



EDITION 1.0

PET OWNER LOYALTY.

Inspiring trust
and creating
lifelong clients.



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Background

Trone Research + Consulting, the brains behind Diggo, have been curators and creators of marketing research in the animal health and pet care industry for nearly two decades. We're passionate about pets and the people who care for them. And we're infinitely curious about uncovering truths. Through the years, we have identified a consistent challenge for veterinarians—there is a gap in knowledge between what pet owners state and what veterinarians believe to be true.

Our previous studies have shown that accessibility is a key driver to pet owner loyalty. But how do pet owners define accessibility? Is it location? 24/7 clinic hours? Walk-in appointment availability? And what can you do to be perceived as more accessible? This study was designed to answer these questions.

You may be pleasantly surprised that accessibility is not about providing the lowest cost. You may actually have more loyal clients than you perceive. Or you may underestimate the value pet owners see in you. Understanding what pet owners perceive to be true can help you embrace the positive and adapt to better meet their needs.

Objectives

The primary objective of this research was to better understand client loyalty and advocacy.

Specific deep dive topics include:

1. Identifying the differences between how veterinarians and pet owners define and perceive loyalty
2. Understanding what drives pet owner loyalty
3. Defining how veterinarians can build trust and capitalize on pet owner loyalty

Challenge Your Assumptions

As you review this report, it may be easy to tell yourself you're already addressing one or more of the suggestions. And if you truly are implementing the activities throughout, then congratulations! But before you give yourself a pat on the back, we recommend you do these two things:

- Make a list and write down the specifics of how you are currently taking steps within each action plan. Is there room for improvement?
- Ask your staff what they perceive as being done well versus what you believe is working. Does your staff see things differently?

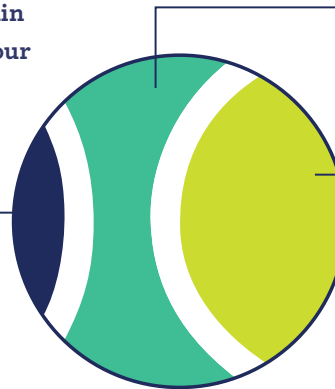


Getting Pet Owners in the Door

Of course, your location will always be a main factor, but assuming it's convenient, pet owners say that the top reasons they initially choose you as their veterinarian relate to their perceptions of you as caring, honest and coming well-recommended (Figure 1). This means that word of mouth is critical to growing your base of clients.

What are the two main reasons you chose your veterinarian?
(Open-ended)

18% Knowledge, experienced, empathetic and compassionate



40%

Word of mouth, recommendations from friends & family and a good reputation

42%

Cares about my pet, knows my pet, is honest and trustworthy

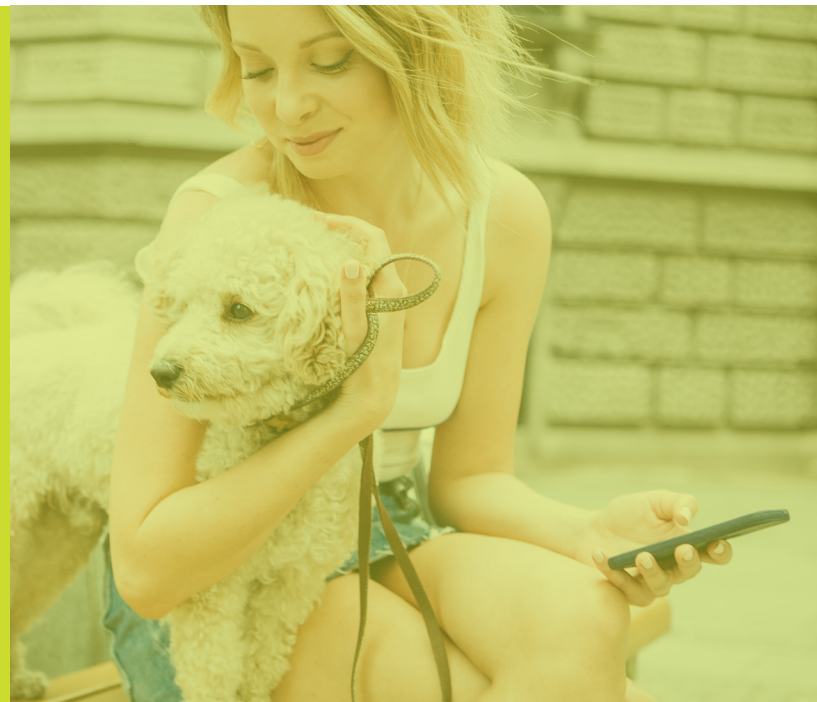
Figure 1

ACTION PLAN:

Don't underestimate the value of word of mouth, especially in today's world where social media is so powerful.

Leverage social media to be your advocate.

- Make sure your clinic has a presence on the major social channels
- Designate a staff member or team to post regularly
- Respond quickly to questions, comments and complaints
- Ask clients to submit reviews



What if just 10% of your clients provide a referral? If you have 1,000 clients, that could be nearly two new clients per week. At an average visit cost of \$300, that's \$600 in incremental revenue per week and \$31,200 per year.

Keep in mind, the reasons pet owners initially choose your clinic may not be the same reasons why they stay. Our first step toward understanding client loyalty involves understanding the needs of pet owners, particularly those needs they say are most important to them.

Why They Stay: Fulfilling Pet Owners' Three Primary Needs

For pet owners to continue coming back, there are a few basic price of entry requirements that veterinary clinics cannot ignore. These include:

- Convenient clinic operating hours, including evening or weekend hours
- Fair prices—not the lowest price but competitive pricing
- Having a clinic location that is convenient for the pet owner
- Offering vaccinations and a breadth of other services at the clinic (such as providing easy prescription refills and general wellness information for clients)

But beyond those basics, there are three primary pet owner needs that can be overlooked or misunderstood (Figure 2). Addressing these needs can differentiate your clinic in the mind of the pet owner and build loyal relationships.



