

Let's talk beer for a moment. Beginning back in the mid-90s, at the Sandlot microbrewery located within Coors Field in Downtown Denver, a fairly tasty Belgian-style witbier called Bellysilde (a baseball term) was available in small batches. It was a favorite of a few, but ignored by most, and even scorned by some (it was unfiltered). But then, about 6 years ago, Coors gave it a new name—Blue Moon—started producing it in bulk, and rolled it out across the U.S. It became the top-performing beer brand in 2007, and today Blue Moon is closing in on making the top ten list of all domestic beers sold.

Why is it so popular? The taste of course, right? Maybe. How about the pretty blue label? Or the fact that it's usually served with an orange slice? Or that Coors disguises it as a "craft beer"? Or, maybe it's just more fun to say "Blue Moon" than "Bud."

As with beer, people also make brand purchase decisions about hearing aids. But there's a difference. In the case of hearing aids, the consumer usually does not select the brand. His or her dispenser does. It's not uncommon to sit down with four different people in private practice and discover that each has a different favorite hearing aid brand. And interestingly, all of them say they picked this particular brand because it is *the best*. But how can all four brands be the best? Or are they all just the same?

Only a few audiologists have conducted research on hearing aid brand preferences. One of them is **Earl Johnson**, AuD, PhD, an audiologist at Mountain Home, TN, Veterans Affairs Medical Center and assistant professor at East Tennessee State University. While obtaining his PhD at Vanderbilt University with a focus on hearing aid research, Dr. Johnson also studied consumer behavior at Vanderbilt's Owen business school—an unusual combination that has led to much of his research. You've probably also noted his recent book chapters and journal publications related to modern hearing aid technology and hearing aid selection.

While this is his debut on Page Ten, Earl is not a new contributor to the *Journal*. For many years he assisted with *HJ*'s dispenser surveys and contributed articles on these findings. I'm not sure if Earl drinks Blue Moon because of the orange slice, but I'm quite certain he can provide you some interesting insights on why you have a hearing aid brand preference.

GUS MUELLER
Page Ten Editor

How do hearing aid dispensers pick their buying preferences?

By Earl E. Johnson



Earl E. Johnson

1 I need a little help to get us started. What exactly do you mean by "buying preferences?"

Well, first of all, I am referring to the preferences of the dispenser (audiologist or hearing instrument specialist), *not* the patient. As for "buying preferences," whether we are shopping for a TV, a car, or a pair of shoes, we all have likes and dislikes that influence our selection of a particular product. Our preferences also affect which hearing aids we purchase for our patients. Moreover, these preferences can be altered and alteration attempts are common.

2 I'm not sure what you mean by "alteration attempts." Can you give an example?

Sure. Here is an obvious one. This conversation is being published on Page Ten of *The Hearing Journal (HJ)*. So, look to your right at the opposite page, page 11. What you see is an ad from a manufacturer that is interested in you, a hearing healthcare provider, as a consumer of its products. While you are at it, leaf through this issue of *HJ* and you will see that there are many ads—the great majority of them on the odd-numbered pages. Clearly, manufacturers want you, the dispenser, to have a preference for their products.

3 Gee, I'm flattered! But aren't manufacturers also interested in the buying preferences of patients?

Yes they are, but probably not as much as they are in dispenser purchasing. Manufacturers spend substantial money and effort on advertising to consumers. According to the industry professionals involved in advertising that I consulted, a typical split in dollars spent is 70% on dispensers versus 30% on patients (end-consumers).

4 Why not care more about end-consumer purchases? The patients are the ones ultimately buying the hearing aids.

That's true, but most consumers don't know very much about hearing aids. Sometimes they have only superficial information such as brand names. According to the MarkeTrak VI study, prior to purchasing hearing aids, only 4 of 10 consumers had heard of the hearing aid brand they were dispensed.¹ In that same study, Kochkin indicated that as many as 80% of end-consumers rely on their dispenser's recommendation when deciding which brand to purchase.

