

The Daily: Gen Z's healthcare journey, Amazon Clinic video visits, and connected fitness post-pandemic

Audio

On today's episode, we discuss Gen Zers and healthcare: what the beginning of their journey looks like, social media as an entry point, and what they want from their experience. "In Other News," we talk about Amazon expanding its Amazon Clinic telehealth services to include video visits and how connected fitness is getting on post-pandemic. Tune in to the discussion with our analysts Rajiv Leventhal and Lisa Phillips.

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Episode Transcript:

Marcus Johnson:

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Rajiv Leventhal:

So maybe they're thinking, maybe Gen Z and other consumers are thinking that, "This educational or informative content I see on social media could buy me some time, at least, before I need to see the doctor, and maybe provide me with some of the information that I'm looking for."

Marcus Johnson:

Hey, gang, it's Tuesday, August 15th. Lisa, Rajiv, and listeners, welcome to the Behind the Numbers Daily, an eMarketer podcast, made possible by Awin. I'm Marcus. Today, I'm joined by two people. Let's meet them. We start with our Principal Analyst covering everything digital health based out of Connecticut, is Lisa Phillips.

Lisa Phillips:

Hi, Marcus. How are you?

Marcus Johnson:

Hello there, miss. Good, how are you?

Lisa Phillips:

Very well, thanks.

Marcus Johnson:

Very nice, very nice. And we're also joined by one of our Senior Analysts on that very digital health team based out of New Jersey. We call him Rajiv Leventhal.

Rajiv Leventhal:

Hey Marcus, how are you?

Marcus Johnson:

Hey, fella. Very well, sir. How are we doing?

Rajiv Leventhal:

Good.

Marcus Johnson:

Very nice. Today's fact, humans share 60% of their DNA with bananas. That explains a lot. So most folks have probably heard that humans share close to 99% of their DNA with chimpanzees, but we are also 60% genetically similar to chickens-

Rajiv Leventhal:

Jesus.

Marcus Johnson:

... bananas, and fruit flies, you'd be happy to know. And this is noted in an article on pfizer.com. This is depressing.

Lisa Phillips:

You'd think they'd have something better to do.

Marcus Johnson:

Yeah, that's true. Maybe not the most helpful research, for self-esteem, at least of humans. 60% bananas. What's worse, to be compared to a chicken, a banana, or a fruit fly? Fruit flies are the worst.

Lisa Phillips:

Fruit flies, I think. Yeah.

Marcus Johnson:

Yeah. Yeah,

Rajiv Leventhal:

I think it has the most negative connotation, I would say.

Marcus Johnson:

That's true.

Lisa Phillips:

The most annoying.

Rajiv Leventhal:

That's true.

Marcus Johnson:

At least the other two are tasty. All right. Today's real topic, Gen Z's take on healthcare.

In today's episode, first in the lead, we'll cover Gen Z's relationship with healthcare. Then for another news, we'll discuss Amazon Clinic video visits and how connected fitness is getting on post-pandemic. But we start with the lead and we're talking about young people and their relationship with healthcare. Rajiv, you recently put out some research on Gen Z and healthcare. First of all, Gen Z roughly know which ages we are counting. 12 to 26?

Rajiv Leventhal:

Yes.

Marcus Johnson:

That's right?

Rajiv Leventhal:

And for the purpose of the report, it's mostly adult Gen Z, so 18 to 26. But yes, officially it would be 12 to 26 as of this year.

Marcus Johnson:

Got it. Okay. So you note at the start of your report, Gen Z's healthcare journeys are just beginning. Explain what that looks like, please.

Rajiv Leventhal:

Yeah, so well, just based on their age, of course, they have had most of their healthcare decisions made for them in the past. Whether it's parents picking out their pediatricians or colleges, having a doctor on campus, if you go to a college campus that you don't really have

much choice with. And of course the U.S. healthcare system doesn't allow for a lot of choice to begin with. But in terms of the products and services and care that you can choose from, gen Z is just starting to make those decisions on their own. Right? They're moving from their parents' health plans to their own, which means increased spending power and being more responsible for a lot of things, choosing doctors, comparing prices for services, booking appointments. And it's really an opportunity for providers, healthcare providers, and healthcare brands to build that trust from the ground floor up.

