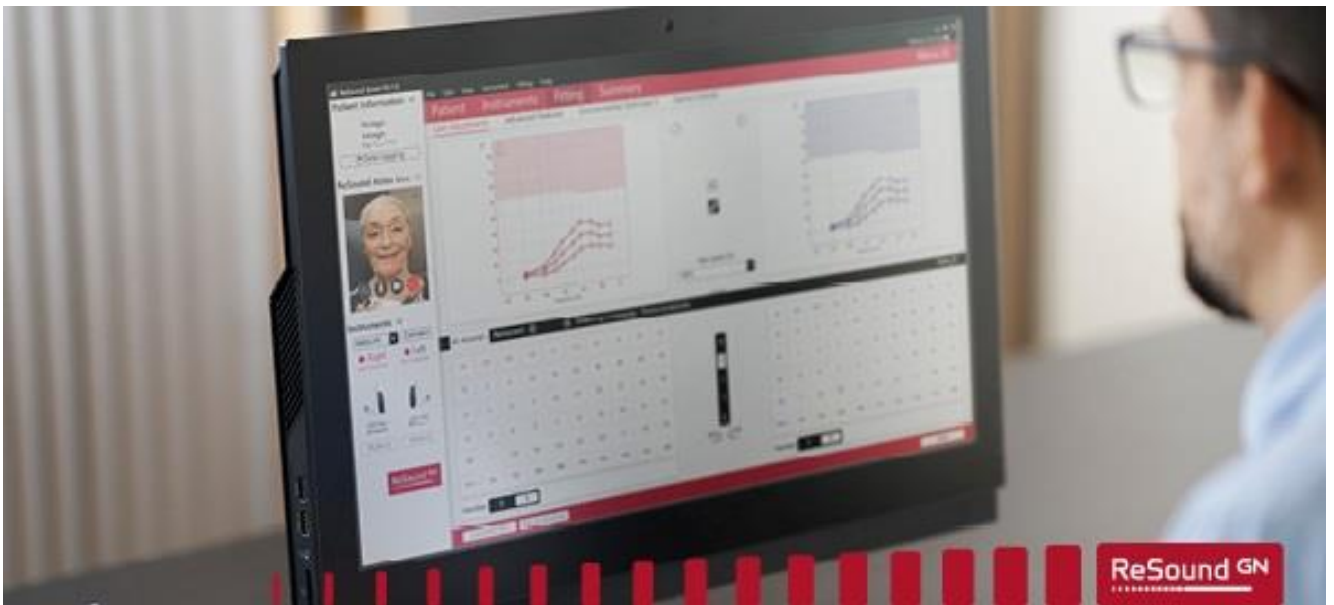


ReSound COVID-19 Impact Survey June 2020



Contents

Executive Summary.....	Page 3
COVID-19 Impact Survey 1 Results: April 29th-May 15th, 2020.....	Page 5
COVID-19 Impact Survey 1 Results: May 16th-May 29th, 2020.....	Page 10

ReSound COVID-19 Impact Survey Executive Summary

During May, ReSound invited customers to participate in two online surveys gauging the impact of COVID-19 on their practices and associated practice responses in five key areas:

- Staffing;
- Practice operations;
- Patient care protocols;
- Revenue and sales; and,
- Governmental support.

Combined, there were **234 total responses** to both surveys. Survey 1 measured between April 29 – May 15, and Survey 2 between May 16 – May 29. Full results of surveys follow this summary.

SURVEY HIGHLIGHTS/KEY LEARNINGS

Impact on Practice Employees

Employees are the lifeblood of any business, particularly service-oriented ones like audiology and hearing aid dispensing.

In our first survey, **58%** of customers reported having to furlough employees, or otherwise reduced hours or compensation as a result of COVID-19. The majority, **43%**, had to take such actions against three-quarters or more of their employees.

Our second survey reveals a trend showing practices are starting to bring back employees, or at least restoring hours. **63%** of customers reported operating practices with **76-100%** of their usual staffing level.

Impact on Practice Operations

COVID-19 has impacted the operations of our customers' practices in a myriad of ways. In our initial survey, **31%** of customers were operating their practices with reduced hours, but still treating patients in-office.

Closely behind (**27%**) were practices operating with reduced hours, but only treating patients remotely and/or through curbside service. Some practices (**13%**) reported being closed, vastly due to governmental mandates, and did so in mid-March. At the time of the first survey, 46% were unsure when normal practice operations might resume.

Our second survey shows some signs of practices returning to normal hours. Half of practices (**50%**) are now operating under normal hours vs. reduced hours. Most practices (**79%**) also have reported allowing more time for appointments and more time in between appointments.

