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**UNDERSTANDING THE IMPACT OF
PHYSICIAN SATISFACTION ON
FUTURE PURCHASE BEHAVIOR
AND SERVICE DELIVERY TO PATIENTS**

A Case Study Of A Medical Device Client

June 18, 2021

BACKGROUND

Our work in Customer Satisfaction and Loyalty over the last 20 years has produced two consistent results

- Highly Satisfied Customers use significantly more of your products than do those at lower levels of Satisfaction
- Highly Satisfied Customers in time t increased their purchases (relative to time $t-1$) at significantly higher amounts than those at lower levels of Satisfaction



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What we have not done as of now is to

- Examine Physician Satisfaction in time t on their subsequent usage behavior (i.e., $t+1$, $t+2$...)
- Measure the impact of these differences in Physician usage on service delivery to Patients (i.e., Learning by Doing)



To do this we created a database that contained responses from 130 Physicians who used our client's medical device in a minimally invasive surgery procedure

- Physician Satisfaction with our client's device in 2018
- Total Procedures performed with our client's device in 2018, 2019 and 2020
- The percentage of Patients who returned to the Physician's office for retreatment or an unplanned consult in 2020



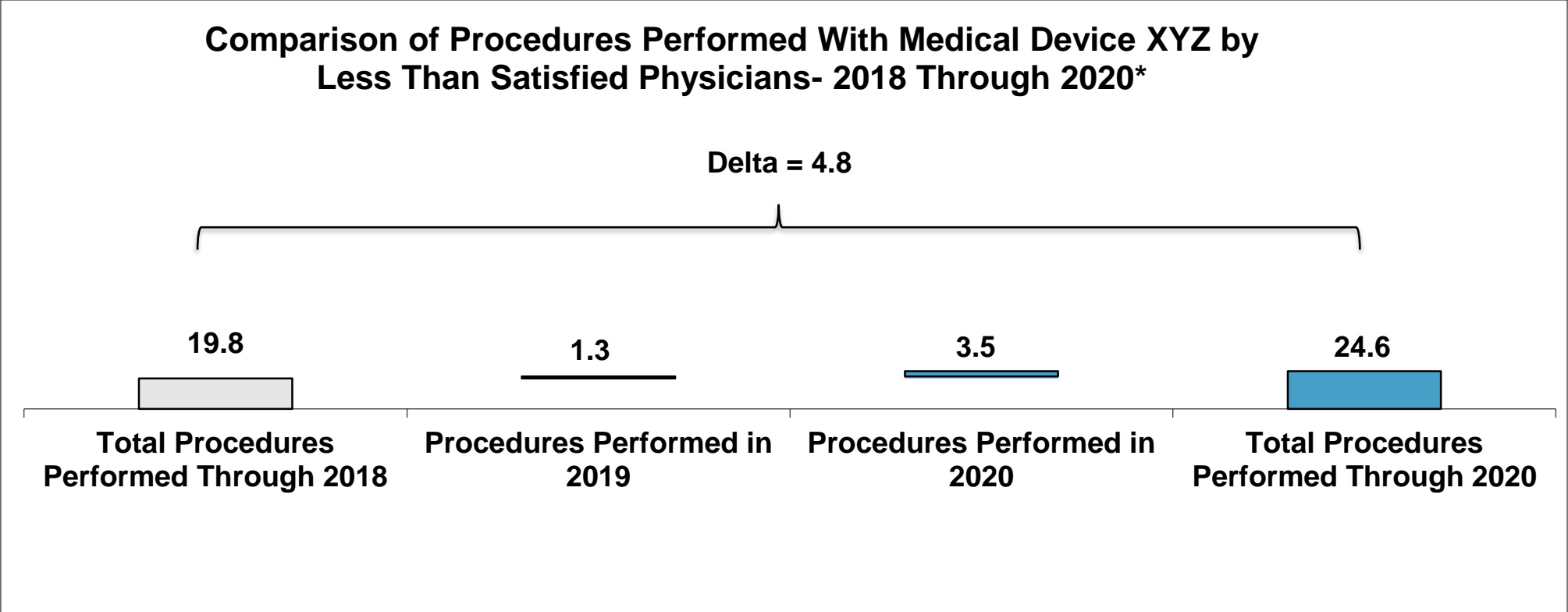
This allowed us to look at the impact of Physician Satisfaction on