Marcus Johnson:

So adults can, these parents can keep their kids on their own healthcare plans up until the age of 26?

Lisa Phillips:

Yes.

Rajiv Leventhal:

Yes.

Marcus Johnson:

Okay. Okay. So the very oldest Gen Z people are starting to come off of those plans that they've been on from their parents.

Lisa Phillips:

This year. Yeah.

Marcus Johnson:

Okay. This year. Lisa, when you think about Gen Z and their relationship with healthcare and this journey's just beginning, what comes to mind for you?

Lisa Phillips:

I recall having to learn the difference between a premium and a deductible, and then how mad I got when I found out I was going to be paying a healthcare premium, and yet still paying a deductible. So, I have a feeling there's going to be an awful lot of consternation amongst these young adults.

Marcus Johnson:

Yeah. Health literacy, healthcare literacy could definitely be an important thing for anyone, particularly people at the start of their healthcare journeys in the U.S. The one thing that stuck out to me, Rajiv, from your research, is that cost is a big deal too. Data points to back that up. Two in three Gen Z people were living paycheck to paycheck, two in three, according to a March survey from Lending Club and payments.com. And then a second point, you make nearly 40% of the 18 to 24 year olds, so most of the adult Gen Zers in the U.S., 40% skipped out on seeing a doctor in the past year due to cost, according to a March, 2023 CivicScience survey.

Rajiv Leventhal:

Yeah, I mean, just think about it. If you're young and either in college or just out of college, you probably don't have a lot of money. And you certainly have little to no savings, for the most part. And one of the things that you might skip out on is any sort of non-urgent healthcare costs. So, that's leading to the stat that that's one of the reasons why care is being either deferred or just skipped altogether, unless it's an absolute necessity, just because it's not affordable for some of these patients.

Marcus Johnson:

So, I've seen young people's relationships between healthcare and social media come up in other research that you've written, whether that was on millennials, we talked about last health episode last month, or other reports that you worked on as well. But in this one, you really do dive into that concept, but particularly with Gen Z people. And so you write that with more time on their hands at home during the pandemic, many Gen Zers developed closer ties with health related content creators and influencers saying, thus, "Social media now serves as an entry point into the healthcare system." But to you, Rajiv, you had a bunch in here, what stat best supports this trend?

Rajiv Leventhal:

I would say it's that when seeking information on treatment for a condition, so many Gen Zers go to YouTube and TikTok, I think it was 44% to YouTube, 33% to TikTok, before visiting a doctor. And that's from a CharityRX survey from late last year. And just to take a step back, Marc, as you noted, how often that they're on social media to begin with, these are digital natives in its truest sense. And then the pandemic happened, and now they're on devices and

online even more. There was a door opening for them to connect more with the influencers. Some of these influencers are professionals and experts and some are not. So, that's the pretty scary part.

But I don't know if it made this report, but another stat from that survey showed that the top reasons why, or top reason why young consumers are going to these social media channels before a doctor is access. So for example, YouTube and TikTok of course, cannot replace a doctor's visit. But accessing a doctor for, let's say you have a new issue, it can be really challenging for some people, whether it's proximity or cost or lack of available appointments. So maybe they're thinking, maybe Gen Z and other consumers are thinking that, "This educational or informative content I see on social media could buy me some time, at least before I need to see the doctor. And maybe provide me with some of the information that I'm looking for."

Lisa Phillips:

Although I have to say, I just want... It could send them to the doctor too.

Rajiv Leventhal:

Yes.

Lisa Phillips:

There's something on TikTok going around. I just saw NBC News reported on it, that doctors are saying, "Don't put castor oil in your eyes.", as seems to be some things going around on TikTok.

Marcus Johnson:

That's pretty important [inaudible]-

Lisa Phillips:

People are claiming-

Marcus Johnson:

... probably.

Lisa Phillips:

Yeah.