Impact on Patient Care Protocols

COVID-19 has altered how practices treat patients. Teleaudiology is taking root, with **26%** of customers in our second survey using remote care as one part of their approach in treating patients. Our second survey also asked what precautions are being taken when treating patients in-office. Most common actions include:

- Practices are doing additional cleaning between appointments (**98%**);
- Employees are donning personal protective equipment (**94%**);
- Practices are limiting the number of people in lobbies and people accompanying patients (**88%**); and,
- Asking patients pertinent health and COVID-19 exposure questions, and requiring face masks (**73%**).

Impact on Practice Revenues and Sales

To gauge impact on practice revenues, customers were asked to compare revenue in April 2020 versus April 2019. A majority (**62%**) of customers reported April 2020 revenues down by **76%** or more versus April 2019.

Comparing hearing aid sales in May 2020 vs. May 2019, the vast majority (**94%**) of customers reported selling fewer hearing instruments, most experiencing declines of **51%** or more.

Of note, the percentage of revenue-generating appointments for practices in May has been mixed. Less than half (**41%**) of customers reported that only **5%** or less of their appointments have been revenue-generating.

The survey also revealed an important insight– there are still new patients out in the market. Four out of ten (**39%**) of customers reported that **26 to 50%** of patients buying hearing aids were new to their practices. Customers have also noted more patients are seeking out financing options.

Governmental Support

Two important loan programs to help support small businesses through the COVID-19 pandemic were made available under the CARES Act: The Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP).

Just over half (**51%**) of our responding customers applied for the EIDL, with **40%** of them getting their initial grant. A majority (**60%**) of customers receiving their initial grant reported having to wait 3-4 weeks, instead of the three days initially promised by the Small Business Administration (SBA). **Average grant amounted to \$4,386.** The vast majority had not received a final decision on their EIDL at the time of the first survey.

Three-quarters (**75%**) of responding customers applied for the PPP. Half did so with a local or community financial institution. Nearly 60% that applied received a decision, with **average funding of \$56,202.**

COVID-19 Impact Survey 1: April 29-May 15, 2020

167 Responses received

Question 1: Are you the owner or administrator of a practice?

- 65% or 108 people said **Yes**
- 35% or 59 people said **No**

Question 2: What best describes the market your practice is in?

- 20% or 22 people said **Urban**
- 52% or 56 people said **Suburban**
- 28% or 30 people said **Rural**

Question 3: What best describes the setting of your practice?

- 91% or 98 people said **Private Practice**
- 4% or 4 people said **ENT**
- 1% or 1 person said **Hospital or Clinic**
- 1% or 1 person said **Non-profit**
- 4% or 4 people said **Other**

Question 4: How many locations does your practice have?

- 81% or 88 people said **1-2**
- 17% or 18 people said **3-5**
- 0% or 0 people said **6-10**
- 2 % or 2 people said **11+**

Question 5: How many employees does your practice have?

- 71% or 77 people said **1-4**
- 19% or 21 people said **5-10**
- 6 % or 7 people said **11-15**
- 2% or 2 people said **15-25**
- 1% or 1 person said **25+**

Question 6: Of your employees, and including the owner(s), how many actively dispense hearing aids?

- 94% or 102 people said **1-4**
- 5% or 5 people said **5-10**
- 1% or 1 person said **11-15**
- 0% or 0 people said **15-25**
- 0% or 0 people said **25+**

Question 7: Have you furloughed employees, or otherwise reduced their hours or compensation, due to COVID-19?

- 58% or 63 people said **Yes**
- 42% or 45 people said **No**

Question 8: How many of your employees have you needed to furlough, reduce hours or compensation?

- 30% or 19 people said **1-25%**
- 14% or 9 people said **26-50%**
- 13% or 8 people said **51-75%**
- 43% or 27 people said **76-100%**

Question 9: What best describes your current patient care protocols?

- 17% or 18 people said **Their practice is open normal hours and is accepting patient visits in-office.**
- 31% or 33 people said **Their practice has reduced hours but is accepting patient visits in-office.**
- 12% or 13 people said **Their practice is open normal hours but only seeing patients remotely and/or through curbside service.**
- 28% or 30 people said **Their practice has reduced hours and is only seeing patients remotely and/or through curbside service.**
- 13% or 14 people said **Their practice is closed**

Question 10: If the practice is closed, was this due to a governmental mandate, you following professional association guidance, or by your choice?

- 86% or 12 people said **Governmental mandate**
- 7% or 1 person said **Professional association guidance**
- 7% or 1 person said **By their choice**

Question 11: When did you close your practice?

- 8 people said the **Week of March 16th**
- 2 people said the **Week of March 23rd**
- 4 people said the **Week of March 30th**
- 0 people said the **Week of April 6th**
- 0 people said the **Week of April 13th**
- 0 people said the **Week of April 20th**

Question 12: When do you anticipate resuming normal operations?