- Total procedures performed in two subsequent years: 2019 and 2020
- The quality of the service delivered to Patients as measured by retreatment rates and unplanned consults



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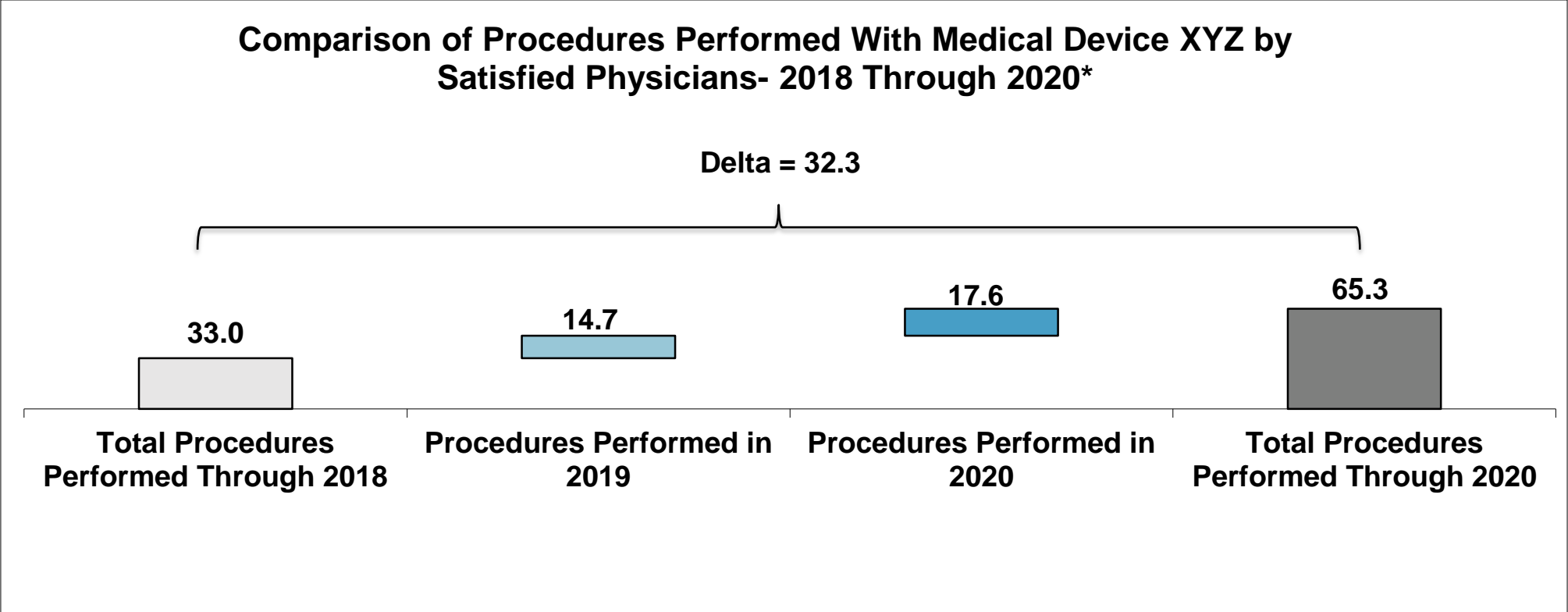
Physicians who were Less Than Satisfied in 2018 barely increased their total procedures performed over the subsequent two years



* = All differences with Highly Satisfied as well as Satisfied are statistically significant