Marcus Johnson:

Yeah.

Lisa Phillips:

I mean, you could hurt yourself.

Marcus Johnson:

Yeah. Yeah. Well, Rajiv, the key word there in what you said was, first. Where the folks go first for health information. And you mentioned YouTube and TikTok, a decent share of Gen Z folks going there first before visiting a doctor. There are a lot of folks who just go to social media platforms, as you know, all the time, or often to look up specific healthcare information via different searches, hashtags, things like that. Half of Gen Z people do that. But this wasn't first, this was in general. So half of Gen Z people doing that, that's compared to... so 50%, just one in 10 boomers. So five in 10 young people, one in 10 boomers using social media for health specific reasons. Most people going to Instagram and YouTube, over 50%. Then Facebook and TikTok, over 40%.

Rajiv Leventhal:

And some of them are also going a step further in self-diagnosing.

Marcus Johnson:

Yes.

Rajiv Leventhal:

I think that was in the report as well. And they're reading and seeing and hearing this information, and they think that they have enough knowledge now to say, "I have this condition.", or, "I am diagnosed with depression or anxiety." And if they're taking that information to arm themselves with knowledge as they head to the doctor, that's not the worst thing. But if they don't supplement that online experience with a doctor visit, that's when it can get pretty scary and dangerous.

Marcus Johnson:

And that's a lot of people. So, let's go to the number. So 30% of U.S. Gen Z folks have used social media to diagnose health conditions like depression or anxiety, the largest share among all generations. That was according to a June Tebra survey, but half of Gen Zers, half who self-diagnosed a medical condition online, also got an opinion from a healthcare professional. That means a lot didn't. That means a lot diagnosed themselves online and just moved on with their lives.

And I said this on, I think one of the, maybe it was the millennials' episode in healthcare, there's a big difference between knowledge and expertise. So just because something doesn't make you an expert in it or help you know necessarily what is the best course of action. Even if there are a list of courses of action that you can read, knowing which one should come next, isn't something that the average person can just glean from internet research. Let's move on to healthcare experiences in general. Lisa, what to you, do Gen Zers want from their healthcare experience?

Lisa Phillips:

Ease. I would think judging from their interest in YouTube and TikTok and so on, they want to be engaging and entertaining in some way, perhaps. But I think that they also expect a level of expertise they don't have. For the ones that are really seeking a diagnosis, they will go to a doctor.

I was a little taken aback by, well, Rajiv mentioned in his report, that one of the reasons they'll skip out on getting healthcare is embarrassment over something. And so I would think that using some TikTok or YouTube video, do a cat or dog meme about acne or something. I mean, just try to make things a little more relatable to this young audience that really seems to that kind of content.

Rajiv Leventhal:

And building on that a little bit from the trust, and maybe embarrassment, which struck me most when doing research for this report about this specific question, what Gen Z wants from their healthcare experience was, I didn't realize how diverse this generation is in terms of racially diverse, ethnically diverse, culturally, gender diverse. And those who are in a "marginalized" group want to be seen and heard by providers and healthcare brands who either share that identity directly, or who at least have experience in treating patients who have unique needs. And if you just look at some of the stats in the report about how many Gen

Z patients identify as non-white or non-heterosexual, that's really important as you're looking to build trust with them.

Marcus Johnson:

Yeah. So one of the things that jumped out to me was, we talk about young people and how digitally native they are, how they want everything to be on their smartphones. But you point out, Rajiv, that many Gen Zers actually don't want all digital all the time. And that speaking with their provider in person is a preferred choice for 62% of adult Gen Zers, you write. As according to an able Spring Bank study, that 62% who want the in-person experience, first as their preferred choice, 62% as compared to 29% who preferred texting with their doc, 20% who favored video appointments, and 20% who said web or mobile apps. Rajiv and with this question, how can health marketers connect with these younger people, is a question that you answer in the final section of your report.

Rajiv Leventhal:

Yeah. I think one key is, I guess from a social media standpoint, capture their attention on the channels that they engage with the most. Lisa mentioned what you can do to sort of remove some of the either stigmas or barriers around how they feel in terms of trust and why they might be embarrassed.