Managing Cost of Care is a primary need for about 1 in 4 pet owners. Managing costs can come in various forms that could actually help grow your practice. *NOTE: This is not reflecting a pet owner focus on lowest cost.*

Level of Care is a primary need for roughly one-third of pet owners. This is an emotionally based need, driven by a desire to feel that they are providing the best care for their pet.

Availability is a primary need for 4 in 10 pet owners. This goes beyond the basic need for convenient clinic hours and location and focuses on the pet owner's desire for a broad array of options.

Let's dig deeper into each of these types of primary needs.

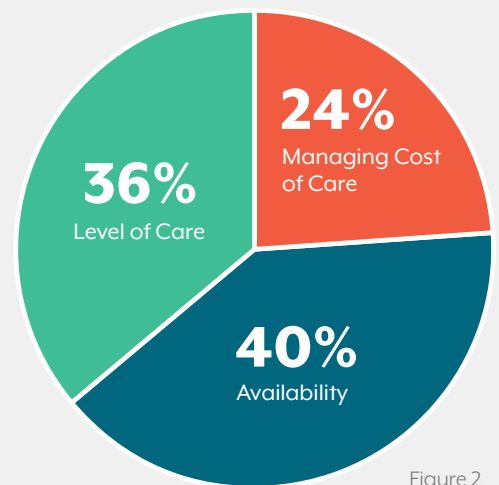


Figure 2

Primary Need 1: Managing Cost of Care

Managing cost of care doesn't mean offering the lowest price. Of course, there will always be some clients with that focus in every industry. But just like with any product or service, being the lowest cost veterinarian can actually be interpreted as providing lower quality care.

This group is really interested in **promotions for services & products** (Figure 3).



Figure 3

ACTION PLAN:

- 1. Take advantage of opportunities like Dental Health Month to offer discounts on services.** Not every pet owner is going to take advantage of that discount, but they will all give you "credit" for offering it. Plus, you'll likely get a few clients to take advantage of the discount who wouldn't have otherwise purchased dental care services for their pet.
- 2. Have your staff pay attention to manufacturer promotions for products.** Manufacturers are constantly offering discounts and rebates for products. Make sure your clinic is offering these promotions to your clients.
- 3. Offer alternative payment options such as payment plans.** When pet owners face temporary financial difficulties, they sometimes feel like they cannot provide veterinary care for their pets. Many find it easier to make payments rather than facing a large bill all at once. If they don't realize this is an option, they may walk away from care they would otherwise have provided. If you don't have payment plans, consider offering alternatives like CareCredit.

4. Establish referral and/or loyalty programs.

When you consider the lifetime value of a new client, offering a \$100 credit for a referrer is more than worth it. We've established that word of mouth recommendations are critical to pet owners when choosing a new veterinarian. Why not reward clients who make those recommendations?

Calculate the lifetime value of a client with this simple formula:

(replace numbers with your average clinic transactions)

Avg. Client Cost Per Visit		# of Visits Per Year		Avg. # of Years a Typical Client Remains with Your Clinic
\$300	X	1.5	X	15


Lifetime Value of the Avg. Client = \$6,750

Primary Need 2: Level of Care

There is a sizable group of pet owners (36%) who are very focused on their needs for a specific level of care from their veterinarian and clinic (Figure 4). They are focused not only on the quality of medical care and a proactive approach but also their perceptions of empathy and bedside manner of the veterinarian and staff. They expect transparency regarding costs, treatments and options. And they want a high level of customer service, including an easy process for scheduling appointments.



Figure 4



*I want to feel like
you care about my
pet as much as I
care about my pet.*

Primary Need 3: Availability

The largest group of pet owners (40%) are very focused on the breadth of ways a veterinarian can be reached. For this group, convenience is key (Figure 5). They are interested in mobile clinics, telemedicine options and in-home visits. Their perception of a veterinarian's availability also extends to texting and emailing options. For this pet owner, having a presence on social media and being available on Messenger can go a long way. Online appointment scheduling is also important to this group.

Keep in mind that telemedicine doesn't necessarily mean you have to offer medical treatment over the phone or video.

Most of your clients would rather see you than go to an emergency clinic. An after-hours live triage service can help pet owners feel confident in making the right choice. Services like LifeLearn PetNurse can provide after-hours telehealth support. This will help keep pet owners in your practice.

As our culture continues to expect higher and higher levels of convenience, demand for alternative methods of connecting with veterinarians is going to continue to grow.

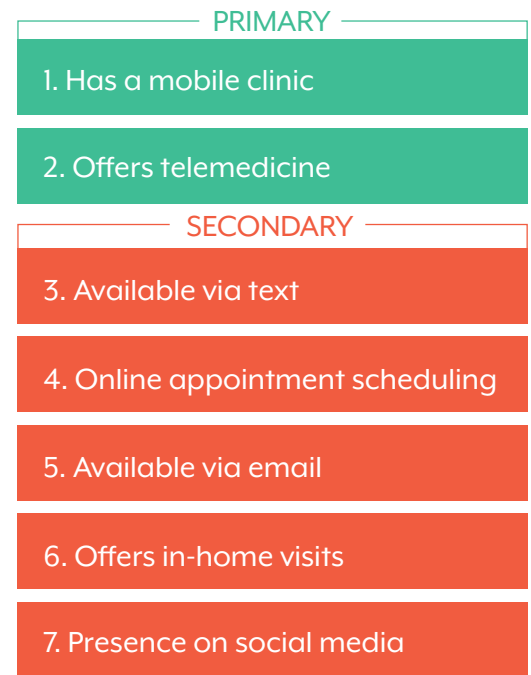


Figure 5



When I have a question about my pet's health, I need an answer then. Not the next day.