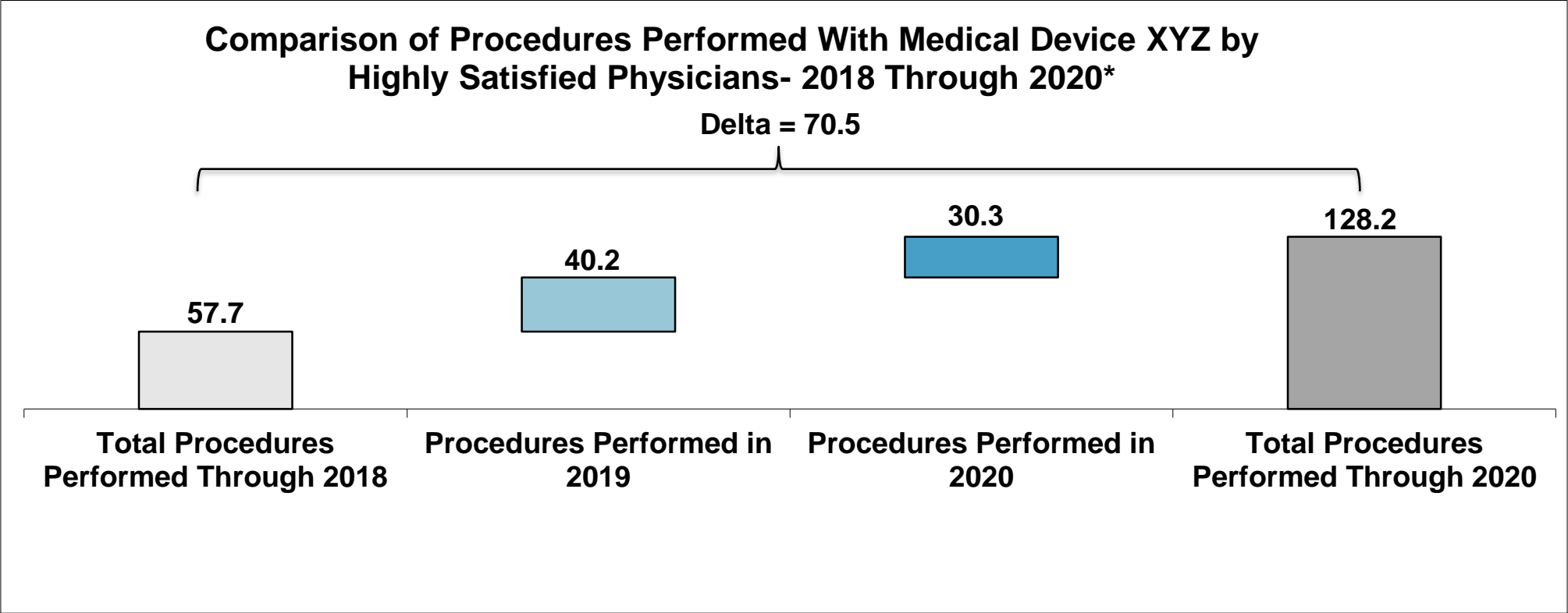
Physicians who were Satisfied in 2018 increased their total procedures performed by an average of 32.3 procedures over the subsequent two years