But also to that point, we're realizing that conventional healthcare won't work for this group and adapt your services accordingly. We saw a couple of digital health companies roll out service lines, particularly dedicated to the needs of Gen Z patients. And they're doing that because they know that this is an overlooked group at times. But they have unique healthcare needs and it's an opportunity to establish that you really care about this group of consumers.

Marcus Johnson:

Lisa, one of the chats that jumped out to me was one that says that U.S. adults who have switched, the share of U.S. adults who have switched primary care providers, so how many have switched primary care providers. This was from our survey, U.S. digital health survey from last year, from the end of last year. And whilst 12% of boomers had switched, 16% of Gen X, 29% of millennials, nearly double that 29%, 60, close to 60% of Gen Z folks had switched.

And so there is this conversation around how Gen Z have less loyalty to brands, maybe higher expectations is another way of putting it. Maybe they just have access to more research, and so it is easy for them to see what else is out there. But this is a generation where marketers are going to have a hard time not only contacting this group, but keeping them because they do have options.

Lisa Phillips:

Exactly. They do have options, but I also wonder, we didn't ask this, is like, was this because you were using a telehealth service and every time you dial in, you get a different doctor? I don't know.

Marcus Johnson:

Yeah. The why.

Lisa Phillips:

We didn't ask them if they intentionally switched or if they were switched.

Marcus Johnson:

Right. Good point. That's a very good point.

Lisa Phillips:

Sometimes that happens. And if they go to a retail health clinic, yeah they see one practitioner or another, or they call up for an appointment. This happens to boomers too. You call up and, "Well, that doctor's not available that day. But if you really need to see somebody, you get so-and-so." So I'd say that, yes. And maybe to the point Rajiv made, that they're getting on their own insurance. They may have to leave the doctor that they used under their parents' insurance.

Marcus Johnson:

Very good point. Yeah. Did you have to switch? Why you switched? There's lots of reasons why they could have switched.

Lisa Phillips:

Too much information.

Rajiv Leventhal:

Who's in network is probably the right question to ask there-

Lisa Phillips:

Yeah, exactly.

Rajiv Leventhal:

... because that's going to drive a lot of the [inaudible].

Lisa Phillips:

It's another term they're going to have to learn, is in network versus out of network.

Rajiv Leventhal:

Wait, wait, I can't just choose any doctor?

Marcus Johnson:

No, you cannot. That's what we've got time for the lead time for the halftime report.

Rajiv, I'll start to you. What to you is most worth repeating from the first half?

Rajiv Leventhal:

Gen Z is getting older. That's a hot take, right? Everybody's getting older. No, [inaudible]-

Marcus Johnson:

What?

Rajiv Leventhal:

They're starting to make their own decisions, as we said. You're going to have increased spending and power. They're going to be on their own insurance plans. They're going to start paying for care instead of having parents or guardians pay for care. And it's just again, a real opportunity for providers and marketers to maybe build a long-lasting, fruitful relationship and get it on the ground floor, because now's your time.

Marcus Johnson:

You said they're getting older and we laughed about it. But you're right. There's about to be a wave of folks who are entering this very crucial 26 and older category of people who are going to be-

Rajiv Leventhal:

I actually think that. I hate when I hear that. It's funny that I said that. Everybody gets older. [inaudible]. Find me someone who's getting younger.

Marcus Johnson:

That is true. Yeah.

Lisa Phillips:

What makes me mad is when they say, "The older generation. People are getting older. Swiftly. Rapidly aging.", that's it. I hate that term, rapidly aging.

Marcus Johnson:

Yeah, yeah, yeah. Faster than someone else-

Lisa Phillips:

No more than anyone else.

Marcus Johnson:

... somehow. Yeah. Although I think people who live in New York are aging faster than everybody else as well. But yeah, this group of people are aging into that 26 and older category of people who are going to be coming off their parents' health insurance, and looking for their own flavor. Lisa, what to you is most worth repeating from the first half?

