some variation of the reason "My hearing loss is too mild" or "I'm hearing well enough in most situations". Now the market-centric individual will say "these people simply are in denial". But intuitively I believe the consumer.

9. So how do you account for this?

I devised a method to segment people into hearing loss by developing a composite measure of hearing loss on a number of subjective self-reported measures. By extracting the common variance through factor analysis, I then divided the entire hearing loss population into deciles where 10% = the bottom 10% of people with the lowest reported hearing loss, and 100% = the top 10% of people with the highest reported hearing loss. The clinical purists may balk at such a methodology. However, subsequent research with Dr. Ruth Bentler on 11,000 subjects using the BHI Quick Hearing Check (signs of hearing loss) demonstrated that subjective measures are correlated with objective measures of hearing loss, that such inventories of signs of hearing loss have high reliability, and that they have impressive correlations both subjectively (other self-measures) and concurrently (quality of life issues tangentially related to stated hearing loss) (Kochkin & Bentler, 2010).

10. Was this segmentation helpful for understanding the population?

Very much so—a clear pattern emerged. Market penetration is highly related to degree of hearing loss. For instance only 4% of people in decile 1 own hearing aids compared to 65% in decile 10. I think a better definition of market penetration is: 40% of people with moderate through profound hearing loss own hearing aids (deciles 5-10) compared to 9% of people with mild hearing loss (deciles 1-4); and, 65% of people with severe-profound hearing loss (deciles 9-10) own hearing aids. A further complication is how to classify the 13 million people with reported tinnitus who report they do not have hearing loss. In all likelihood they have mild hearing loss, but their tinnitus overwhelms their hearing loss. Perhaps this is why the recent Johns Hopkins study found 48 million people with hearing loss. In MarkeTrak we report 34.5 million people with admitted hearing loss; when combined with the 13 million tinnitus subjects we arrive at 47.5. If we consider that there are 8.4 million hearing aid owners, one could up with a ludicrous hearing aid adoption rate of 18%, which is clinically correct but practically wrong.

11. So what do you think is the real hearing aid adoption rate?

I think hearing aid candidacy, and therefore adoption rates, should be a function of hearing loss and recognized need. In other words, to be considered a hearing aid candidate, the individual's life must be negatively impacted in a meaningful way as a direct result of their hearing loss. I hope to improve our methodology in the future to provide a more accurate measure of hearing aid adoption rates. I venture to predict that real market penetration taking into account hearing loss and need (*it impacts the individual's life in a meaningful way*) is probably around 50%.

12. It certainly is a complex issue. What about the demography of these hearing aid users and non-adopters that you've studied?

For starters, it's important to point out that 60% of people with hearing loss are below retirement age (this is based on our survey of 2008). This should be in all of our major marketing messages as a method of combating age-related stigma. Among non-adopters the #1 cause of reported hearing loss is noise from their occupation, followed by age and then recreational noise.

A second point is that contrary to recent (*and I might add irresponsible*) media reports of an epidemic in hearing loss, the prevalence of self-reported hearing loss has been between 10-11% of the U.S. population over the last 25 years...hardly an epidemic. If it is an epidemic, certainly the people with hearing loss don't know about it or don't feel it. I tend to believe the finding of the Beaver Dam project, which demonstrated that boomers had better hearing than their parents had at the same age (Zhan et al., 2010).

13. Using your hearing loss segmentation methodology, what do you think the remaining opportunity is for increased adoption of hearing aids?

The cut-point for me when looking at hearing aid candidacy is where do more than 80% of our current hearing aid customers reside in terms of their degree of hearing loss as measured in deciles? Well, that turns out to be deciles 5-10. However, only 43% of non-adopters have hearing loss this bad, meaning the probable remaining market is 11 million people. Let us not forget though, that there are 13 million people with tinnitus and a majority of them would probably come into hearing health professional offices if we offered them hope in mitigating their tinnitus. My recent research with Dr. Richard Tyler demonstrated that indeed about 30% of people with tinnitus report moderate to substantial relief from their tinnitus by using hearing aids; this figure can climb to about 50% or more if the hearing health professional engages in best practices in fitting hearing aids.

14. If we only look at your “real candidates” for hearing aids, what are the key barriers to hearing aid adoption from the non-adopters perspective?