* = All differences with Highly Satisfied are statistically significant



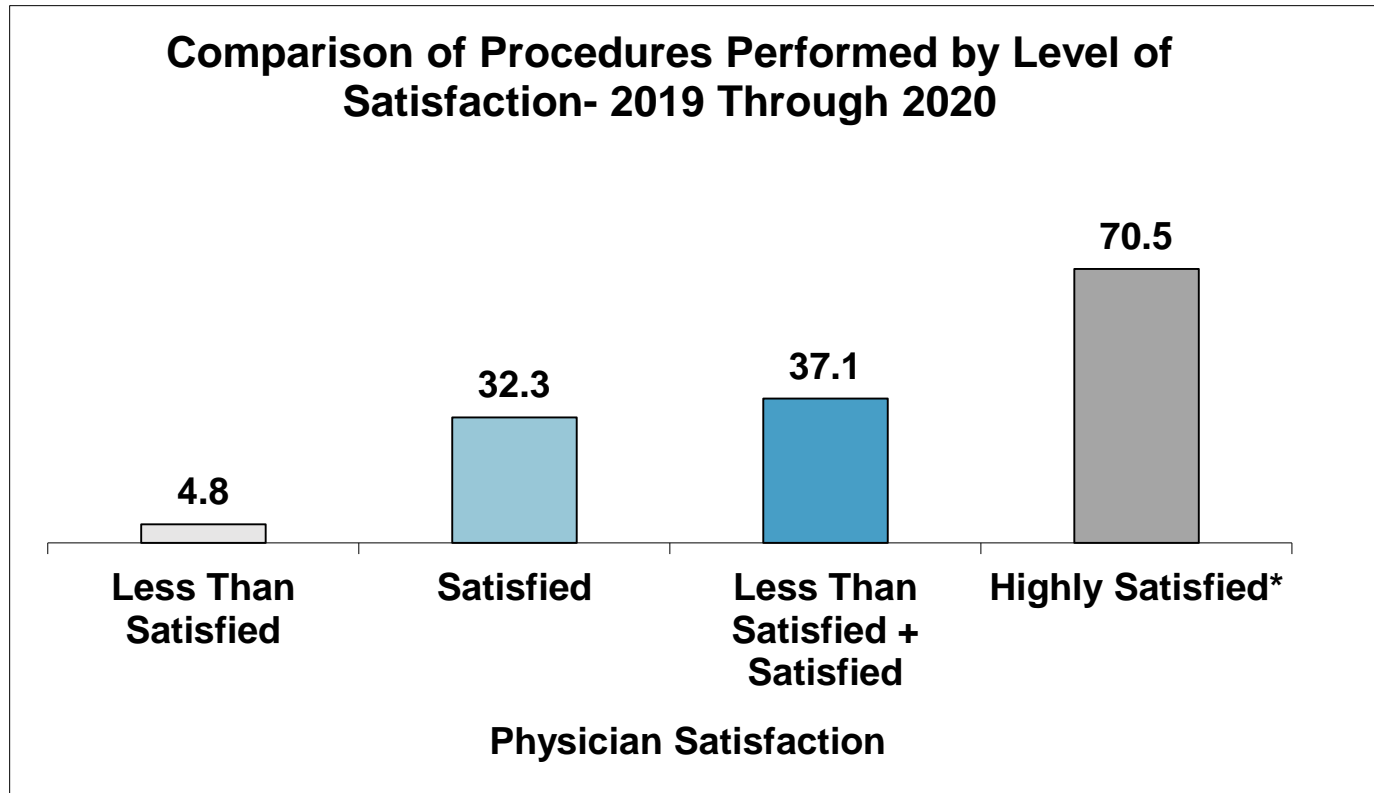
Physicians who were Highly Satisfied in 2018 increased their total procedures performed by an average of 70.5 in 2019 and 2020



* = All differences with Highly Satisfied as well as Satisfied are statistically significant



In fact, the average number of procedures performed by a Highly Satisfied Physician during 2019 and 2020 was **nearly twice** that performed by the **combination** of a Less Than Satisfied Physician and a Satisfied one



