



News release

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Pages 3

New Entrants are Disrupting the US\$9.59 Trillion Global Healthcare Market, Says PwC

New PwC report highlights business opportunities attracting entrepreneurial entrants to healthcare space in both developed and developing countries

The US\$9.59 trillion global healthcare market is receptive to innovations that can supplement or replace traditional person-to-person clinical interaction in both developed and developing nations, according to a new report issued today by PwC.

PwC's report, titled *Global health's new entrants: Meeting the world's consumer*, shows how new entrants – companies around the globe whose core businesses reside entirely outside of the health space or are expanding into new health roles– are pioneering pathways into virtual healthcare, more affordable and convenient care options, wellness and fitness, and more. These disruptive, entrepreneurial arrivals to the health sector, PwC says, have the potential to capture tens of billions of dollars in revenue currently going to traditional healthcare players in countries across the world.

“New entrants are disrupting the healthcare industry globally and are helping to spur the rise of a new kind of healthcare consumer,” says Vaughn Kauffman, PwC's Global Health New Entrants leader. “Healthcare costs are rising faster than the gross domestic product of many nations and access to quality care is limited in many developing countries. At the same time, opportunities exist for savvy firms of all sizes and dimensions to bring consumer acumen and fresh ideas to address these and other global healthcare challenges. As a result, we're seeing new entrants in health crossing national borders and forging symbiotic partnerships with traditional players, overturning old paradigms as they introduce greater choice and innovative health solutions.”

Among the findings of PwC's report, consumers around the globe share a willingness to choose new healthcare options if the price is right, quality is on par with traditional healthcare services, and time can be saved:

- Consumers want a healthcare experience that mirrors the convenience and transparency of banking, retail & other services.



- In emerging markets surveyed (Brazil, China, India, South Africa, Turkey), 54% of respondents expect that mHealth (mobile health) applications/services will improve the quality of healthcare they receive in the next three years.¹
- In Canada, 52% of patients said mHealth will improve the convenience and access of healthcare.²
- In Germany, 43% were willing to accept services and products from non-traditional healthcare providers as long as the quality and results were the same.³
- In the US, 64% of respondents were open to trying new, non-traditional ways of seeking medical attention and treatment if the price was right.⁴

Four key themes are explored in *Global health's new entrants*:

- *The Leapfrog Effect: Why Developing Countries Innovate Faster*
Innovations can spring more rapidly from emerging economies than from developed countries. Where urgent needs prevail in a less regulated environment, health solutions offered by disruptive new entrants can take root more quickly.
- *Virtual Democratisation of Care*
As the world pivots ever closer to the 'virtualisation of care'— with the bundling of mobile, digital, and wireless — new entrants from sectors including telecom, technology and retail will be well-positioned to offer amazing breakthroughs that help erase healthcare boundaries and enable care anywhere.
- *Filling Gaps in a Global Consumer Health System*
Consumers today want a healthcare experience that mirrors the convenience and transparency of their banking, retail, transportation, and other purchasing experiences. Filling gaps between consumer expectations and the current medical infrastructure provides many opportunities for new entrants to move into global healthcare with fresh ideas and skills.
- *Path of Least Resistance: Wellness and Fitness*
The growing wellness and fitness market, which PwC says likely represents US\$1.49 trillion of the total US\$9.59 trillion global health industry, offers a more flexible entry for businesses considering ways to shake up healthcare without rubbing against government or traditional providers and the complex regulatory regimes that govern healthcare.

Global health's new entrants contains illustrative examples and case studies highlighting the work of global innovators in healthcare, including companies as disparate as Virgin Care, offering health and social care services in Britain, and FEMSA Comercio, a beverage and convenience store operator, which is expanding retail pharmacies in Mexico. PwC expects that pioneering firms like these stand to gain a considerable financial stake in the global healthcare economy, and to become critical actors in reaching underserved populations by introducing higher standards of care.

¹ Economist Intelligence Unit, *Emerging mHealth: Paths for growth*, (June 2012), p. 26.

² PwC Canada, *Making care mobile: Shifting perspectives on the virtualization of health care* (June 2013), p. 14.

³ PwC Germany, *Healthcare and Pharma New Entrants*, (October 2014).

⁴ PwC Health Research Institute, *Healthcare's new entrants: Who will be the industry's Amazon.com?*, (April 2014), p. 9.



For more information and to download an electronic copy of *Global healthcare's new entrants*, visit www.pwc.com/global-health.

Note:

PwC Global Healthcare works with leading healthcare providers, payers and health science organisations across the globe to provide business insights and real-time health solutions. We help public and private executives meet the challenges of their healthcare agendas including regulatory reform, revolution in care and the impact of new science. Our global network of professionals provide assurance, tax and business advisory services paired with industry experience and a deep understanding of the entire healthcare ecosystem and the dynamics that drive it. We invest heavily in bringing industry-wide, global perspectives to create sustainable health systems for our clients.

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