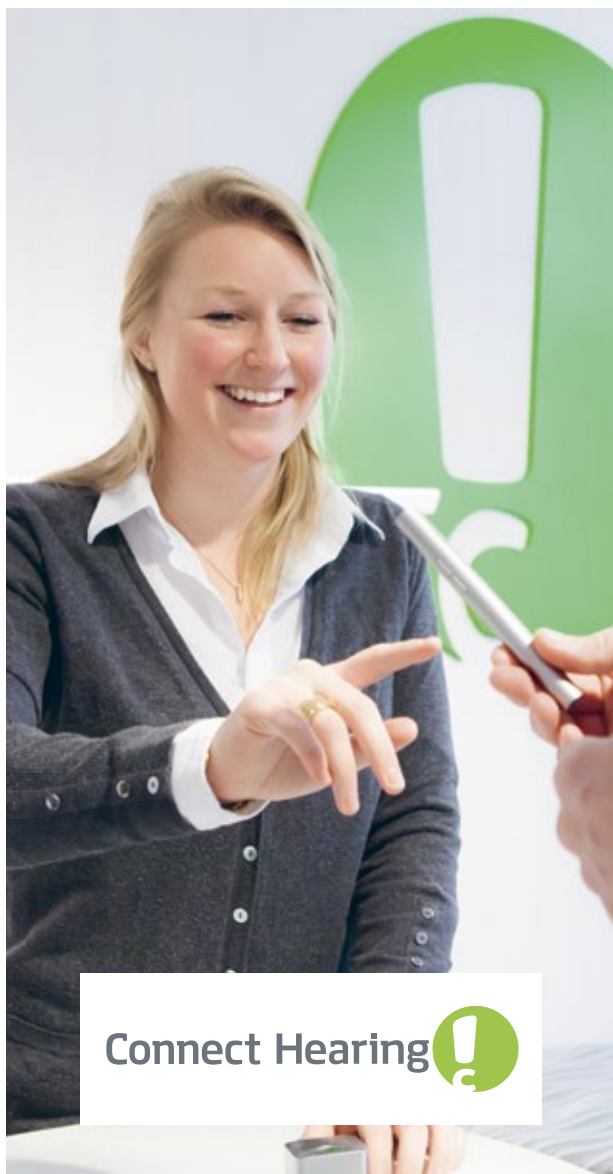


# Connect Hearing

Connect Hearing has just one goal, but it is a far-reaching one: to be the leading service provider in the hearing care industry.



Connect Hearing – Delivering outstanding service and solutions for people with hearing loss.

Connect Hearing is Sonova’s fast-growing international professional service network of hearing care providers. Operating from over 2,000 hearing care centers in ten major markets around the world, we are dedicated to delivering outstanding service and solutions for people with hearing loss. We put the customer at the center of everything we do, constantly thinking of ways to improve information, education, screening, counseling, and support, – because we know that better hearing starts with understanding individual needs.

Hearing loss can be a serious issue, cutting people off from the pleasures of life and the joy of close contact with loved ones and friends. We help to resolve that issue, not just with the most advanced technology, but with individually-tailored advice and service, all delivered with a personal touch. Buying a hearing aid should not be just a sales process; it is the beginning of a relationship, where our professionals aim to help each customer on the path back to a natural hearing experience.

Connect Hearing’s strategy rests on three pillars: building our global brand through consistent values and customer experience; constantly improving the way we work; and growing to reach and serve yet more customers in our key markets.

## Values – At the heart of the brand

The Connect Hearing brand is built on the core values of care, trust, and service. We strive to take care of our customers at every stage of their journey to better hearing. We want our customers to say that we are the most trusted brand in the hearing aid industry – one that they regularly return to and recommend. We serve our customers best by linking friendly, personal contact with advanced solutions and efficient procedures. These values apply worldwide, wherever the Connect Hearing “exclamation point” appears. To underline our shared values, we are continuing our global brand integration to give all our businesses a uniform look and feel, reflecting the consistent experience our customers should expect.

Digital tools are becoming increasingly important to achieve this goal: one example is HearingCaddy, which we successfully piloted in New Zealand. HearingCaddy acts as the customer's online personal hearing assistant. Available through the web or on tablets and smartphones, it lets our customers fill out their intake forms prior to appointments, update their personal details regularly, check their bills online, leave feedback on the hearing aids they are wearing, and access a broad range of helpful support information. HearingCaddy gives us the supporting data we need to deliver ever better service. Our professionals can analyze how each customer is using the hearing aids, so they can prepare a personalized agenda for the next appointment. Our Customer Service Center staff can spot any dissatisfaction a customer may have and take the initiative with a call to resolve the issue.

In the future, our digital platforms will include electronic screening, appointment, and coaching tools. The emphasis is always on the customer's experience: a digital platform is a powerful means to extend the care we offer, building trust and brand loyalty through an exceptional level of service.

In March 2015, we implemented large-scale trials of self-screening in the UK, as part of our partnership with Boots, the country's leading pharmacy-led health and beauty retailer. Using a convenient online or tablet-based in-store screening test, potential customers answer some simple questions about their hearing in different scenarios and test their hearing threshold at low, mid, and high frequencies. More than thirty thousand hearing checks were completed in the course of the year. Over 90% of customers surveyed said that they found the test easy to use; 20% said that they would not have booked an appointment had it not have been for the screening test, which shows how effective such tools are in gaining potential customers who might otherwise have been lost.

