

Hearing instruments business

Our three strong brands – Phonak, Unitron and Hansaton – make us the world’s leading provider of hearing instruments. By driving innovation and staying focused on our customers, we deliver ever better hearing for millions of people worldwide.



Our hearing instruments business brings Sonova’s vision to reality through the targeted, complementary strategies of each of our product brands.

Phonak is the technology innovation leader, delivering life-changing hearing solutions and the broadest product portfolio in the industry. Throughout its 70-year history, Phonak has regularly established new technology, industry standards and benchmarks with pioneering hearing systems and wireless devices.

Unitron works in close partnership with hearing care professionals, supporting in-clinic success by enhancing clients’ experience and offering effective products, technologies, and services. Unitron acts as a member of the hearing care team, supporting a symbiotic relationship with its customers.

Hansaton is focused on independent audiologists, in particular in Germany and France. It provides bespoke individual support, builds trusted, cooperative relationships, and offers customized solutions for optimal hearing.

People who need hearing instruments differ widely in their personal styles and expectations. Some are technology enthusiasts; others are value conscious; some are self-directed; and again others look for personal service. These differing needs lead them to different types of providers, from the independent audiologist’s practice to large chain store networks. Our three strong hearing instrument brands, each with its distinct product and service offering, allow us to cater to every type of customer through the most appropriate channel.

Distinct though they are, each of our brands keeps closely to our overall corporate strategy of strong product innovation, efficient market access, and development of modern eSolutions. Here is how our hearing instrument brands delivered on that strategy this year, setting new industry benchmarks for hearing performance, ease of use, and aesthetics.

New products

With the launch of the **Phonak Belong™** platform in August 2016, we have solved one of the most pressing issues for hearing aid wearers: the hassle of changing batteries. Research¹ showed rechargeable hearing aids right at the top of the list of wished-for features. Following years of research, development, and intensive testing, Phonak launched the first lithium-ion rechargeable hearing aids, providing 24 hours² of hearing with a simple charge of just three hours. Lithium-ion batteries last for the lifetime of a hearing aid, freeing wearers from the cumbersome task of changing batteries.

Initially available on Audéo™ B Receiver-In-Canal (RIC) instruments, the Phonak rechargeable offering expanded in February 2017 with the launch of the Bolerio™ B-PR Behind-the-Ear (BTE) hearing aid. Hansaton also introduced its version of a lithium-ion rechargeable hearing aid with its AQ HD RIC device. Completing our portfolio of rechargeable solutions, Unitron introduced in February 2017 the Moxi™ Fit R RIC: the world's smallest rechargeable hearing instrument.

The **Phonak Belong** platform delivers market-leading hearing performance, with the second generation of **AutoSense OS™**, one of the most sophisticated and advanced processing systems ever applied to hearing care. In 2016, we further enhanced it with new features, including adaptive **SoundRecover2**, an advance on Phonak's groundbreaking frequency-compression algorithm. The fully automatic operation of AutoSense OS gives customers an effortless hearing experience without having to press buttons or switch between listening programs, and is proven to deliver 20 % better speech understanding³. For the most difficult speech environments containing loud noise, AutoSense OS contains features which will improve speech understanding by an average of 60 % versus not wearing any hearing aids⁴.

In February 2017, Unitron also announced the launch of its **Tempus™** product platform. Tempus brings entirely new features to market, allowing wearers to participate more actively in all kinds of conversations, including those in significant background noise. Intelligent **SoundCore™** technology makes this possible by orchestrating four separate features that understand the listening environment and make fluid adjustments to suit the moment. Tempus is more accurate and significantly faster at recognizing and locating speech than the previous Unitron platform, delivering the most realistic and natural sound yet.

Aesthetics are important in choosing a hearing aid, because it will be part of each wearer's everyday life. For maximum discretion, Phonak offers the newly-launched **Virto™ B-Titanium**: the first Phonak custom product line made from titanium, using state-of-the-art 3D metal printing. This groundbreaking technology lets us build a shell that is 15 times stronger and 50 % thinner than a standard acrylic shell, thereby reducing its size by up to 26 % versus its predecessor. Combined with new electronics, packaging and design, this enables smaller custom devices than ever before. Unitron launched the **Moxi™ Now**, the smallest wireless RIC instrument in the world, delivering amazing comfort, beautiful aesthetics and intuitive functionality.

Market access

We constantly strive for innovation, not just in what we make and how we make it, but in how we market and sell our products and services: supporting and informing our market is a vital part of our business. Choosing a hearing aid is a life-changing decision; we want to ensure that the people making that decision have all the information they need.

