

# Study: Half of Digital Health Executives Very Optimistic about 2025 Yet Perceive Many Barriers to Growth

*Summit Health Advisors survey uncovers top challenges and opportunities for the digital health sector. Four-in-five organizations plan to raise capital in 2025.*

BOSTON, MA, UNITED STATES,  
December 16, 2024 /

EINPresswire.com/ -- [Summit Health Advisors](#), a leading consulting firm specializing in business growth strategy in healthcare, today released its [Digital](#)

[Health Go-to-Market Report](#), which includes results from a comprehensive survey that analyzed the challenges, opportunities and future outlook for digital health companies. Conducted in partnership with independent market research provider PureSpectrum, the survey collected responses from 103 senior leaders whose organizations sell digital health products into the U.S.

healthcare system. The survey, completed in September 2024, offered key insights into how organizations are adapting to shifting financial realities and preparing for growth in 2025.

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*Seth Joseph*

Digital Health is at a Crossroads

Digital health has experienced a rapid evolution over the past few years, with record-breaking investments in 2020 and 2021, followed by a sharp dip in 2023 and 2024 that is

resulting in valuation corrections and tightened budgets moving forward. Despite the investment headwinds, optimism remains: 50% of survey respondents expressed a very positive outlook for the digital health sector in 2025, while 31% reported cautious optimism. However, approximately one-in-five (19%) were either unsure or had a negative outlook on the future financial opportunities in digital health. Those with a negative outlook cited tight customer budgets, competitive saturation and macroeconomic uncertainty as key reasons for their concern.



## Bracing for a Capital Investment Bonanza in 2025

The Summit Health Advisors study found that 79% of digital health executives reported their organizations will pursue new investment capital in the next 12 months. Of that group, respondents reported their biggest barriers to raising capital varied widely and almost evenly: 42% were concerned they will not get their desired terms (e.g. valuation, interest rate, etc.); 38% feared they will not be able to raise their target amount; and 36% expected difficulties finding new investors.

The urgency to raise capital is likely driven by the top concerns that are keeping digital health leaders up at night. According to the data, 44% of respondents feared greater competition from large incumbents; 41% were worried about cash flow and making payroll; 38% said they were overdependent on too few customers; and 35% said they were struggling to acquire new customers.

## Heightened Competition Presents the Greatest Go-to-Market Challenge

Increasing market crowdedness, elevated competition and the inability to effectively position against competitive threats are the most pervasive go-to-market challenges for digital health firms. Digital health executives reported that new market entrants and an overly crowded market (38%) was their top external go-to-market challenge, while effectively differentiating their products (41%) was the most common internal go-to-market challenge.

As competition in the U.S. healthcare system increases, digital health companies reported they are looking abroad for growth opportunities, with 67% planning to expand internationally. Among those, the primary motivators included U.S. market saturation (33%) and unmet revenue expectations domestically (23%).

## Executives are Polarized on Telehealth's Growth Potential, yet are Bullish on AI

Among 10 subsectors of digital health, telehealth was most commonly cited as the subsector to have both the greatest (50%) and the least (27%) growth potential over the next year. Interestingly, telehealth was also the digital health sector where executives predicted the most M&A activity over the next 12 months (44%), followed distantly by patient communications and engagement technology in second place (16%).

Commonly considered the hottest digital health sector, AI is clearly top of mind. Approximately 43% of leaders said there's significant room for growth in AI applications, and 41% stated that AI has already demonstrated strong ROI potential. However, approximately one-in-four (25%) said the sector is overhyped.

## Reliance on External Experts and Partners to Drive Go-to-Market Efforts

Nearly one-third (31%) of digital health leaders think their team needs to improve their understanding of their respective markets and competitive landscapes. Of that group, 94% said improving the team's understanding was among the highest organizational priorities. As a result, effectively all respondents (99%) reported leveraging external partners to help them devise and

execute their overall go-to-market strategies – with 71% reporting most or all of their go-to-market initiatives are supported by external partners.

“This year was a defining point for digital health,” said Summit Health Advisors Founder and Managing Director Seth Joseph. “Our study shows the resilience and adaptability of digital health leaders in an increasingly challenging healthcare environment. The insights garnered highlight the need for digital health companies to develop formidable competitive strategies, strong customer relationships, and bold growth goals to drive success in 2025.”

The full Digital Health Go-to-Market Report that includes the broader set of survey insights is available [here](#).

#### About Summit Health Advisors

Summit Health Advisors is a boutique consultancy that works hand-in-hand with digital health companies and investors to help build the next wave of dominant, market-defining businesses. The firm specializes in network effects and platform business strategy in healthcare. By leveraging data-driven insights, Summit Health Advisors empowers its clients to succeed in a rapidly evolving healthcare landscape. For further information, visit [summithealth.io](https://summithealth.io).

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