Lisa Phillips:

I think actually it was starting with digital, digital, digital. But through that to the point of diversity, you could advertise in certain channels that you are gay-friendly, your gender-neutral in your practice, but also prices. Cost is big for this generation, if they can see that they can get a price. I mean, that's why maybe a lot of them use telehealth because the price is right there.

Marcus Johnson:

Rajiv's full report is called Gen Z's Take on Healthcare, How can Providers and Marketers Adapt to This Digitally Native Cohort? You can head to insiderintelligence.com to get access to the full thing, or click the show notes below to get there too.

That's all we've got time for the first half-time. Time for the second. Today in other news, Amazon Clinic expands to include video visits and, how's connected fitness going on post-pandemic?

Story one, Lisa, in a recent piece you wrote that Amazon has expanded its Amazon Clinic telehealth services to include video visits in all 50 U.S. states and DC. You explained that the service launched last November with text only messaging covering 30 plus common medical conditions. It's now in 34 states, but is expanding to all 50. Folks can access Amazon Clinic through the Amazon site or app. But Rajiv to you, the most important sentence from Lisa's article is what and why?

Rajiv Leventhal:

Well, it's that Amazon is becoming a much bigger direct-to-consumer healthcare player. It's now expanding its services for Amazon Clinic, as you mentioned, video and text-based healthcare services. It's got Amazon Pharmacy, it rolled out a discounted RX pass for generic medications. So, it's really playing to the consumer in the consumer's healthcare needs.

But it's important to keep in mind a few caveats. This service is mostly for patients who have minor issues and those without insurance, since the clinic doesn't take it. And then Lisa brought up in her piece, will the everyday consumer want to turn to Amazon for their healthcare needs? That's very much still a question. They've got a lot of trust concerns with big tech in general, and that's outside of healthcare. So, we will see.

Marcus Johnson:

Yeah. One point from me in the piece noting, Lisa, you noted the number of U.S. telehealth users. Over a hundred million U.S. telehealth users in 2023. That's about 40% of the adult population, so a lot of folks.

Story two. Lisa, you also recently wrote a piece about connected fitness, looking at how connected fitness has hit a post-pandemic slump. You pointed to our forecast that suggest 1 million Americans will stop being connected fitness users this year, as the total falls to 40 million. That number will keep falling slowly. Connected fitness users are of course, folks who

use interactive fitness platforms like Peloton or iFIT. But Lisa, to you, the most important sentence in your article on Connected Fitness and how it's getting on post pandemic is what and why?

Lisa Phillips:

You took it from me. I was like, connected fitness-

Marcus Johnson:

Sorry.

Lisa Phillips:

... users are falling off the wagon, is really just the whole thing. We're seeing that we had to update our estimates to adjust them down. We had thought that this pandemic boom that was created when people had to stay home. Peloton bikes were the rage, and now we're expecting 800,000 people will leave Peloton or leave connected fitness services. I mean, Lululemon bought Mirror, which is a connected fitness tool and subscription service. And now they're trying to sell them, only three years later. So yeah, people are going back to the gym or they're just trying new routines or they're just not exercising at all anymore.

Marcus Johnson:

Yeah, we do have our forecast, as you mentioned. Kind of steady, slow staircase growth up, in terms of connected fitness users. And now we've revised that to a steady staircase going down, in terms of those folks. That's all. We've got time for this episode. Thank you so much to my guests. Thank you to Lisa.

Lisa Phillips:

Thank you, Marcus. Good to see you.

Marcus Johnson:

You too. Thank you, of course, to Rajiv.

Lisa Phillips:

Thanks, Marcus.

Marcus Johnson:

Yes, sir. And thank you to Victoria who edits the show, James, who copy edits it, and Stewart who runs the team. Thanks to everyone for listening in to the Behind the Numbers Daily, an eMarketer podcast made possible by Awin. You can tune in tomorrow, if you'd like, to hang out with Sarah on the Re-Imagining Retail Show where she'll be speaking with insider intelligence, Senior Analyst, Blake Droesch, and Senior Director of Content, Becky Schilling, all about grocery.