ACTION PLAN:

Be aware that pet owners are looking for veterinarians and clinics that:

- Go beyond basic expectations to deliver a higher level of care and service
- Offer alternatives for managing cost of care
- Make themselves available to the pet owner in a variety of ways

Consider adding an after-hours telehealth triage service to address client needs.

For example, a client's dog presents with shaking head and pawing at ears. They are triaged to come see you the following morning. If the average diagnostic transaction is \$300 and it leads to a \$600 surgery, that's \$900 you just kept in your clinic. If you have four similar instances in one year, the diagnostics are \$1,200 and that's not including any follow-up appointments, medication or procedures.

You can't please 100% of the people 100% of the time, but if you can address the three primary needs of pet owners, you can differentiate your clinic.

Two Key Drivers of Client Loyalty

The reasons pet owners come back again and again can be consolidated into two key areas of how your clinic is perceived:

1. Accessibility
2. Value

This may sound simple, but we found that pet owners define these concepts somewhat differently than veterinarians.

84% of veterinarians believe they are accessible to their clients.

ONLY 57% of millennial pet owners agree.

Are You as Accessible as You Think?

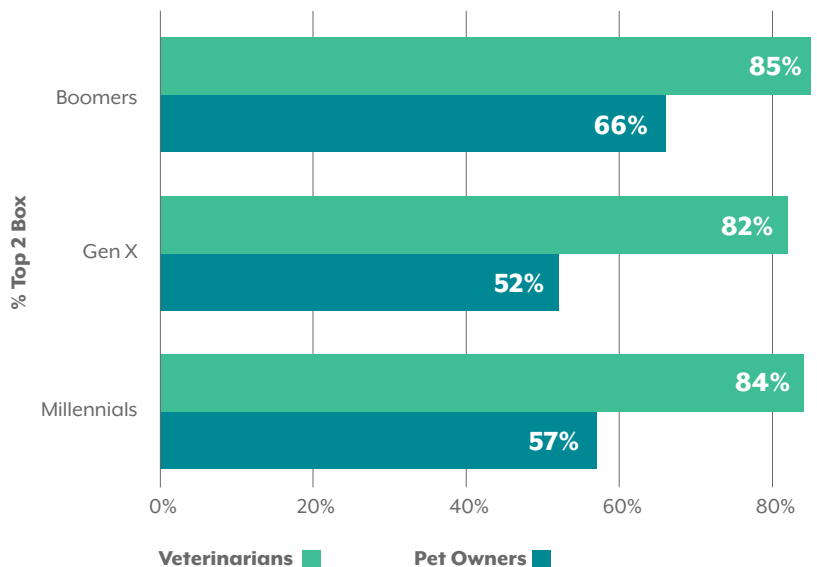
Veterinarians perceive their practice to be significantly more accessible than their clients do (Figure 6). Veterinarians are busy and likely returning communication when time permits. Therefore, they believe they are accessible. But that's not enough for today's pet owners.

Boomer pet owners were more likely than other age groups to view their veterinarians as "accessible." But even with this more patient group of pet owners, there is still a large gap in perception.



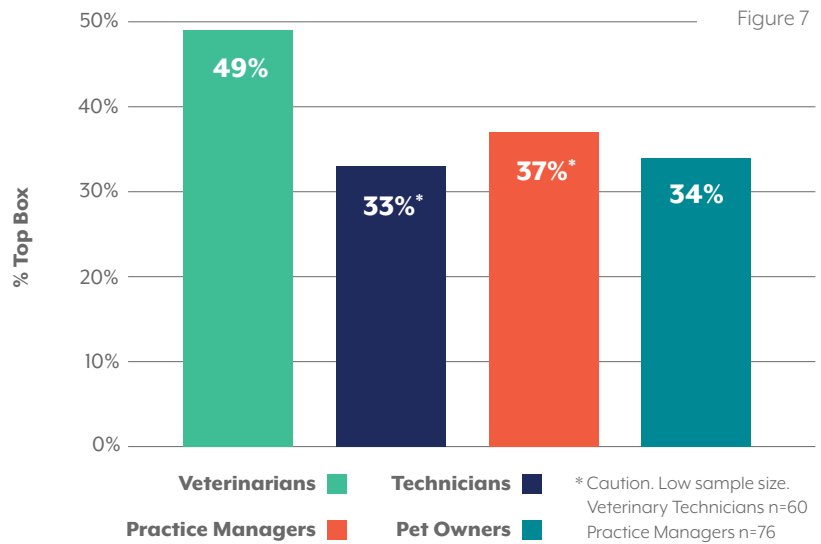
How accessible are the veterinarians at your practice to your clients? (How accessible is your veterinarian?)

Figure 6



How accessible are the veterinarians at your practice to your clients? (How accessible is your veterinarian?)

In most of the research we do, we find that veterinarians aren't quite as in touch with what their clients think as their staff are, and we found that same pattern here (Figure 7). Hospital staff appears to have a better handle on pet owner accessibility perceptions than veterinarians.²



²Hospital staff chart shows the Top Box percent whereas the prior veterinarian chart showed the Top 2 Box percent.

ACTION PLAN:

Talk with your staff regularly about client confidence and morale.

Staff members are the ones taking pet owner calls, answering questions and connecting clients with you when needed. They hear the frustrations when a pet owner can't find an available appointment time that matches their schedule, or calls back because they don't feel you've responded to them quickly enough or they still have unanswered questions.