Moreover, most consumers don't shop around for hearing aids. According to MarkeTrak, 6 of 10 visit only one dispenser, 3 out of 10 visit two, and 1 out of 10 visits three or more.¹ Shopping around on the Internet is also not the norm; only 16% of consumers visit different web sites to check out different dispensers

in the area before purchasing aids. However, Internet shopping is becoming more popular.

5 Are you suggesting that the typical consumer spends little time and effort contemplating the hearing aid brand he or she eventually purchases?

Exactly. Prospective users spend most of their time and effort on deciding whether or not to purchase hearing aids of any kind. This purchase/don't purchase contemplation helps explain the typical 6-1/2-year lag between when people first suspect they need hearing aids and when they finally purchase them.² Therefore, the cost of making consumers aware of and favorably disposed toward a particular hearing aid brand would not be cheap. A couple of prominent brands do, however, use the consumer marketing and advertising approach. If you don't know which brands they are, ask your parents or grandparents.

6 So, are you saying it's more cost-effective for brands to market to dispensers?

Absolutely. For one thing, there are fewer than 15,000 dispensers in the U.S. as compared to an estimated 34.3 million individuals with hearing impairment.² Also, dispensers are exposed to a lot of the same information through, for example, professional conferences and trade journal articles. This homogeneity makes it easier to direct marketing efforts at the target audience.

Generally speaking, dispensing practices offer consumers only two to four brands. And more telling, the vast majority (about 95%) of dispensers fit one brand of hearing aids—their favored brand—on an average of about 75% of their patients.^{3,4} Hence, by obtaining the preference of the dispenser to sell a particular manufacturer's products, the manufacturer does not need to establish a separate preference for its products among the end-users. Consumers will, by and large, go along with the dispenser's recommendation.

7 While you were talking, I glanced through *HJ* and what you said earlier is true. Most of the ads are on the odd-numbered pages. Why is this?

It is based on a long-held belief in the advertising business. In 1916—just in case you missed this article—Adams asserted that advertising is twice as likely to make an impression if it's placed on the right-hand page than if it runs on the left-hand page.⁵ This is, in part, because when we are reading a publication from front to back, when we turn a page, the right-hand page (the odd-numbered one) catches our eyes first.

8 What do you mean by “impression”?

The definition of “impression” in advertising is complex, but I'll try to keep my response brief. An impression is a combination of the amount of mental recognition, processing, and recollection a reader devotes to an ad's message. The end-goal of most impression advertising is to obtain top-of-mind awareness with consumers. There are a number of ways to quantify and/or qualify impression impact—or lack thereof.

9 Getting back to the trade journals—and all those full-page colored ads—is it expensive to create an impression?

It depends on how you view it. With approximately 22,000 people subscribing to a publication like *HJ* worldwide, this is a pretty cost-effective way for a company to get the word out about its new products or services. Direct mail, telephone calls, training seminars, or in-office visits are all much more costly per targeted dispenser.

10 Why are there ads for so many different hearing aid brands?

While there are fewer brands now than 10 or 20 years ago, the simple answer to your question is that the marketplace still supports numerous brands. There are enough dispensers with individualized preferences to allow many existing brands to remain profitable, despite the cost of advertising. However, not all brands represent separate companies. Some of the largest corporations own multiple brands of hearing aids and related products and in some cases market them separately from their other brands.

11 Sometimes I see multiple ads from the same manufacturer in the same issue of a publication. Is there a benefit of doing that?

Research suggests that individuals must see an ad many times before they internalize the marketing message. On the other hand, at very high levels of repetition, consumers begin to perceive advertising as excessive and question the manufacturer's confidence in the advertised product.⁶

A dispenser's selection of a preferred brand is often the result of a long and complicated process. Therefore, the marketing of a hearing aid brand is an ongoing and repetitive process that must constantly evolve as market conditions change.

12 Well, I guess at some point I must have formed an “impression” because I buy most of my hearing aids from one manufacturer. Is this common?

