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

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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 made possible by a grant from the Community Pharmacy Foundation


Research Foundations

1. **POCT Industry Key Informant Opinions**
   - 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 Care**
   - 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

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

• 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
- 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:

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Response</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caucasian</td>
<td>123</td>
<td>65%</td>
</tr>
<tr>
<td>African-American</td>
<td>26</td>
<td>14%</td>
</tr>
<tr>
<td>Asian-American</td>
<td>11</td>
<td>6%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>25</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>188</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

Results

Range: 0.36-1.7
Deeper 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>Willingness to Pay</th>
<th>Community Pharmacy Niche*</th>
<th>Entire Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;25</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>$25-50</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>$50-100</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>$100-200</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>$&gt;200</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

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

Advice from internet sources?

Community Pharmacy Segment Results

• **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
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

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