Accessibility Defined

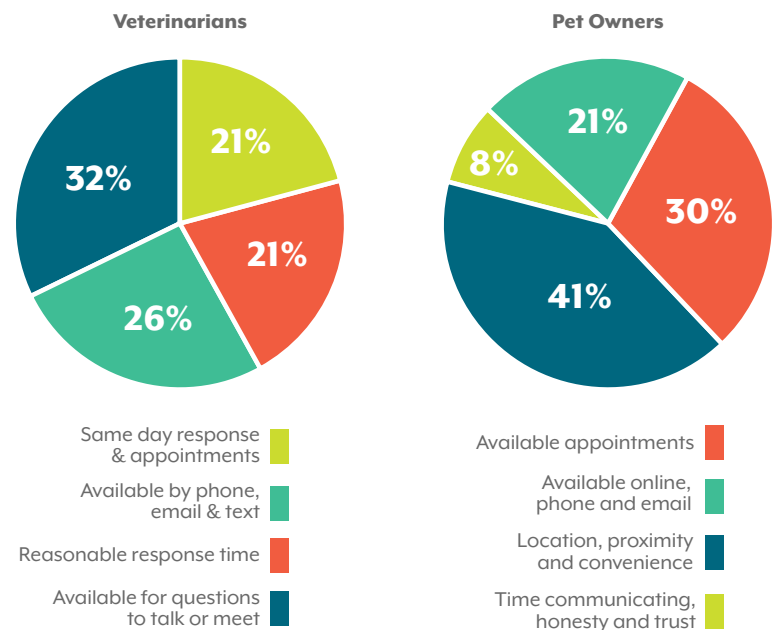
So how do pet owners define accessibility? We've established that location is the price of entry. Beyond that, pet owners stated that accessibility means (Figure 8):

- Having plenty of available appointment openings
- Being available online as well as via phone and email
- Taking the time to communicate so pet owners feel that you are honest and they can trust you

Veterinarians recognized the importance of most of these aspects of accessibility. However, veterinarians did not acknowledge the importance of being accessible online, such as offering online appointment scheduling. And they did not pick up on the nuanced role that honest communication plays in perceptions of accessibility. Veterinarians also didn't mention location, likely because that is beyond their control.

Definition of Accessibility

Figure 8



Key Drivers of Accessibility

Pet owners rated the importance of many different aspects of accessibility as well as the accessibility of their own clinic. We discovered that there are three key drivers of how veterinarian accessibility is perceived (Figure 9).

Transparency
F=21.28 p=<.0001

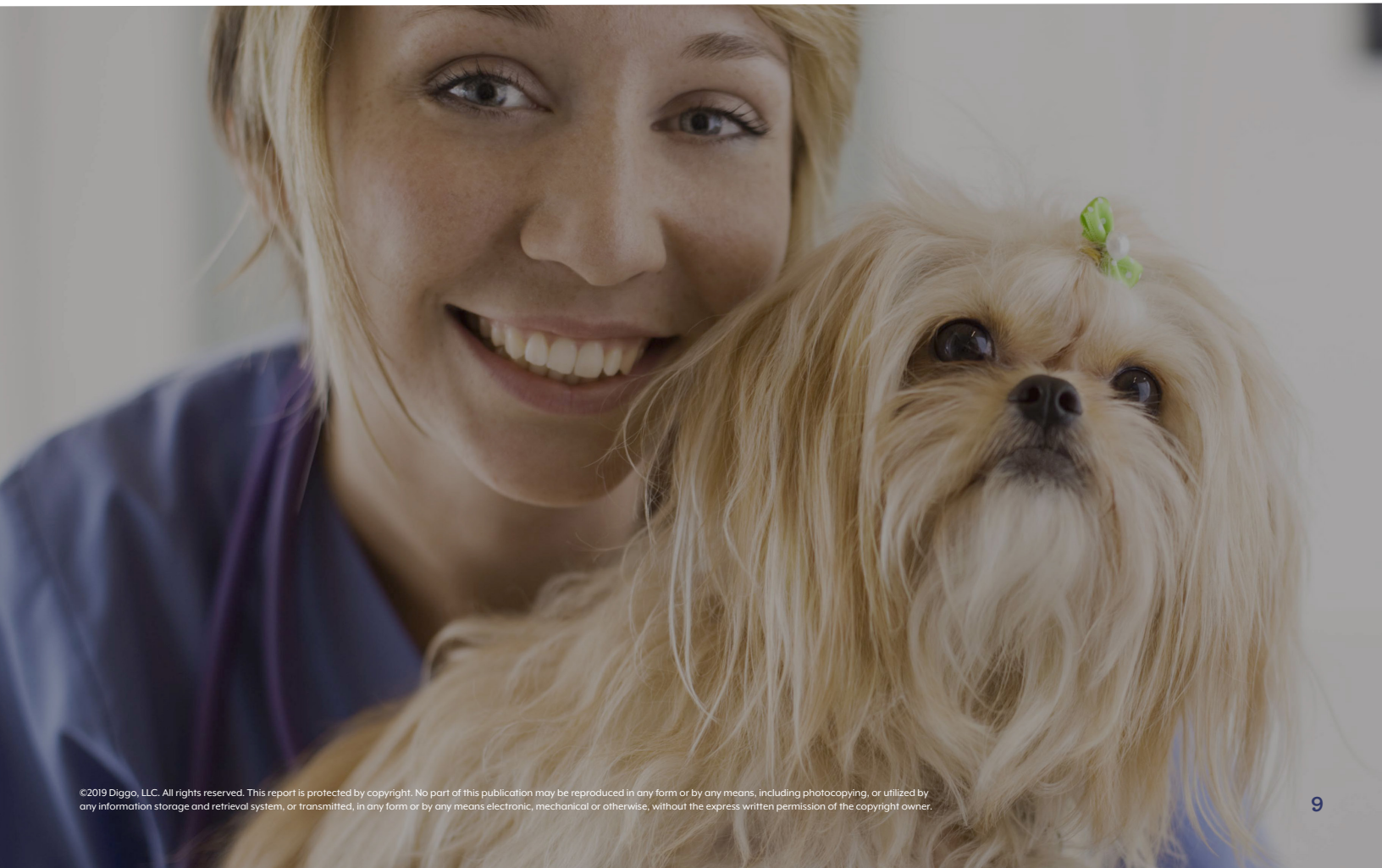
Regular Communication
F=44.05 p=<.0001

Proactive Patient Care
F=81.23 p=<.0001

Note: F values of 4 or greater and p values less than .05 are notable.

