Willingness-to-Pay:
Preliminary Results on Consumer Perceptions of POCT in Community Pharmacy

Kenneth C. Hohmeier, PharmD

HOW WE GOT HERE...

Prior research identified gaps in knowledge about community pharmacy market segment
1. Market demographics
2. Willingness-to-pay

• Identified via semi-structured key informant interviews of POCT Industry Leadership

Aim of Present Research

- Follow-up on this prior qualitative research

Research Foundations

1. POCT Industry Key Informant Opinions¹:
   - Study participant #6:
     • “[It would] help your industry to identify payers outside of third-party insurance companies who would pay for these services.”

2. Prior Models of Convenient Care²
   - Convenient care clinics entered market as self-pay


Today: review selected results specific to community pharmacy market segment

Large, self-explicated conjoint analysis performed to better understand:

1) Niche market demographics  
2) Willingness-to-pay
Approach

• *Conjoint analysis was chosen*
  – *Established scientific consumer research method*
  – *Combines real-life scenarios with proven statistical techniques*

• *Research team*
  – *Community pharmacy researcher*
  – *Pharmacoeconomist*
  – *Statistician*

Conjoint Analysis

**ELEMENTS:**

– *Different weights* consumers place on the features of a given product
– *Survey based* questions designed to uncover preferences

Conjoint Analysis

• *Statistics are then used to work out the contribution that each feature will make to the overall adoption decision.*

Methodology

• *Methodological approach*
  – *Panel (convenience sample from Qualtrics)*
  – *Statistical analysis using SPSS 23*
Conjoint Methods

**Survey Flow**

- Features & levels presented; choose most and least preferred
- Remaining levels of each feature are then rated
- Finally, features are ranked against each other
- The attribute level desirability scores are then weighted by importance

**An Example**

- A consumer decides to buy a house
- A few distinct features involved include:

**Which Concessions Are Made?**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$100,000, $200,000, $300,000, $400,000</td>
</tr>
<tr>
<td>Size</td>
<td>2,500 3,000 3,500 4,000 sq. feet</td>
</tr>
<tr>
<td>Bedrooms</td>
<td>2, 3, 4, 5</td>
</tr>
</tbody>
</table>

There is no perfect product – so consumers make concessions
Conjoint Analysis for POCT

<table>
<thead>
<tr>
<th>Feature</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting</td>
<td>Hospital, pharmacy, physician office</td>
</tr>
<tr>
<td>Location</td>
<td>Close to home, work, or physician</td>
</tr>
<tr>
<td>Professional recommending test</td>
<td>Physician, nurse, pharmacist</td>
</tr>
</tbody>
</table>

Methodology

• **Hybrid conjoint**
  – Design consumer’s ideal test using principles of conjoint analysis
  – Then used direct survey method to elicit W2P data

Methodology

• There are **some limitations** to self-explicated conjoint analysis, including an inability to tradeoff price with other attribute bundles.
• In this situation, the respondent always prefers the lowest price, and other conjoint analysis models are more appropriate.
  – For this reason, we separated the price feature from the rest of the conjoint model

Features

- Laboratory Test
- Delivery of Test Result
- Professional Endorsement
- Consumer Preference on POCT
- Individual Collecting Sample
- Setting
- Location

Each feature having multiple levels
Results

Note: Results presented here represent a select group of data from a larger project examining consumer perception of POCT

Demographics of panel (n = 188):

- Gender: Male 44% (n=82); Female 56% (n=106)
- Ethnicity:
  - Caucasian: 123 (65%)
  - African-American: 26 (14%)
  - Asian-American: 11 (6%)
  - Hispanic: 25 (13%)
  - Other: 3 (2%)
  - Total: 188 (100%)

Ideal POCT Service:
- Close to home, recommended and drawn by their physician at their office, with results are handed right to the patient

Range: 0.36-1.7
Deep analysis of the results

EXPLORING THE NICHE POCT PHARMACY CONSUMER MARKET

Community Pharmacy Segment Results

• **Willingness to Pay** (Pharmacy vs. Entire Sample)

<table>
<thead>
<tr>
<th>Community Pharmacy Niche*</th>
<th>Entire Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 28</td>
<td>N = 188</td>
</tr>
</tbody>
</table>

*Defined by those choosing "10" for "Retail Pharmacy - Location of Lab Test*

**Age** (Pharmacy vs. Entire Sample)

<table>
<thead>
<tr>
<th>Age Categories</th>
<th>Community Pharmacy Niche*</th>
<th>N = 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;65 and above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Defined by those choosing "10" for "Retail Pharmacy - Location of Lab Test*

Preferred CP Segment Tests:

1. **A1c**: 1.30
2. **Liver Enzymes**: 1.26
3. **Glucose**: 1.22
4. **Influenza**: 1.19
5. **Streptococcus pharyngitis**: 1.16
6. **Vitamin D**: 1.15

Range: 0.54-1.53

Advice from internet sources?
Community Pharmacy Segment Results

• Other features preferred by CP Segment:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results sent directly to Physician</td>
<td>1.53</td>
</tr>
<tr>
<td>Physician recommended</td>
<td>1.23</td>
</tr>
<tr>
<td>Close to home</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Range: 0.54-1.53

Conclusion

• Characteristics of CP are preferred by niche segment of consumers
  – This niche has different preferences for POCT features than the rest of the population
• More research needs to be undertaken to understand this market niche

khohmeie@uthsc.edu
615-532-0228