* All differences with Highly Satisfied are statistically significant



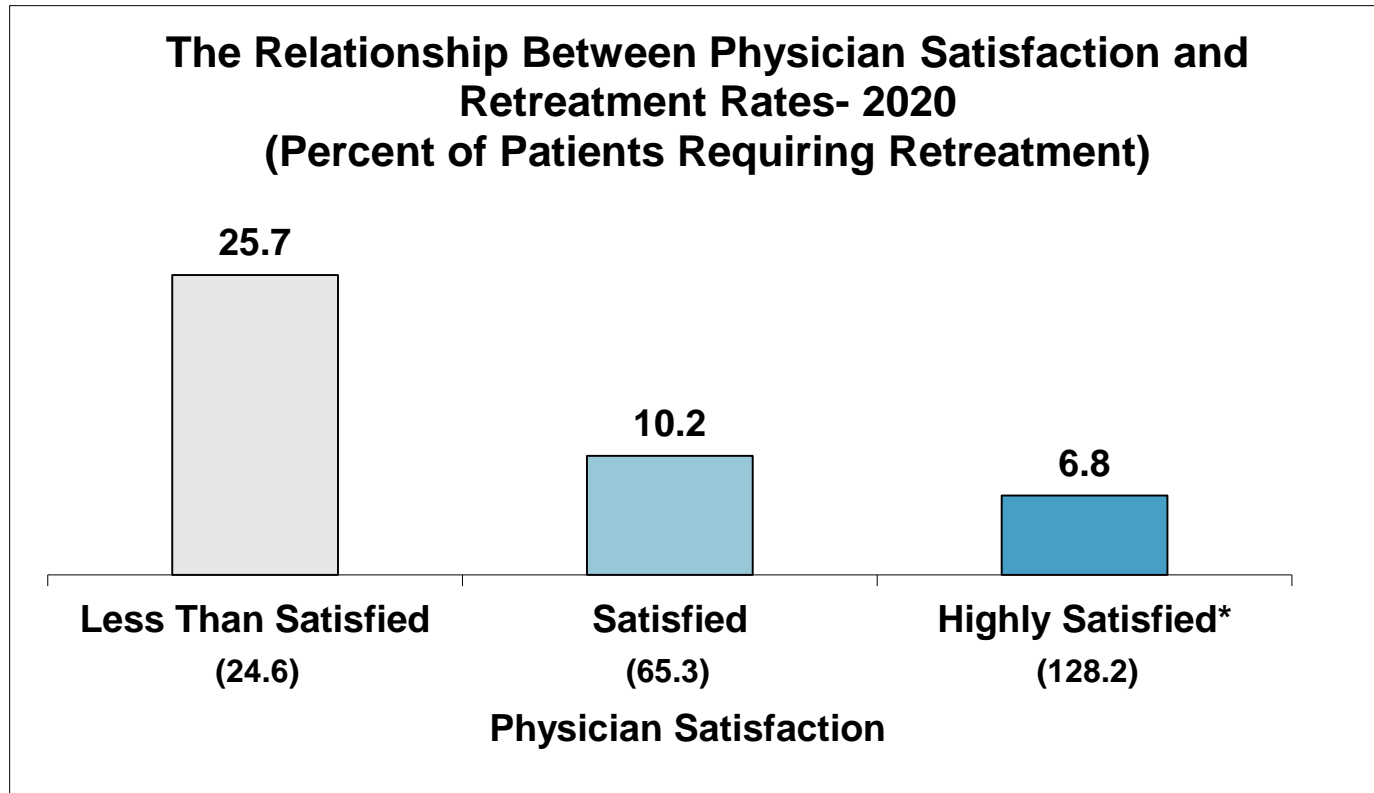
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Furthermore, it is our belief that the data presented here understate the impact on Satisfaction on subsequent purchase behavior

- In 2020 all the Physicians in this sample basically stopped performing this procedure for six months due to the restrictions imposed by the COVID-19 pandemic
- Had this not occurred, we believe it is safe to assert that the procedures performed by the Highly Satisfied Physicians in 2020 would be significantly higher (relative to those with lower levels of Satisfaction) than these data indicate



The greater experience level of the Highly Satisfied Physicians (as measured by Total Lifetime Procedures performed with the device) translates into an ancillary benefit- **a better experience for Patients** as measured by lower levels of retreatment...



* = Statistically significant difference with both Satisfied and Less Than Satisfied