1. Transparency: Being clear about the cost and talking about it upfront is a big deal. Pet owners want veterinarians to be transparent about what's going to happen and about what the options are. This means you should never predetermine what any client will or will not pay. While they may decline the best and perhaps most expensive option, having provided ALL options will ingratiate that client to you in the long run. You may also be quite surprised by how many pet owners will pay whatever it takes. Either way, you win the hearts of pet owners when you chose complete transparency and include all the pros and cons. It will take a bit more time, but the alternative could lead to a lost client.

2. Regular Communication: Veterinarians should be reaching out to clients at least quarterly and every 4–6 weeks if you can. Communications need to be personalized. Don't just send pet owners a reminder for their pet's exam. That makes them think all you care about is money. Educational materials are great and should be continued. But you need to add personalization to your mix that makes each client feel like you truly care about them and their pet. Sending a simple note from an individual at the clinic (not from a generic clinic email) goes a long way toward building a bond with your clients.



3. Proactive Patient Care: Talk with pet owners about what they are seeing online, feed them knowledge and tell them what they're going to need to look for as their pets age. These proactive behaviors help build trust and make pet owners feel like you really do care about their pet. Oftentimes, the prejudgment of what pet owners will pay leads to reactive patient care. You're already recommending "preventive" care with products like parasiticides and vaccines. "Proactive" care means broadening the preventive approach. Think about breeds that you know are at risk for developing joint issues. Talk with those pet owners about the risks, side effects and cost associated with the disease years before joint issues present as clinical signs of OA. Encourage them to consider adding a nutraceutical supplement to their daily routine to delay or perhaps even prevent the onset of joint issues. Even if they don't follow your recommendation, they will remember you tried to save them money and save their pet from suffering. So later on in the relationship, when you recommend other procedures or treatments, the client will be more accepting.



ACTION PLAN:

Take steps to become more transparent, communicative and proactive in your care.

- Be straightforward about costs, treatments and options
- Explain clearly what's going on with their pet and how to prepare
- Email links to relevant information so they can educate themselves
- Communicate in a way that shows you care more about their pet than money

A personalized email from you, or even better, a text or direct message on Facebook that says, "Just wanted to check in and see how Daisy is doing," is huge. That's regular communication in their minds.



Are You Underestimating Your Value?

After accessibility, the second piece of the loyalty equation is value.

Veterinarians and pet owners are actually pretty aligned in how they rate clinic value (Figure 10). Experienced veterinarians are more confident that their clients rate them high on value.

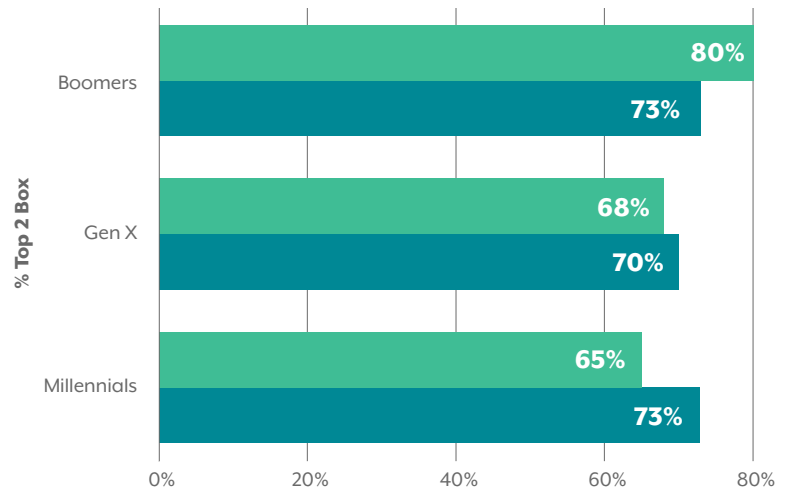
Millennial veterinarians are underestimating the value their clients see in them.

Young veterinarians need to be careful about self-fulfilling prophecies. If you believe your clients don't value you, then that is the image you will unintentionally project to your clients.

Perception of Value by Generation

Figure 10

How do you think your clients would rate the value of your practice?



LESS THAN

10%

of pet owners said “lowest cost” or “cheapest price” was how they defined value.

Value Defined

You may assume that pet owners judge value strictly by cost of the office visit. While cost can be a factor, and for some the primary factor, there are far more pet owners who see value beyond the price they paid (Figure 11).

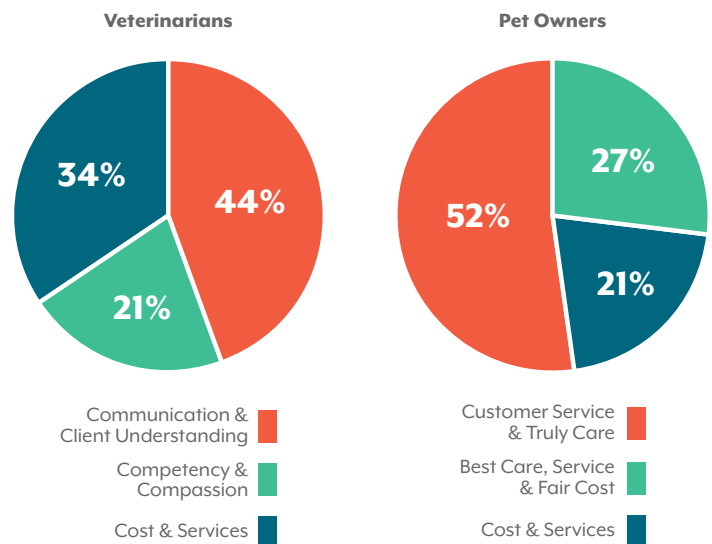
It's important to note the response to this question was not a list of options to select from, but rather open for the respondent to freely write their definition.

