

The Cosmetic Path to Purchase:

How Consumers Choose Cosmetic Surgery and Treatments

Research Update*



 **CareCredit®**
Making care possible...today.

*CareCredit Path to Purchase Research 2018.



Cosmetic

Overview

Synchrony greatly values consumer opinions, and we periodically conduct large-scale research to capture consumer input and insights directly. In 2014, CareCredit, a Synchrony solution, completed a Path to Purchase study to understand how consumers think about, select, and purchase a wide range of healthcare services for themselves, their family members, and even their pets. The findings from this groundbreaking study proved so useful that we decided to repeat it every two years to monitor trends over time. This white paper presents key findings from the third wave of the study, completed in 2018.

Methodology

Research instrument:

Online survey

Time frame:

June 6 - 21, 2018

Respondents:

2,762 U.S. consumers who had purchased healthcare services or products in the past 12 months and/or expected to do so in the next 12 months

782 survey participants had made, or planned to make, cosmetic purchases. (256 surgical procedures, 276 minimally invasive, and 250 skin care treatments)

Key Findings

The process to purchase cosmetic surgery or treatment and related products is generally long and complex, though skin care treatments require less time and deliberation. Consumers tend to seek ample information, consider many factors, and take weeks or months to make decisions for many cosmetic purchases.

Driven by desire

While consumers tend to see healthcare purchases as necessary, rather than discretionary (“needs,” not “wants”), cosmetic purchases are a notable exception. Very few consumers say they considered cosmetic surgery (17%), minimally invasive procedures (9%), or skin care treatments (10%) essential purchases.

A varied process

On average, decisions to purchase cosmetic surgery take 188 days and involve 7.5 stages, more than any other specialty included in the survey. However, decisions about minimally invasive and skin care purchases tend to be significantly faster and less complicated.

Importance of research

Consumers tend to do extensive research before making a purchase, and roughly two-thirds of cosmetic patients surveyed said they always research cosmetic providers online before selecting one (64% surgical, 67% minimally invasive, 61% skin care).

The internet is key, but conversation still matters

Not surprisingly, the internet is a key source of information, with over half of consumers reporting use of one or more web resources (e.g, search engines, provider websites, social media) when researching cosmetic purchases. However, many also rely on word of mouth, including referrals from healthcare providers and input from friends and family, especially for skin care purchases (78%).

Cost is a concern

Affordability remains a key concern for many and is an important factor in choosing a provider. In fact, around one-third of respondents (32% surgical, 37% minimally invasive, 36% skin care) reported having declined cosmetic purchases due to cost.

Consumers may be unaware of—but open to—financing

Relatively few consumers (29%) were aware of options to finance healthcare-related expenses. However, 58% were aware that providers can offer financing options, and 49% would consider financing if it meant they could receive treatment right away.



The Path to Purchase

The decision to pursue a cosmetic procedure typically involves multiple steps, with specific actions occurring at different points and sometimes repeating multiple times as consumers move toward a purchase. At various points in their decision-making process, consumers may research procedures, providers, and payment options; visit provider offices; consult with family and friends; contact their insurance company; and consider their personal finances.

Decisions about cosmetic surgery procedures took more time and involved more steps, on average, than any other category of health and wellness purchase included in the survey. However, decisions about minimally invasive procedures and skin care treatments tend to be somewhat more straightforward, requiring less time and fewer steps, on average.





In 2016, the decision-making process for consumers considering cosmetic purchases of any type, on average, took 131.3 days, involved 6.3 steps, and resulted in spending \$2,642. In 2018, decisions about cosmetic surgery procedures involved more time and steps, while minimally invasive or skin care treatments seemed less complex. The additional time and thinking may be driven by a desire to research available options given that high percentages of consumers reporting they research potential cosmetic procedures, providers, or both.

How long and complicated are cosmetic purchase decisions?

Procedure/ Treatment	Average # of Decision Steps	Average # of Days to Purchase		Average Spend
Cosmetic Surgery	7.5	188		\$3,865
Minimally Invasive	6.4	119		\$2,141
Skin Care	6.6	86		\$1,200



What percent of cosmetic consumers research surgery/treatments and payments before making a decision?