Fairly common, yes. It is an interesting topic, and I've been involved in research where we tried to focus on why dispensers might develop a preference for a particular brand. For example, in the 2007 *Hearing Journal/Audiology Online* survey of dispensers, we asked 463 people about their dispensing preferences.³ Some interesting findings emerged.

Approximately 95% of dispensers stated that they rely on their preferred brand about 75% of the time. Within the preferred brand, the average dispenser fitted no more than four product models. But, preference for a particular brand tends to change over time. Less experienced dispensers change their preference more often than more experienced dispensers.

13 Sounds interesting. Were you able to determine how dispensers reached their preferences?

Yes, to some extent. When dispensers were asked to rate the potential importance of 32 separate items in making a brand

preference decision, seven principal factors emerged following factor analysis of the responses of 343 audiologists.⁴ The seven factors are shown in Figure 1.

The most important factor, which we labeled Aptitude, consisted of items pertaining to things like perceived quality and reliability (for further descriptions of the seven factors, see Johnson et al.⁴). Interestingly, the rated importance of the factors was consistent regardless of the particular preferences of the respondents. The only small difference in rated importance among the brands was for the least important of the seven factors: “Contracts and incentives.”

In other words, even though the audiologists reported having many different preferred brands, they generally selected them for the same reasons (best technology, image, value, service, etc.). This suggests that the relative importance that respondents placed on these factors did not generally determine their preferred brand. Instead, it appears that the respondents selected a favorite brand based on their perception of which brand was best. These data were collected from audiologists, but other research produced similar findings among hearing instrument specialists.³

14 Is there some framework upon which this research is based?

Yes, we used the Consumer Value-Attitude System,⁷ a common model in consumer behavior research. This model indicates that product and brand preference choices are delineated by personal values (e.g., factors of varied importance) and/or perceptual personal evaluations of brands (e.g., brand attitudes). Personal values are further divided into two categories: global and domain-specific.

Our research largely disproved the hypothesis that domain-specific values determine specific hearing aid brand preferences,⁴ and it seems unlikely that global values (e.g., salvation, national security, pleasure, ambition, cleanliness, etc.) would

have an impact. So, the part of the framework remaining for study was perceptual personal evaluations of hearing aid brands (e.g., brand attitudes).

15 Can you explain what that means?

I’ll try. A recent study by the U.S. Department of Veteran Affairs (VA) obtained “personal perceptual evaluations” about the hearing aid brands on the VA contract from audiologists. One example of a “personal perceptual evaluation” is “How a dispenser believes Brand W compares with Brands X, Y, and Z” on brand-relevant attributes (e.g., any of those in Figure 1).

16 What did it tell you?

Our preliminary analysis suggests that perceptual personal evaluations are vital to the preferred brand choice for over 75% of VA audiologists. That is, in the absence of published scientific evaluations of hearing aid brands and their specific products, dispensers are left to their own personal evaluations to form perceptions and subsequent preferences.

A major hindrance to scientific evaluation of specific hearing aids is, of course, the rapid introduction and removal of models from the market every 18 months to 3 years. By the time a product evaluation can be completed and published, the manufacturer will probably have replaced that product with a newer, supposedly better, model.

17 Is it all right for dispensers to base their preferred brand on personal perceptions as often as they do?

Maybe, but possibly not. At the very least, we should consider the possibility that this is probably not a “best practice.” Here is one example of why it is perhaps *not* okay.

Consider that at least half of dispensers do not routinely use probe-microphone measures and validated prescriptive techniques for determining gain and output for the patient.⁸⁻¹⁰ We must assume that these dispensers rely heavily on the first-fit settings from the manufacturer. We know, however, that there are significant differences in how different manufacturers set hearing aid gain and output.¹¹⁻¹⁴ For example, Seewald and colleagues showed a 30-dB difference in the prescribed output among five different manufacturers for the same hearing-impaired infant.¹⁴ Each of these manufacturers was somebody’s preferred brand, yet it seems very unlikely that all five were “right.”