More than 50% of pet owners define value as customer service and demonstration that the clinic truly cares.

Pet owners also focus on the quality of the services and care provided, and they come up with their perception of a fair cost for all of this combined. Veterinarians do seem to understand this complex definition of value, but many are assuming that clients put more weight on the dollar cost than they actually do.

Definition of Value

Figure 11



Communication & Client Understanding
Competency & Compassion
Cost & Services

Customer Service & Truly Care
Best Care, Service & Fair Cost
Cost & Services



Key Drivers of Value

Pet owners rated the importance of many different aspects of value as well as the value their own clinic provides. We discovered that there are three key drivers of how the value of a veterinarian is perceived (Figure 12).

Overall Availability
F=214.84 p=<.0001

Regular Communication
F=59.75 p=<.0001

Proactive Patient Care
F=44.24 p=<.0001

Figure 12

Note: F values of 4 or greater and p values less than .05 are notable.

- 1. Overall Availability:** Being available does not mean that you need to get the patient in to be seen immediately. Instead, it means that the pet owner can reach you. This could be through an online scheduling tool or via an emergency text number or email address.
- 2. Regular Communication:** If the only time a pet owner hears from you is when it's time for a routine exam or vaccines or dental work, then you aren't communicating regularly. This leads pet owners to believe you don't really care because you only communicate when you want them to buy something.
- 3. Proactive Patient Care:** Waiting until health issues arise is not acceptable for today's pet owner. They want to prepare and take steps to avoid problems whenever possible. They want to be educated.

ACTION PLAN:

Remember, the value you provide to your clients does not come in the form of financial savings. It comes in the form of availability, regular communication and proactive patient care.

- If you rotate on-call assignment with everyone in your clinic to respond to an email or text number, you can actually have someone available 24/7 to answer emergency questions. If this isn't an option, consider adding an after-hours triage service.
- Educate pet owners about future potential health problems and preventive care.
For example, a client brings their four-year-old black lab in for a routine exam. The client wants to know if they should be thinking about his joints before they have to bring him in with a limp. Make sure they know that keeping the dog at a healthy weight and giving joint protectant nutraceuticals can help prevent or reduce the chance of joint issues later in life.
- Communicate with them about their pet. Not just about their pet's required vaccinations.
- Increase your clinic's emphasis on customer service. Be available to talk to pet owners, take the time to make sure your clients understand what is going on and be transparent about what they can expect. Consider assigning each pet owner a permanent technician they can communicate with directly. Introduce them that way. This keeps veterinarians free and gives clients a contact that is easily accessible.

The majority of pet owners are willing to pay for this level of care and become advocates for the clinics that provide it.



Promoting Loyalty through Communication and Care

Delivering on both accessibility and value is the key to achieving client loyalty. There is definite overlap in how pet owners think about these two drivers, so if you *engage in regular communication* and *demonstrate proactive patient care*, then pet owners see you as accessible AND providing value.

Accessibility + Value = Loyalty



Of course, your communications with pet owners only have the power to drive loyalty to the extent that they are remembered by the pet owner. In prior research, we found that veterinarians actually do communicate in a wider variety of ways and for a wider variety of reasons than pet owners often remember.

ACTION PLAN:

Make your communications memorable.

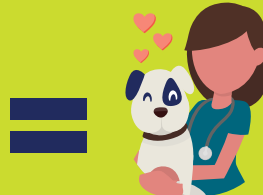
Personalize everything. You can only increase the pet owner's perception that you care about their pet and regularly communicate with them for a variety of reasons if they remember that you did.

Remember:

Only communicating when a transaction is involved
(vaccines, wellness exams, dental cleanings)



A personalized text that simply says, "Just wanted to check in to see how Rufus is doing."



The Importance of Building an Empowered Client Base

Pet owners today want to be part of the conversation. They want to be an active participant in the care of their pets. We calculated empowerment scores for pet owners based on how many of the items they selected (Figure 13). This demonstrates how empowered pet owners feel they are in the care of their pet. Five out of five is the highest empowerment score. Zero out of five is the lowest empowerment score.

The more empowered a pet owner feels, the more accessible they view their veterinarian and the more loyal they are.

Empowered pet owners become advocates and recommend you to others (Figure 14). This impact is strongest among millennials.

- Boomer pet owners are more likely than millennial pet owners to become advocates for their veterinary clinic
- Millennial cat owners are the least likely of all to recommend their veterinarian to others
- When millennials feel empowered, they become the most likely group to see their veterinarian as accessible and therefore recommend their veterinarian to other

Empowered Clients Are Advocates

Components of the Empowerment Score (Minimum score=0; Maximum score=5)

- I have more opportunities to save on pet medication than ever before
- I have more options regarding where I buy pet medication than ever before
- I have more information about pet care at my disposal than ever before
- I am more empowered than ever before as I make pet product decisions
- I often seek information about pet care from alternative sources instead of my veterinarian