- 2 people said the **Week of April 27th**
- 9 people said the **Week of May 4th**
- 8 people said the **Week of May 11th**
- 13 people said the **Week of May 18th**
- 8 people said the **Week of May 25th**
- 50 people said **they are Unsure**

Question 13: Have you developed a business recovery plan?

- 56% or 50 people said **Yes**
- 44% or 40 people said **No**

Question 14: Prior to Covid-19, did your practice have a rainy-day fund?

- 64% or 69 people said **Yes**
- 36% or 39 people said **No**

Question 15: If your practice had a rainy-day fund, how long could that fund sustain the operations of the practice?

- 3% or 2 people said **Less than a month**
- 29% or 20 people said **1-2 months**
- 38% or 26 people said **3-4 months**
- 9% or 6 people said **5-6 months**
- 22% or 15 people said **6+ months**

Question 16: Have you applied for an Economic Injury Disaster Loan (EIDL)?

- 51% or 55 people said **Yes**
- 49% or 53 people said **No**

Question 17: What was the reason why you did not apply for the EIDL?

- 25% or 13 people said they are **Unsure if it is appropriate for my practice**
- 15% or 8 people said they **Do not meet qualifications for the loan**
- 28% or 15 people said **Funding is not needed**
- 32% 17 people said **Other**

Question 18: If you have applied for the EIDL, have you received the initial grant/advance yet?

- 40% or 22 people said **Yes**
- 60% or 33 people said **No**

Question 19: What was the amount of your initial grant/advance?

- The Mean amount was **\$4,368**

Question 20: How long ago did you apply for the EIDL?

- 0% or 0 people said **Less than a week**
- 15% or 5 people said **1-2 weeks**
- 52% or 17 people said **3-4 weeks**
- 21% or 7 people said **5-6 weeks**
- 12% or 4 people said **6+ weeks**

Question 21: From when you applied for the EIDL to when you received the initial grant/advance, how long was that timeframe?

- 0% or 0 people said **Less than a week**
- 14% or 3 people said **1-2 weeks**
- 59% or 13 people said **3-4 weeks**
- 14% or 3 people said **5-6 weeks**
- 14% or 3 people said **6+ weeks**

Question 23: Have you received a final decision from the Small Business Administration (SBA) on your EIDL application?

- 14% or 3 people said **Yes**
- 86% or 19 people said **No**

Question 24: What was the final loan amount approved for?

- The Mean amount was **\$173,333**

Question 25: From when you first applied for the EIDL to when you received your final loan approval, how long was the timeframe?

- 0% or 0 people said **Less than a week**
- 0% or 0 people said **1-2 weeks**
- 67% or 2 people said **3-4 weeks**
- 0% or 0 people said **5-6 weeks**
- 33% 1 person said **6+ weeks**

Question 26: Have you applied for the Paycheck Protection Program (PPP) loan?

- 75% or 81 people said **Yes**
- 25% or 27 people said **No**

Question 27: What was the reason why you did not apply for the PPP loan?

- 30% or 8 people said they are **Unsure if it is appropriate for their practice**
- 19% or 5 people said they **Do not meet qualifications for the loan**
- 11% or 3 people said **the employee payroll tax credits are more advantageous for my practice vs. the Paycheck Protection Program (PPP)**
- 26% or 7 people said **Funding not needed**
- 15% or 4 people said **Other**

Question 28: Where did you apply?

- 49% or 40 people said **Local/community financial institution**
- 16% or 13 people said **Regional financial institution**
- 31% or 25 people said **National financial institution**
- 4% or 3 people said **Online based company (i.e. Square, Paypal, Kabbage).**

Question 29: Have you received a decision on your PPP Loan application?

- 58% or 47 people said **Yes**
- 42% or 34 people said **No**

Question 30: How much funding did you receive?

- The Mean amount was **\$56,202**

Question 31: How long ago did you apply?

- 9% or 3 people said **less than a week**
- 3% or 1 person said **1-2 weeks**
- 71% or 24 people said **3-4 weeks**
- 18% or 6 people said **5+ weeks**

Question 32: From the date you applied to when you received PPP funding, how long was that timeframe?

- 6% or 3 people said **less than a week**
- 40% or 19 people said **1-2 weeks**
- 47% or 22 people said **3-4 weeks**
- 6% or 3 people said **5+ weeks**

Question 33: What is the current state of your practice?

- Less than 1% or 1 person said that **without any infusion of cash, the practice will fail within the next 2 weeks**
- 8% or 9 people said **the practice can survive for 15-30 days**
- 47% or 51 people said **the practice can survive for 1-3 months**
- 44% or 47 people said **the practice can survive for 4+ months**

Question 34: Considering this April versus a typical April, revenue has...