### Operational Excellence – A permanent journey

Our commitment to service at the highest standard is not just good for building customer loyalty; it is good for business, too – because it keeps us constantly examining what we do and how we do it, improving our efficiency and effectiveness. At Connect Hearing giving excellent care, developing new skills, and increasing profitability all go together. Our hearing care professionals are supported by our shared services, harmonized training courses and procedures, pooled equipment purchasing and calibration, and a common performance management and reporting system. In return, they help the company identify, pilot, and roll out innovative concepts that will become tomorrow's best practice: our most valuable ideas come from the experience and dedication of our professionals at each individual hearing care center.

Our practical approach to operational excellence extends to studying and optimizing every moment of the customer's experience to ensure that we seize all opportunities to build closer, lasting relationships with the people we serve. Our "customer engagement" training course for audiologists links the sales process firmly to the customer's story: the needs, emotions, and hopes that accompany the journey to better hearing. Focusing on specific behaviors, it helps our hearing care professionals understand the moments of connection, discovery, and engagement in their relation with customers. Good service generates good business, as customers become more willing to explore more advanced solutions and consider upgrading their hearing aids.

No matter how hard we try, not every customer is going to be absolutely delighted every time – and that is something we need to know about. Research shows that only 10% of unsatisfied consumers actually make a complaint. So our Lapperre centers in Belgium have piloted a Customer Satisfaction system, which follows up customers at the key points of contact in the engagement process, asking a few simple questions in a call or email to identify dissatisfied, or highly satisfied, customers. Any dissatisfaction can then be addressed quickly and effectively by customer service or at a new appointment, while satisfied customers are encouraged to spread the word and invite others – since personal recommendation remains by far the most effective way to build up business.

### Growth – Connecting to more customers

Our profitable growth strategy rests on three pillars. Organic growth is the most straightforward of these: as we constantly improve our operations and enhance our product and service offerings, we will increase business at each of our centers, attracting more customers and increasing the value of each customer relationship. By opening new centers we take advantage of the economies offered by our existing operational base and procedures. We will continue to acquire existing businesses in selected markets, making sure that customers experience a smooth, trouble-free transition. Perhaps most important is to develop new ways to connect with customers by building and expanding innovative distribution models such as shop-in-shop.

In the UK, we further expanded our network run in partnership with Boots by extending the very successful shop-in-shop model and increasing capacity in existing centers. Overall capacity increased by 12% during the 2015/16 financial year; we now operate from nearly 500 locations.

Despite challenging conditions in Germany during the 2015/16 financial year, which were related to a recent reimbursement change, we achieved organic business growth while also expanding our network of professional stores through the acquisition of Lindacher Akustik, which operates 33 stores. With more than 50 years' history built on strong customer-centered value, audiological expertise, and quality, Lindacher fits perfectly with our way of working. We also recently acquired 30 stores in Hungary, which, together with our existing network in the country, will bring the total number of stores to over 70, making us the clear leader in this fast growing market.

Follow-up and added value are an essential part of ensuring that customers continue to trust and recommend us, assuring future organic growth. Our hearing centers in Germany help secure customer satisfaction by offering in-store hearing training: an audiologist-led, personally structured course of stimulation to train ear and brain simultaneously, significantly improving attention, perception, and reaction.



## HEARING IS GOOD, BUT UNDERSTANDING IS BETTER

There's a faint "click" in the customer's ear, first on the left, then on the right, then on the right again. She is wearing headphones, and immediately presses buttons on a device that is reminiscent of a portable credit card reader, first tapping the left arrow key, then the right, depending on which side she hears the clicks. "It's like jogging," smiles the woman, who is in her late fifties, "You have to train regularly to stay in shape."


This spry lady, who works as head receptionist at a GP's practice, has been wearing hearing aids for five years. The audiologist explained the difference between hearing and understanding the first time she was fitted for a hearing aid: the air receives sound waves, but


the auditory center in the brain has to process the information correctly. She recommended that the customer practice with audiclick™, a training system offered by Fiebing Hörtechnik GmbH, an audiology company. "When I started, I just figured it couldn't hurt," explains the customer, who has glasses and mid-length blonde hair. She practiced daily for 15 minutes during the initial period, noticing a clear improvement after six weeks: "From then on, the training was great fun."

The client has brought a folder of handwritten notes along to the appointment at the audiologist's; they are her training results. Antje Fiebing, who started audiclick, nods in recognition: "When customers practice regularly, they are helping the fitting process for the hearing aid – hearing instruments can only perform at the top of their game when the auditory center is systematically put through its paces."

The idea for the training program came to Antje Fiebing, who is on the executive board at audiological technology company Fiebing Hörtechnik GmbH,

more than ten years ago: "It was intended to be unique and to offer customers genuine added value." She goes on to explain that the training serves to target auditory cortex functions in the brain for reactivation: damaged nerve cells are regenerated and new connections formed. Training the ear and brain improves perceptions and reactions. "The training system is constantly being expanded and refined," explains Fiebing, "allowing us to incorporate the latest findings in brain research." Audiological services are thus offered at the highest level, and hearing exercises with audiclick have considerably improved the customer's quality of life. "I am so glad that no one has to shout any more to speak to me. I can even hear the birds singing in the garden again."

A woman with her hair in a bun is seen from behind, wearing large black headphones. She is holding a blue electronic device in her right hand and has a pencil in her left hand over an open book or document on a wooden desk. The scene is lit with warm, yellow light from pendant lamps.

 The training program audiclick™ targets auditory cortex functions in the brain for reactivation: damaged nerve cells are regenerated and new connections formed. It was developed in Germany by Fiebing Hörtechnik GmbH.