() = Total Lifetime Procedures Performed With Device XYZ

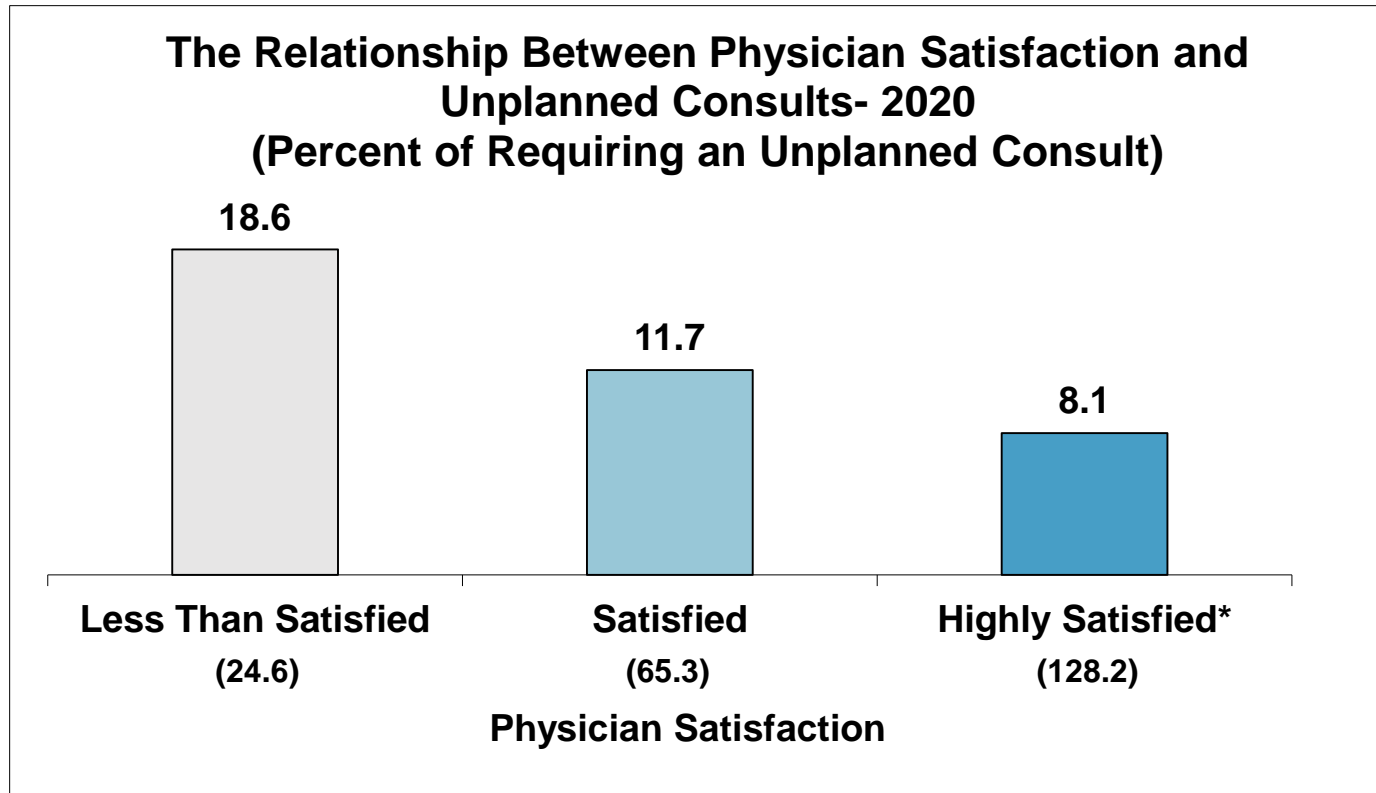
M56a: What percent of the patients on whom you performed Company XYZ required treatment within one year?



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... and fewer of them requiring an unplanned consult or visit post-procedure for problems such as acute urinary retention



* = Statistically significant difference with both Satisfied and Less Than Satisfied

() = Total Lifetime Procedures Performed With Device XYZ

M56: What percent of your Company XYZ patients have contacted you for an unplanned consult or visit post-procedure (for example, acute urinary retention)?



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Two critical conclusions emerge from this analysis

- Focusing on creating Highly Satisfied Physicians represents the strongest growth opportunity
 - They perform significantly more procedures than other Physicians at lower levels of Satisfaction
 - They provide substantially better Patient outcomes
- Conversely, companies should seriously consider terminating their relationships with the Physicians that are less than Satisfied
 - The total procedures they have performed over the last three years is less than 20 percent of the total performed by the Highly Satisfied Physicians
 - The quality of care they provide their Patients is well below that of the Highly Satisfied Physicians



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