



Feature story Pioneering innovation

Sonova has been operating successfully in France for decades. We took a trip to a country where creativity and innovation lie at the heart of French “genius”.

“An invasion of armies can be resisted, but not an idea whose time has come.” This quotation from the famed French writer Victor Hugo reflects the long history of scientific and technological progress that is part and parcel of French identity. For centuries, French thinkers, writers, artists, researchers, and scientists have helped to enrich humankind, bringing new wonders and emancipation in equal measure; and thanks to this tradition, Sonova’s innovations are finding fertile ground in France. Customers in this sophisticated market are open to new products, services, and solutions for the world of tomorrow.

In 2018, turnover in France’s hearing aid market grew some 10%, with the number of devices sold totaling around 800,000 – an impressive figure. Despite these high sales numbers, there is still significant market potential here. Nearly one in six of France’s population of 67 million is over the age of 65; some 1.9 million people already wear a hearing aid. As a 2018 study on behalf of the European Hearing Instrument Manufacturer Association¹ has shown, both the number of hearing aids fitted and general willingness to wear a hearing instrument have risen over the last few years. About 7.5 million French citizens over the age of 18 are thought to be affected by hearing loss, but only a third of these have been fitted with a hearing aid. Given these circumstances, it is part of Sonova’s strategy to raise awareness amongst those affected to ensure they seek professional help as early as possible. As the study makes clear, the chance for many patients to get comfortable with the idea of purchasing a hearing aid will generally still come during a hearing test conducted by an ENT specialist. However, researchers also found that some of these people are not willing to be fitted with hearing aids, despite their doctor’s recommendations.

The study shows that having to live with hearing loss without the support of a hearing aid can result in depression, unemployment, insomnia, and dementia, which in turn increases follow-up costs for the healthcare system. This has led the French government to significantly expand its reimbursement program. Promoted to the public under the slogan “100% Santé” (100% Health) and passed at the end of 2018, the law has been in force since 1 January 2019 and ensures comprehensive cost coverage or reimbursement for hearing aids. It defines two categories of hearing aids, with full cost coverage guaranteed for the first (in which device and service costs are limited) and a sliding scale of prices with a fixed upper threshold for the second device category.

France Facts & figures:

Area: 211,413 square miles

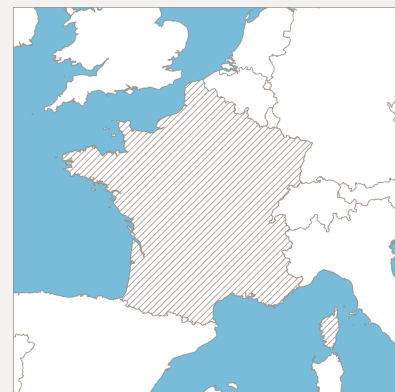
Population: 66.89 million (2018)

GDP:

EUR 2,349 billion (2018)

Growth: +1.5% (2018)

Per capita: EUR 32,900 (2018)



France's audiological supply infrastructure is very highly developed, with a diverse market that encompasses everything from independent audiologists to chains. Independent audiologists form the largest group amongst these various providers, and a total of seven institutions throughout the country offer a three-year course leading to professional qualification in the field.

"Customers in France are sophisticated and appreciate the benefits of our ongoing technical innovations," explains Arnd Kaldowski, Sonova's CEO. As in other countries, it is the interplay between technology and innovation, digitalization and customer focus that has underpinned Sonova's success. "We will continue to drive growth by launching a succession of new and pioneering products." The Sonova Group is thus excellently positioned in France, one of its most important markets worldwide: its brands and its network of specialist audiology stores are firmly established and the Phonak brand enjoys a leading position.



Sonova France headquarters near Lyon, where around 160 staff work for the French market

Sonova has concentrated much of its hearing care expertise at its headquarters near Lyon – Phonak, Unitron, Hansaton, and Advanced Bionics thus run their business in France just a few kilometers outside the city. Some 160 staff work here, while the Hansaton brand has a facility in Sarreguemines near the Franco-German border. Sonova's Audiological Care business segment and its international service network of specialist audiology stores are represented in France by the Audition Santé brand, with a total of around 300 staff across the country providing their customers with professional in-store audiology services. Audition Santé is headquartered in Cahors in the south of France.

Sonova has maintained a presence and has been enjoying success in the country for more than forty years – a fact that is reflected in the expanding workforce at its France headquarters. Staff numbers almost doubled here between 2006 and 2018, and Sonova's modern site – with its attractive, all-glass atrium – offers more than 25,000 square feet of workspace. The meeting nooks in the open-plan offices within give employees plenty of opportunity to compare notes.

"We are very happy with the facilities, but we are running out of space. In August 2018, we began work on a new building that will double the floor space available to us," explains Vincent Lefèvre, Sonova's Managing Director for France. The new building is being erected on the same site and is due to be completed during 2019. The old and new structures will be linked with a bridge to facilitate communications and create a unified architectural impression.