That's a great question, with a fairly complex answer. In a recent Hearing Review article I summarized this topic—I think you really need to break it down into four different categories: hearing aid features, hearing aid utility, psychosocial factors and financial (Kochkin, 2012). Where do you want to start?

15. I want to hear about all, but hearing aid features sounds intriguing.

Sounds good. Understand that when I'm talking about “features,” I'm mostly referring to the benefit that is obtained from these features, as that is what will drive adoption. In previous MarkeTrak studies I asked potential consumers to state why they don't use hearing aids for their hearing loss. In the most recent publication I presented the potential consumer with 53 what-if scenarios, and asked them to rate the likelihood that it would expedite their purchase of hearing aids (Kochkin, 2012). With respect to the hearing aid itself, the top issue for potential consumers is a money back guarantee (#2 among 53 issues) if they don't derive benefit.

16. What? Our patients already have a money back guarantee, at least for the first 30 days.

I know, that is a good point and deserves in depth study; I'm just reporting the data we collected. My best guess is they learned from other hearing aid owners. Consider that more than a million of our 8.4 million customers have their hearing aids in the drawer and about half of these aids are 5 years old or less. And if we look at people wearing their hearing aids less than 4 hours a day the number is quite staggering. It seems illogical that a consumer would spend so much money on a product only to put it in the drawer or seldom use it. What I'm saying is that the friends and relatives of these people who do not use their hearing aids probably *assume* that the person was never offered a “money back guarantee.”

17. I really didn't realize that there were that many people not using their hearing aids.

Do we know why?

That's certainly something we've studied over the years. The #1 reason for putting the hearing aid in the drawer all the way back to MarkeTrak III was *"lack of benefit"*. Now, hearing aids have come a long way since the analog days so it would be interesting to look into this in the digital age. In terms of guarantees, also rated high was a 90 day trial period. Perhaps a measurable benefit guarantee would help in assuring the reluctant consumer. In terms of a best practice protocol that would mean that all consumers would receive a pre/post measure of benefit achieved so that they know what was accomplished. And while we are on this topic, I believe we need to get rid of measures of absolute benefit and begin talking about relative benefit which would be some form of percentage change in handicap or benefit (aided versus unaided). This of course would put pressure on the hearing healthcare professional because they would have to enter into a discussion eye-ball to eye-ball with the consumer along the lines of *"Let me tell you how much better you can hear since you met me"....not unlike the type of dialog that currently goes on with an optometrist.*

18. I know you looked at benefit in general, but were there specific hearing aid features that were rated high?

Yes there were. Product features garnering high ratings were: reduction in whistling/feedback, greater comfort, better sound quality and a volume control. With respect to the latter we really need to reconsider the lack of a volume control on such sophisticated technology. With the diminishing VC we have also seen lower ratings over the last 20 years in terms of customer satisfaction. Some consumers want to adjust their hearing aids *"seldom to occasionally."* When they can't, I bet it makes some consumers really angry. This indirectly relates back to best practices – were the hearing aids fitted correctly – a topic that carries through a lot of these issues.

19. Benefit is probably related to listening situations. Where do these consumers really want to hear better?

While I did not present the consumer with an all-inclusive list (only representative) of listening situations, I was surprised that they value the ability to hear soft sounds most important, followed by hearing aids that work perfectly on the phone. Considering advances in technology and how much time people spend on the phone it is surprising that only 55% and 52% are *"very satisfied"* or *"satisfied"* when using their hearing aid on the telephone and cell phone respectively. The numbers are higher if you consider *"somewhat satisfied"*; but I would discount the latter as not being impressive to a potential consumer. People don't rave about products, services or people that make them *"somewhat satisfied"*.

20. Well I can tell you that I certainly have been more than “somewhat satisfied” with all the information you’ve provided, and I can’t believe my 20 Questions are up already. Can we continue this discussion on hearing aid adoption and overall satisfaction?

Most certainly—I was just getting started! If you’d like to do some background reading on all this in the meantime, all MarkeTrak survey publications are available at:
<http://www.betterhearing.org>

Editor’s Note: Please check out the July 20Q column when our curious Question Man continues his inquiries with Dr. Kochkin regarding the highlights of 25 years of MarkeTrak. It will be found in our 20Q library at: www.audiologyonline.com/20Q

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