Figure 13

Empowerment vs. Accessibility

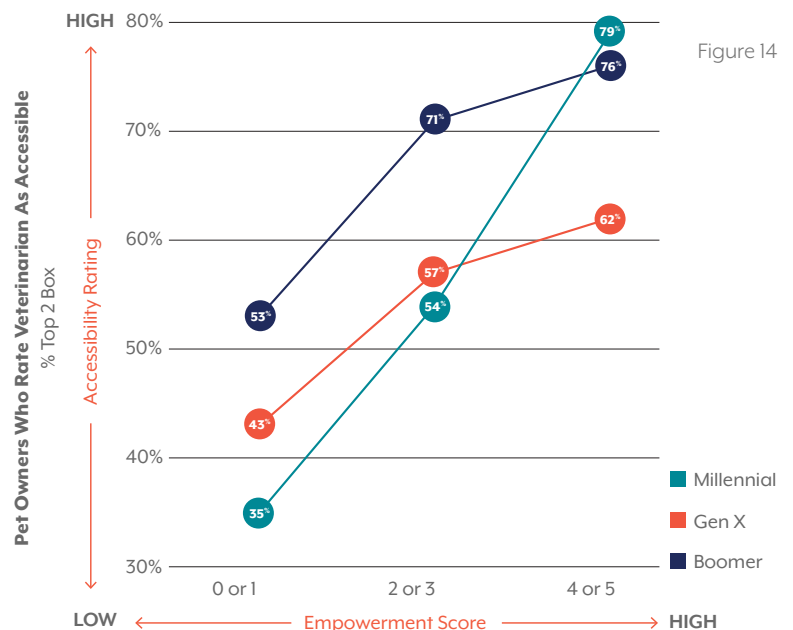
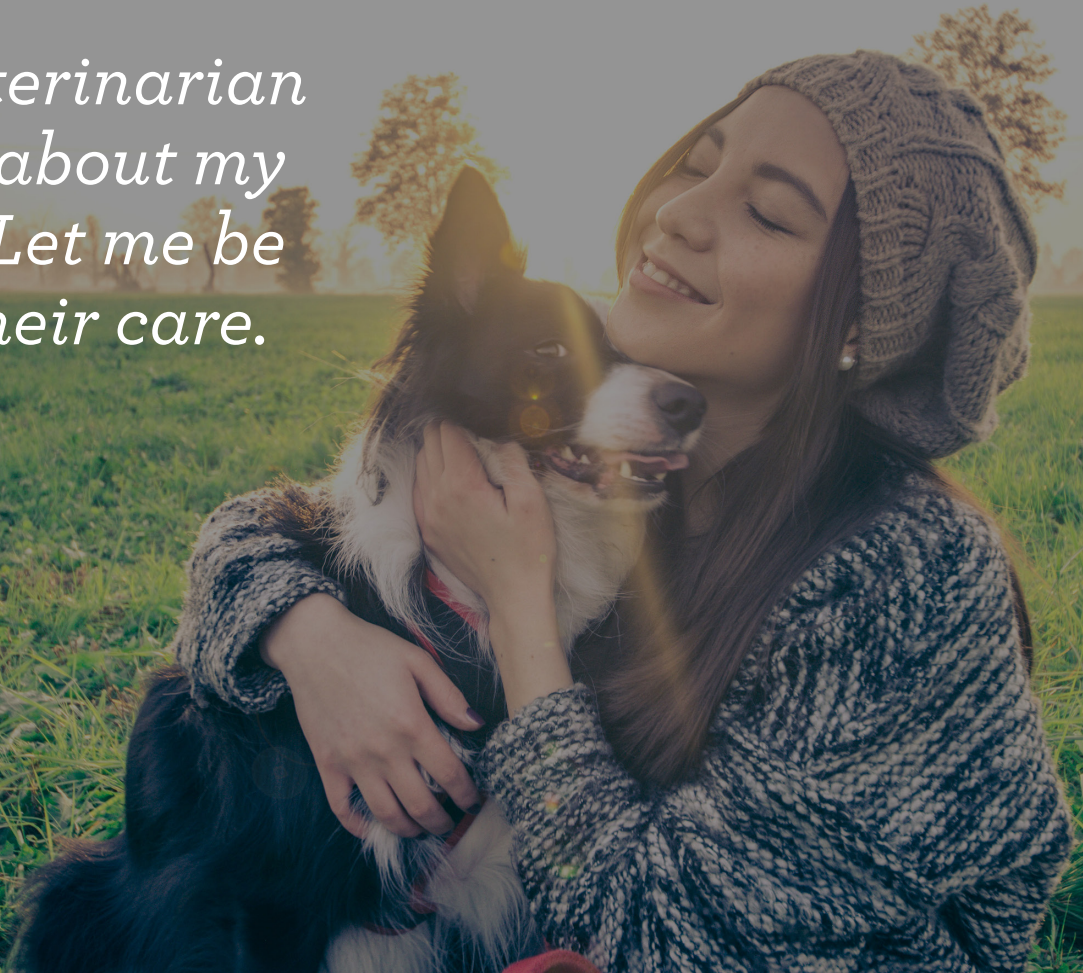


Figure 14

Boomer pet owners didn't grow up with access to volumes of information at their fingertips. To some degree, they have "white coat syndrome" or blind faith. Today's pet owner has access to information—right or wrong information, they still have access. Their desire to be educated and involved will lead future generations. The traditional veterinarian mindset of how to manage and engage with pet owners must evolve or clients will find someone else.

Keep in mind, client feelings of empowerment are not exclusively impacted by their interactions with you. Pet owners often develop feelings of empowerment through other sources, such as the Internet, and yet those feelings transfer to how they perceive you. If you want your clients to feel more empowered, your best ally may actually be Dr. Google.

I want my veterinarian to talk to me about my pet's health. Let me be involved in their care.



Dr. Google: Threat or Opportunity?

Evidence suggests that Dr. Google is beyond doubt an opportunity for veterinarians. Pet owners today have more information at their fingertips than ever before. But do not assume that they trust that information.

Believe it or not, when it comes to caring for their pet's health, pet owners still seek information from their veterinarian more frequently than from Dr. Google, and they trust the information considerably more.

The trust pet owners have in their veterinarian FAR exceeds the trust they have in Dr. Google.

Pet owners are more empowered today. They don't have blind faith in the Internet. They are using it to become educated and find out what questions they should ask their veterinarian.

ACTION PLAN:

Make Dr. Google your ally.

- Provide recommendations about where to find accurate pet health information online
- Encourage clients to ask questions and discuss what they find
- Ask pet owners to email you articles they find so you can determine credibility and provide your expert opinion
- Provide quality information on your clinic website. You don't have to write it. There are services that will supply content written by veterinarians.