To achieve this, we are making increasing use of digital communications when introducing new products. The launch campaign for the **Phonak Audéo™ B** started just after its announcement in June 2016 with a digital teaser campaign on the internet: a landing page, several waves of emails, and a tailored mix of advertising and social media activities. We achieved a very high awareness by the time of launch, with tens of thousands of visits to the landing page and several million paid and unpaid impressions.

The **Phonak** brand is a vital source of current and future competitive advantage. In preparation for its 70th anniversary, we revisited the Phonak brand essence to ensure that we convey to our target markets the key strengths of the brand: our belief in changing lives and creating a world where "Life is on" for everyone; our mission to create solutions that empower people to thrive socially and emotionally; and our offer of the broadest portfolio of innovative hearing solutions.

As part of our overall wholesale market access strategy, we have continued to implement our SCORE (Sonova at the CORE) project. This establishes strong Sonova wholesale entities in our key markets, with joint teams that support our three hearing instrument brands with shared service functions. SCORE allows our group companies to focus their efforts even more effectively on serving their customers through our three distinct brands, enabling an agile response to changing market needs.

eSolutions

Digital tools are becoming an integral part of the overall hearing solution, enabling ever better hearing aid performance and increased convenience, while strengthening the relationship between the hearing aid wearer and the hearing care professional.

Unitron’s strategic focus on this relationship has led to the Flex™ fitting concept, first in the industry. Flex allows customers to trial and upgrade to different technology levels without changing their hearing instrument. In 2016, Unitron took Flex to the next level with **patient insights**, combining the ability to capture real-time objective data about the hearing aid wearer’s sound environment with the opportunity for the wearer to log subjective in-the-moment insights and ratings of the hearing aid’s performance, thereby enabling evidence-based counseling.

This is just the beginning. We will be introducing new technology over the course of the 2017/18 financial year that will further expand our offering in this area, enabling remote coaching and real-time adjustment services by linking hearing aids with smartphones and other electronic devices. Phonak has been chosen as a partner in a pilot study exploring opportunities for distance support with the US Department of Veterans Affairs (veterans, who have a high incidence of hearing loss, are often also house-bound). We will also be exploring these models for independent healthcare professionals and for larger retail formats such as our AudioNova business.

- 1 MarkeTrak 2015, asked of non-owners only (n=2099) – multiple responses allowed
- 2 Expected results when fully charged, and up to 80 minutes wireless streaming time
- 3 Phonak Field Study News, June 2015. AutoSense OS – Benefit of the next generation of technology automation.
- 4 Phonak Field Study News, April 2011. StereoZoom improved speech understanding even with open fittings.



Practical training for optimal hearing solutions

Guang Yang focuses her eyes on her colleague’s ear and slowly inserts a thin tube. It’s a role-play, with her colleague taking the part of a customer with hearing loss for whom “in-situ measurement” is being carried out. The procedure measures the volume of sound directly in front of the eardrum so the device can be fitted perfectly. This young staff member from a local specialist audiology store is one of 16 participants attending a two-day product training course at Sonova’s new training center for hearing care professionals in Suzhou. They practice in pairs; a murmur fills the room, constantly punctuated by the gentle white noise that is played while measurements are taken.

China is one of the markets with the greatest potential for hearing aids worldwide, but there is no comprehensive, practical training available to produce qualified hearing care professionals; Sonova is bridging this gap with its training center. “We are extremely well-equipped and can do lots of hands-on exercises,” says Training Manager Henry Dai enthusiastically. “We have a sound-proof room for hearing tests, for example, and eight workstations where you can learn how earmolds are correctly adjusted,” Dai continues, before taking a look over the course participants’ shoulders and lending a steady hand as required to help them insert the little tube.

Sonova is also keen to communicate a new, customer-focused approach in its training courses in Suzhou. “This is globally unique,” says Bettina Turnbull, Managing Director of the center. “The advisory process and sales negotiations are not taught with such a focus on practical experience anywhere else.”

A good consultation must address the question of customer lifestyles – whether they have children and what they would like to go back to doing if they could hear better, for example. “Patients’ needs can be precisely identified – and thus the ideal hearing solution chosen – only through extended dialogue,” explains Turnbull.

In parallel, Sonova is establishing an interactive, online audiology academy to pursue the same objectives; it, too, is set to be launched in China. An international curriculum has been drafted for the program which will initially be offered in English and Chinese. “Course participants will be trained to analyze and solve problems using virtual customers who have a clinical history and specific hearing needs,” explains Turnbull. “We want to use both our training course options to perfect our analysis of hearing problems, thereby providing more and more people with professional hearing solutions.”



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