Cosmetic Surgery:

84% Research Procedure
79% Research Payment

Minimally Invasive:

85% Research Treatment
75% Research Payment

Skin Care Treatment:

83% Research Treatment
74% Research Payment

Researching Surgery/Treatments: Online and Offline



Most cosmetic consumers used search engines in their online research and around half visited medical advice sites like WebMD. Provider websites and rating/review sites were also popular, while social media platforms, apps, and other channels were used less often.

When researching a purchase, cosmetic consumers often turn to family members or friends for advice. In fact, consumers consult with those close to them more often than they turn to relevant healthcare professionals.

Among cosmetic consumers who research surgery/treatments online, what sources do they use?

	Cosmetic Surgery	Min. Invasive	Skin Care
A search engine (e.g., Google, Yahoo)	53%	63%	63%
Provider website	54%	53%	64%
Medical advice website	57%	47%	54%
Website that compares or provides ratings/reviews of providers	46%	52%	52%
Social media, mobile app, message board, blog, other	13%	10%	10%

Where do cosmetic consumers turn when researching procedures offline?

	Cosmetic Surgery	Min. Invasive	Skin Care
Key healthcare professionals	PCP 16%	14%	15%
Family/friends overall	53%	42%	46%

When cosmetic consumers don't consult healthcare professionals, where do they turn?

	Cosmetic Surgery	Min. Invasive	Skin Care
Spouse	43%	34%	38%
Other family members or friends	14%	14%	13%
No one else	32%	49%	42%



Consumers use a wide variety of resources to learn about potential cosmetic providers. A primary care physician is the top offline resource for cosmetic purchases, although input from family, friends, and patients who have received a similar procedure/treatment is also common.

When researching providers online, the top resource tends to be health insurance websites in all cases, despite the fact that for the most part, cosmetic purchases are rarely covered by insurance. Cosmetic consumers also tend to look for provider information using search engines, doctor rating sites, and social media at higher rates than patients seeking care in other categories.

What percent of cosmetic consumers ask others for input when researching providers?

	Cosmetic Surgery	Min. Invasive	Skin Care
Ask for input overall	68%	71%	78%
Ask a primary care physician	50%	47%	58%
Ask family or friend	32%	34%	37%
Ask someone who had the same procedure	27%	30%	32%
Ask a co-worker	9%	9%	10%

What percent of cosmetic consumers research providers online ?

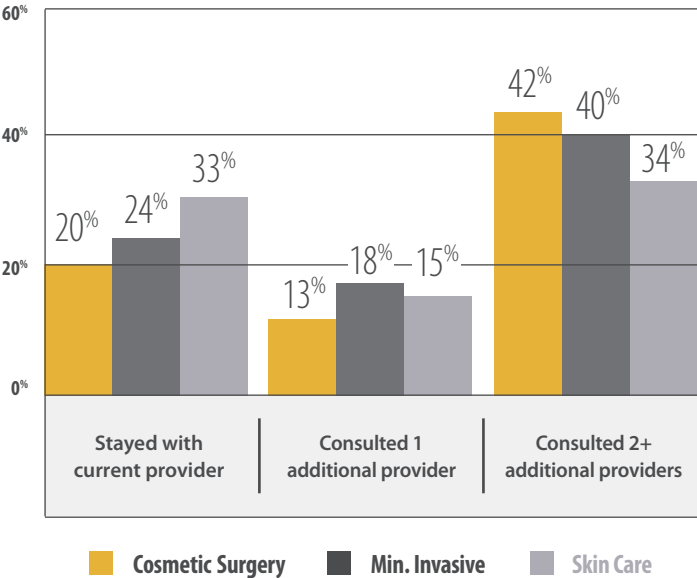
	Cosmetic Surgery	Min. Invasive	Skin Care
Research providers online overall	67%	66%	61%
Health insurance website	42%	34%	40%
Search engine (Google, Yahoo, Bing)	28%	31%	22%
Doctor rating websites	22%	26%	20%