Steps Other Clinics Are Taking

We asked veterinarians about the steps they've taken so you can better judge whether your clinic is ahead or behind in the game (Figure 15).

Just over one-half of veterinarians recently addressed the *Availability* driver of loyalty by offering new services. Over one-half have addressed *Transparency* and *Empowerment* by writing prescriptions that can be filled anywhere. Nearly one-half are addressing *Empowerment* by becoming a key resource for pet health information. Four-in-ten are addressing *Proactive Care* and the need for *Managing Cost of Care* by educating clients about pet health insurance.



Changes Veterinary Clinics Have Recently Implemented

Offered new or additional services	55%
Wrote pet owners prescriptions to fill wherever they prefer	56%
Took steps to relate more closely to our clientele via ongoing contact and communications	49%
Took steps to ensure we're the go-to resource for our clients when they need information on caring for their pets	48%
Created our own online pharmacy	42%
Educated pet owners more proactively about pet health insurance	42%

Approximately half of US veterinary clinics still have significant opportunities for improving client loyalty in all of these areas.

Figure 15

Key Takeaways

What makes clients loyal? Perceptions that you are accessible and provide value.

$$\text{Accessibility} + \text{Value} = \text{Loyalty}$$



Perceptions

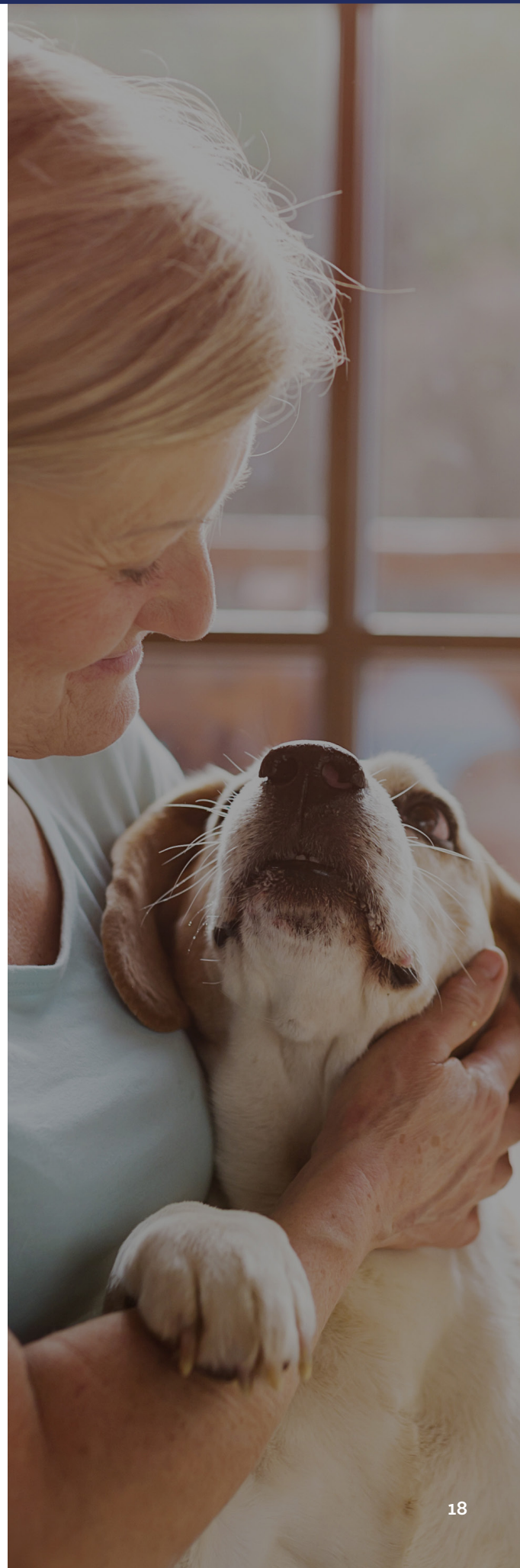
- Don't overestimate client perceptions of accessibility
- Clinic staff may be more in touch with how accessible your clinic is
- Don't underestimate client perception of the value your clinic provides
- Most pet owners define value by customer service and care

Drivers

- Transparency
- Proactive Patient Care
- Regular Communication
- Availability

Advocates

- Advocacy comes from a pet owner feeling empowered to make the best decisions in the care of their pet
- Dr. Google can be an opportunity or threat depending on how you manage it



Methodology and Analysis

Methodology

- Online survey via the opinions@trone consumer and veterinary online community platforms
- Unbranded blind survey
- Fielded October 2017

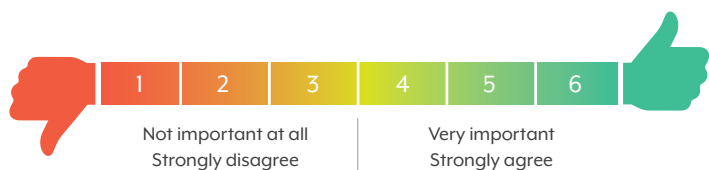
Study Participants

- Pet Owners (N=1,011)
95% confidence with a margin of error of +/-3.09%
- Currently Practicing Veterinarians (N=736)
95% confidence with a margin of error of +/-3.59%
- Other Veterinary Professionals
Technicians/Assistants: n=60, Hospital Managers: n=76¹

Analysis

Attitudinal questions were asked using a 6-point Likert rating scale. When reporting results, it is often helpful to report “Top Box,” which is the percent rating the top point (6) on the scale, or “Top 2 Box,” which is the percent rating the top two points (5 or 6) on the scale. We used a 6-point scale to force respondents to choose a positive or negative side.

The questionnaire design included lists to select options and open-ended questions where respondents were asked to freely write responses.



In the following report findings, pet owners are sometimes grouped according to their age. These are the breakdowns we used when defining each generation:

Millennial
1981-1996



N=370

Gen-X
1965-1980



N=224

Boomer
1946-1964



N=369