Another example is that when a dispenser chooses to dispense a particular brand, he or she will be working with some product attributes and features that are different from another dispenser who chooses some other brand. Could some of these differences—signal classification, noise reduction, microphone directivity, feedback suppression—have a significant impact on a patient’s benefit and satisfaction? Probably.

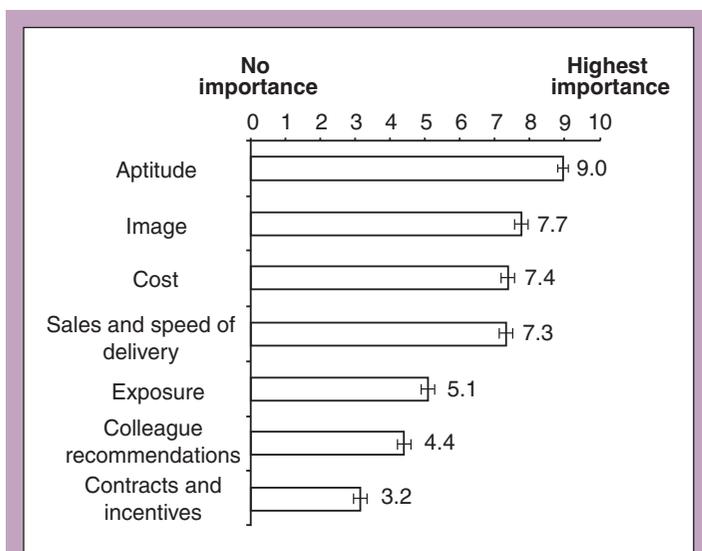


Figure 1. Mean rated importance of each statistical factor by 343 audiologists with 95% confidence interval error bars (used with the permission of Journal of the American Academy of Audiology).

18 You work for the VA. Do individual VA audiologists typically use all the brands on contract or do they dispense one brand most of the time?

As of November 2009, the VA had nine major hearing aid brands on contract. During the previous 5 years, there had been six. Sales reports from the VA Denver Acquisition and Logistic Center suggest that the typical VA audiologist dispenses hearing aid brands much the same as non-VA audiologists with only slightly less reliance on a preferred brand. In a 2-month period in early 2009 when six brands were on the contract, 78% of the 600 audiologists who ordered at least 48 hearing aids during that time dispensed one brand's products more than half the time. The average VA audiologist dispensed his/her preferred brand 67% of the time.

19 This is great information, but, in a nutshell, can you tell me, why does a given dispenser select a given brand?

Well, I have mentioned some things along the way, but I'll give you a summary, based partly on data and partly on inference. Generally, dispensers select a brand because they have gained familiarity with the brand and they believe it is better than the alternatives. A dispenser determines "best" primarily from daily use of the brand (i.e., clinical experience). A practitioner's beliefs about which brand is best is more important to a dispensing preference, for the vast majority of dispensers, than possible

cost savings and/or profit margins associated with dispensing less costly brands. This is probably because conscientious, caring dispensers conduct their practice in the manner they believe most benefits patients rather than making decisions based on saving money to increase their bottom line.

20 Interesting stuff. Will we be reading more about hearing aid brand preference dispensing from you in the future?

Oh, yes. We have to recognize that brand preference, which is based largely on personal perception, exerts a major influence on what hearing aids are dispensed. A potential problem is that a dispenser's perception becomes the patient's reality. To quote Palmer, "Perception is not reality here; reality is reality."¹⁵

And, the reality is that ideally there should be objective, scientific evaluations of product brands supported by non-industry entities. Such evaluations might be practical if more resources were available to support them and/or if manufacturers introduced fewer hearing aid models less frequently.

Whether or not we have objective, scientific evaluations to help us select which hearing aids to dispense, we should at least acknowledge that possible negative impacts of brand preference dispensing may exist, identify them, and then minimize those negative impacts as best we can.

Disclaimer

The opinions expressed in this article are those of the author and do not necessarily represent the official position of the U.S. Department of Veterans Affairs and the United States government.

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