Vincent Lefèvre, Managing Director Sonova France with his team members

Phonak has an excellent brand image in France. A market survey of French audiologists² commissioned by Sonova in 2017 shows that Phonak has a commanding lead over other providers when it comes to value-for-money, product performance, and innovation. The company's service hotline also got top marks, as did the outstanding reliability of its devices. Phonak's brand recognition has also improved amongst end users and audiologists. "We're very happy with the results. They confirm that our strategy is on the right track," adds Lefèvre.

Phonak's pioneering products and hearing solutions are proving extremely popular on the French market, where there has also been a very positive reaction to Phonak Audéo™ Marvel, the latest innovation in hearing technology. Launched at the end of November 2018, the hearing aid is based on Phonak's new product platform and provides exceptional sound quality from the very first second, setting new standards for rechargeable solutions and direct connectivity.

Phonak Audéo™ Marvel focuses on what customers expect from a first-class hearing aid – clear, rich sound. A combination of cutting-edge technologies has created a multi-functional hearing aid that customers are describing in reviews as "Love at first sound". Users such as fashion journalist Barbara Markert from Paris are enthusiastic: "Being able to link my hearing aid directly to my computer is essential for my job. It is also really cool that I can take a call on my mobile just by touching the hearing aid."

Marvel makes it easier for the wearer to understand speech³ with less listening effort⁴ in loud environments. The new hearing aid can link directly with iOS or Android™ smartphones and other Bluetooth®-enabled phones, allowing users to enjoy their favorite series and movies with the TV Connector, a simple plug-and-play solution. In addition, Marvel hearing aids enable genuinely hands-free phone calls and allow wearers to stream TV, music, videos, e-books, podcasts, and much more. Wearing Marvel hearing aids is like wearing wireless headphones – or perhaps even better, as they can distinguish between streamed speech and music signals and automatically adjust to ensure optimized sound quality. Thanks to powerful lithium-ion battery technology, they are quick to charge and provide a whole day of hearing enjoyment; no more hassle with having to switch batteries! And thanks to the myPhonak app, a hearing care professional can adjust a customer's Marvel hearing aid in real time.

Given its range of products, which set new standards for hearing solutions, Phonak has carved out a strong position for itself in France and maintains close relationships with independent audiologists. In addition to providing support and advice for successful hearing aid fittings, Phonak engages with its clients via a suite of marketing campaigns and a strong social media presence.

Sonova's Unitron hearing aid brand has also found success in France, and is now reaping the rewards of its efforts to build longstanding client relationships. "We have experienced very pleasing growth in recent years, both in terms of turnover and in terms of the number of devices sold," says Vincent Gaggero, General Manager Unitron France. The launch of the new Max™ hearing aids in October 2018 has been a success: the devices are available in two behind-the-ear models based on Unitron's Tempus™ product platform and are equipped with three Super Power pre-sets. Selecting from a range of possible combinations, the audiologist can personalize the solution – and this results in a better hearing experience and fewer and shorter follow-up appointments. The Super Power pre-sets make it easier to meet the expectations of people with severe-to-profound hearing loss.

The flexible fitting concept using Flex:trial™ technology, whereby audiologists can themselves upload the software for the required level of technology, is also in high demand in France. Many customers appreciate the opportunity to trial the devices with no obligation before committing to a purchase. The brand also provides support for the audiologists with whom Unitron works to acquire new clients. "We have consciously sought out new customers and have also succeeded in winning them over. In particular, we contacted a lot of young audiologists who had just opened their stores. They are excited about the possibilities offered by our Flex:trial™ technology, as it can be employed quickly and easily," adds Vincent Gaggero.

Business is also going well for Sonova's Hansaton hearing aid brand, and collaborations with the audiologists who stock the brand have proved very successful. Hansaton is exclusively retailed via independent audiologists in France, and for historical reasons has a particularly strong presence in the east of the country. "We take a very personal approach to client relations with audiologists, and of course they appreciate that," explains Yorick Hubert, General Manager Hansaton France.

Sonova's Advanced Bionics brand similarly builds on trust-based relationships and cooperation. It is strongly positioned in the French market and is represented in leading cochlear implant clinics. Providing patients with cochlear implant systems is a growth industry, and customer acceptance of the technology is improving thanks to targeted awareness-raising campaigns. Professor Thierry Van Den Abbeele, head of the ENT department at Paris' Robert Debré University Hospital, explains: "You have to understand that implants offer a solution not only when someone has lost their hearing completely but also in cases of significant hearing loss, and it's here in particular that we achieve our best results. So even an 85-year-old person in a good state of health can be a suitable candidate."