Choosing a Provider

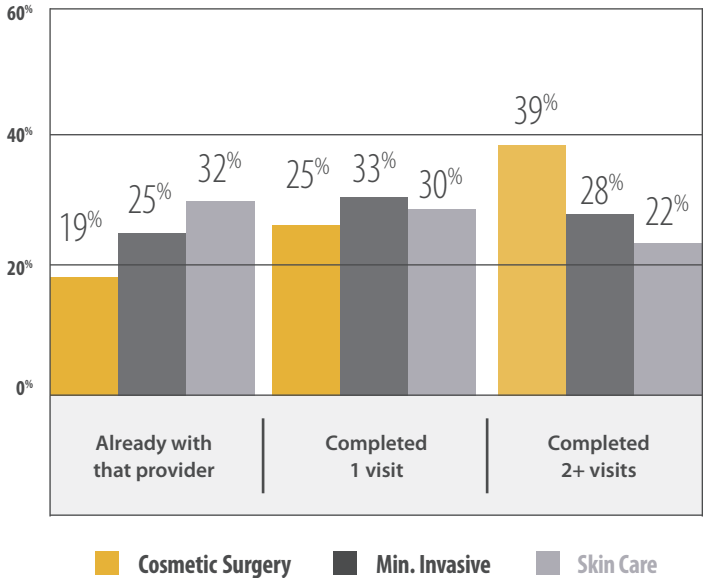


When choosing a provider for cosmetic purchases, consumers are often less inclined to stay with a current provider, and prefer to look for new options. When considering options, they often need multiple office visits to choose a provider, especially for cosmetic surgery.

How many providers do cosmetic consumers consider before choosing one?

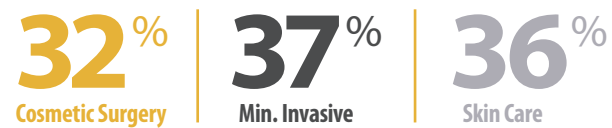


How many times do cosmetic consumers visit a provider before choosing him or her?





Cost can be a significant barrier to moving forward with a cosmetic purchase. Around one-third of consumers reported that they have declined a cosmetic purchase in the past due to concerns about cost.



of cosmetic consumers have declined a purchase due to concerns about cost.

Covering the Cost

Cosmetic consumers tend to strongly prefer providers who accept their insurance, with roughly three-quarters saying they only choose providers who accept their insurance. However, insurance does not tend to cover many types of cosmetic purchases. This may be a primary reason that many cosmetic consumers say they would / did move forward with the procedure if insurance did not cover the cost, or when they cannot use credit to pay over time.

How likely are cosmetic consumers to proceed with the purchase if insurance does not cover it?

	Cosmetic Surgery	Min. Invasive	Skin Care
Extremely or very likely	48%	58%	42%
Somewhat likely	25%	24%	33%
Extremely or very unlikely	27%	18%	25%

How likely are cosmetic consumers to proceed with the procedure if they cannot use credit or pay over time?

	Cosmetic Surgery	Min. Invasive	Skin Care
Extremely or very likely	35%	43%	38%
Somewhat likely	31%	30%	28%
Extremely or very unlikely	34%	27%	25%

Overall, consumers use credit-based tender to pay for out-of-pocket cosmetic costs more often than cash-based tender. Traditional bankcards are the most popular option, although up to a quarter (21 to 25%) of cosmetic consumers also make use of provider financing options.

How do cosmetic consumers pay for care?

	Cosmetic Surgery	Min. Invasive	Skin Care
Credit	61%	62%	55%
Non-credit based	39%	38%	45%

What percent of cosmetic consumers pay with a credit-based tender in general, and with general purpose credit cards in particular?

	Cosmetic Surgery	Min. Invasive	Skin Care
Credit-based tender overall	61%	62%	55%
General purpose credit card	35%	38%	38%

What percent of cosmetic consumers pay with cash-based tenders in general, and with key payment methods in particular?

	Cosmetic Surgery	Min. Invasive	Skin Care
Cash-based tender overall	39%	38%	45%
HSA or FSA	15%	11%	16%
Cash/check or prepaid card	19%	15%	20%
Debit card	11%	15%	14%