- 1 person said it has **Increased**
- 2 people said it has **Stayed the same**
- 7 people said it **Decreased by 1-25%**
- 9 people said it **Decreased by 26-50%**
- 22 people said it **Decreased by 51-75%**
- 67 people said it **Decreased by 76% or more**

COVID-19 Impact Survey 2: May 16-29, 2020

68 Responses received

Question 1: Is your practice currently open?

- 88% or 60 people said **Yes**
- 12% or 8 people said **No**

Question 2: Did your practice close at any point during the COVID-19 pandemic?

- 37% or 22 people said **Yes**
- 63% or 38 people said **No**

Question 3: When did your practice reopen?

- 36% or 8 people said **sometime in April**
- 27% or 6 people said **the Week of May 4th**
- 14% or 3 people said **the Week of May 11th**
- 23% or 5 people said **the Week of May 18th**

Question 4: Are you operating with normal or reduced business hours?

- 50% or 34 people said **Normal business hours**
- 50% or 34 people said **Reduced business hours**

Question 5: What level of staffing is your practice currently operating at?

- 9% or 6 people said **0-25%**
- 9% or 6 people said **26-50%**
- 19% or 13 people said **51-75%**
- 63% or 43 people said **76-100%**

Question 6: Are you currently treating patients in-office, remotely (i.e. teleaudiology), and/or curbside?

- 43% or 58 people said **In-Office**
- 26% or 36 people said **Remotely (i.e. teleaudiology)**
- 31% or 42 people said **Curbside**

Question 7: What precautions are you taking treating patients in-office (select any that apply)?

- 62 people said they are **Donning personal protective equipment (i.e. face-shield, gloves, mask)**
- 52 people said they are **Allowing time gaps between appointments**
- 65 people said they are **Cleaning between appointments**
- 20 people said they are **Installing barriers (i.e. plexiglass)**
- 49 people said they are **Limiting the number of people accompanying the patient**
- 58 people said they are **Limiting the number of patients/people in your lobby**
- 21 people said they are **Taking temperatures of patients**
- 48 people said they are **Asking pertinent health and COVID-19 exposure questions**
- 47 people said they are **Requiring patients to wear masks**
- 30 people said they are **Requiring patients to wash hands or use hand sanitizer**

Question 8: In May, what percentage of your practice's appointments have been revenue-generating?

- 41% or 28 people said **0-25%**
- 34% or 23 people said **26-50%**
- 22% or 15 people said **51-75%**
- 3% or 2 people said **76%+**

Question 9: Has your practice sold any hearing instruments in May?

- 84% or 57 people said **Yes**
- 16% or 11 people said **No**

Question 10: Comparing May 2020 thus far vs. May 2019, has the overall number of hearing instruments sold by your practice...

- 2% or 1 person said **they have Increased**
- 95% or 54 people said that **they have Decreased**
- 4% or 2 people said **they have Remained Similar**

Question 11: By what percentage has the overall number of hearing instruments sold by your practice decreased?

- 11% or 6 people said **0-25%**
- 20% or 11 people said **26-50%**
- 33% or 18 people said **51-75%**
- 35% or 19 people said **76%+**

Question 12: Considering the patients who bought hearing instruments from your practice in May, what percentage were new to the practice?

- 51% or 29 people said **0-25%**
- 39% or 22 people said **26-50%**
- 5% or 3 people said **51-75%**
- 5% or 3 people said **76%+**

Question 13: Of the patients who bought hearing instruments from your practice in May, has there been appreciable changes in buying behaviors?

- 25% or 14 people said **Yes**
- 75% or 43 people said **No**

Question 14: What changes in buying behaviors have you observed (select any that apply)?

- 0 people said **Patients are spending more or selecting higher levels of technology.**
- 9 people said **Patients are spending less or selecting lower levels of technology.**
- 7 people said that **More patients are seeking out financing options.**
- 0 people said that **More patients are considering leasing.**
- 2 people said that **Patients are asking about remote care.**
- 4 people said **There is greater prioritization on hearing and communication.**
- 3 people said **There is a greater prioritization of health.**
- 1 person said **There is an increased desire to support local business.**
- 0 people said **There is increased consumer knowledge.**

Question 15: Considering overall revenue for May 2020 thus far vs. May 2019, it has...

- 1% or 1 person said that **It has increased**
- 93% or 63 people said that **It has decreased**
- 6% or 4 people said that **It has remained the same**

Question 16: By what percentage has overall revenue for May 2020 thus far vs. May 2019 decreased by?

- 8% or 5 people said **1-25%**
- 21% or 13 people said **26-50%**
- 30% or 19 people said **51-75%**
- 41% or 26 people said **76%**

**GN ReSound North America
8001 E Bloomington Freeway
Bloomington, MN 55420
USA
1-800-248-4327
pro.resound.com**