Advanced Bionics' business has performed gratifyingly over the last few years. "We have been able to increase our market share significantly," says Jean-Baptiste Delande, Area Director French Europe Advanced Bionics. The company has a total of 18 staff working in France and maintains contacts with ENT physicians and patients at hospitals specializing in cochlear implants across the country. One big advantage over other providers lies in the cutting-edge waterproof technology that Advanced Bionics deploys. Neptune™, the first and only sound processor you can wear while swimming, is ideal for young children. This is what tipped the balance in choosing a supplier for Marlène Corbin, the mother of four-year-old Léa, who wears implants on both sides. "We ultimately decided on an Advanced Bionics cochlear implant system because you can even swim underwater with it – that's ideal for kids."



Léa Corbin, cochlear implants patient

Jean-Baptiste Delande continues: “We are constantly comparing notes with the physicians at the clinics.” Innovations are also being introduced on the basis of these exchanges. “In future, we intend to switch on the cochlear implants earlier. Previously, we had been switching them on about a month after the operation, but now the aim is to activate the device the very next day, to give the patient an immediate hearing experience.”

Sonova wishes to continue growing in France with the help of its international network of audiology stores, and it has been pursuing this objective via its local brand Audition Santé. The company is constantly searching for new ways to further improve information provision, awareness campaigns, hearing screening, advice, and support – with the focus always squarely on the customer.

Lots of energy is being invested in marketing campaigns, as Stéphan Rosat, Audition Santé’s Managing Director in France, explains: “Things are working out very well with new customer acquisitions. Hearing tests are being advertised in mailshots, for example, and we are active on social media.” The company’s YouTube channel has been extraordinarily successful, garnering more than 1.6 million views in just two years. “While it’s certainly important to have an online presence these days, D-Cibel, our print magazine, has proved to be one of our best marketing tools.” The magazine, which runs to about 30 pages and appears twice yearly, explores an array of hearing-related topics. In addition to the print version, which has a circulation of 600,000, we have had an online edition for more than two years now, and a video version of many of the stories has also been posted to YouTube over the last year. The hardcopy magazine is mailed directly to customers and is also available in stores.

Audition Santé has 226 specialist audiology stores in France, almost twice as many as ten years ago. Their largest branch in France at the moment is in Versailles. A modern and attractive retail environment where the new audiological care store layout has already been installed, it is all geared to optimal customer service, both in terms of its design and the facilities on offer. 77-year-old customer Jacques Lolloz likes to drop in. “The staff here are all highly professional. I feel like I’m in good hands,” recounts the holder of the Order of the Legion of Honor, who served as mayor for many years.



Jacques Lolloz, Audition Santé customer

Barely a quarter of an hour's train ride away from Audition Santé in Versailles, we find Sophie Vouzelaud posing in front of the Eiffel Tower for Sonova's 2018/19 Annual Report photoshoot. This tall young lady with dark curls works as a model – and wears hearing aids made by Sonova brand Phonak. Sophie, who comes from a little town called Saint-Julien in the Limousin region, was born with profound hearing loss; thanks to being fitted with hearing aids since her earliest childhood, she has learned to speak and make her way in the world.

That Sophie has become a model is mainly due to the unstinting commitment of her mother, who entered her daughter into a regional beauty contest shortly after she left school in 2007. Exceeding all expectations, she took first place, thereby qualifying for the final selection of “Miss France”. There may have been only about 70 spectators at her first competition, but this time there were to be no fewer than 12 million viewers watching Sophie hold her own against 37 other contenders. Having spoken just a few sentences in the final, the beauty queen, who is affected by near-complete hearing loss, won the hearts of millions in the TV audience and was crowned “Première Dauphine de Miss France 2007”. Now 30 years old, she has since won supporting roles in feature films, has taken part in a range of popular TV shows in France, and is now even an ambassador for a Christian Dior perfume. The French model is also active in campaigning for greater acceptance of people with hearing loss. This work is close to Sophie Vouzelaud's heart: “I always had to struggle – but I have proved that I can achieve the same as anybody else.”

- 1) https://www.ehima.com/wp-content/uploads/2018/07/EuroTrak_2018_FRANCE.pdf
- 2) © 2017 Gallileo Business Consulting, «Panorama 2017 du marché de l'audioprothèses». Survey conducted on behalf of Sonova, detailed results available free on request.
- 3) Stewart, E., Rakita, L. & Drexler, J. (2019). StereoZoom Part 1: The benefit of wirelessly connected narrow directionality in Phonak hearing aids for speech intelligibility. Phonak Compendium, retrieved from www.phonakpro.com/evidence, accessed February 5, 2019.
- 4) Winneke, A., Latzel, M. & Appleton-Huber (2018). Less listening- and memory effort in noisy situations with StereoZoom Phonak Field Study News, retrieved from www.phonakpro.com/evidence, accessed February 5, 2019.