



EDITION 1.1

CHEATING PET OWNERS:

Are Veterinary Visits Really in Decline?

diggo

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Background and Objectives



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.

Each Diggo report topic is selected with valuable input from hundreds of veterinarians. Have questions about your clients? Let us know. You could inspire our next report.

In the last decade, we've heard ongoing buzz within the veterinary industry that clinic visits are decreasing. We conducted market research to determine the frequency of pet owners seeking veterinary care and to better understand who is decreasing their veterinary visits and why.

Objectives

The primary objective was to understand the frequency and drivers of visits to private practice clinics versus other types of veterinary clinics.

Three key areas of exploration:

1. Influence of attitudes about preventive care and nutrition, perceptions of pet health and pet anxiety, needs for convenience and lower costs, etc.
2. Differences by pet owner age generation and cats vs. dogs
3. Role of the internet and perceptions of the value of Dr. Google vs. veterinarians

NOTE: This research is conducted by an independent research firm and is not sponsored by any manufacturer, retailer or service provider.

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:

1. Make a list of the specific steps you are currently taking within each action plan. Is there room for improvement?
2. Ask your staff what they perceive as being done well versus what you believe is working. Does your staff perceive things differently?

Historical Comparison: 1999 vs. 2019

The Pet Owner Perspective

To evaluate how pet healthcare has changed for pet owners in the past 20 years, let's take a high level look at the parallels between human healthcare and pet healthcare in 1999 versus 2019. Of course, there are fundamental differences between doctors and veterinarians, but across the board, healthcare is affected by underlying societal changes in technology, advertising, economy, culture and population growth. How pet owners view their own healthcare does influence how they view their pets' healthcare.

Human and Pet Health Clients: Past and Present

1999	2019
I have one doctor for almost everything. I have known them a long time and they have all my records.	There are so many specialists that have to be seen. No one has all my records.
I call and make an appointment, they can see me quickly and I drive to their office.	I can wait to get an office appointment. Or I can use urgent care, the mobile clinic, telemedicine or email/text.
White coat syndrome: My doctor knows best. I rely on them to be knowledgeable and stay up-to-date.	I'm surrounded by ads for different products and there is so much information on the internet. I can be knowledgeable and play an active role in healthcare decisions for my family.
I call the veterinarian to ask questions. Then I wait for them to provide the answer or I have to pull out the encyclopedia.	When I have questions, I ask my smartphone. I have a world of knowledge immediately at my fingertips. I can message my doctor, but I can also ask Dr. Google and discuss it with friends on social media. Knowledge is power.
Prevention is a natural part of healthcare. I rely on annual exams and vaccinations are automatic.	Preventive healthcare extends beyond my doctor and into my lifestyle. The more proactive I am about staying healthy, the less I need to rely on my doctor.
Healthcare spending is a small percentage of my income. I can afford it as long as no disasters happen.	Healthcare spending is a good chunk of my income. I have to be careful how I spend every penny. I might only be able to do what is absolutely necessary.
I love my pet, but my family's health is more important than my pet's health.	My pet is truly a part of my family, and I treat their healthcare the same as everyone else in my family.
I just pick between the three options on the store shelf. Companies wouldn't sell it if it was bad for us.	There are so many choices and some are not healthy for us. I believe nutrition really influences health.
I work 40 hours per week, traffic isn't bad and I drive into town to run errands.	I work 50 hours per week, traffic is a pain and I never have enough time to get everything done. Convenience is key for me. That's why I love buying online.

This historical overview gives us context to begin understanding the pet owner of today and how they may differ from pet owners of the past. The internet has been a critical contributing factor to changes in consumer mindsets, beliefs and behaviors across all generations. It enables instant gratification for pet owners who are seeking information or shopping and puts more resources at their fingertips than ever before.

Veterinary Visits Are Declining: Myth or Fact?

What veterinarians have been telling us:



Visits to veterinarians are declining.



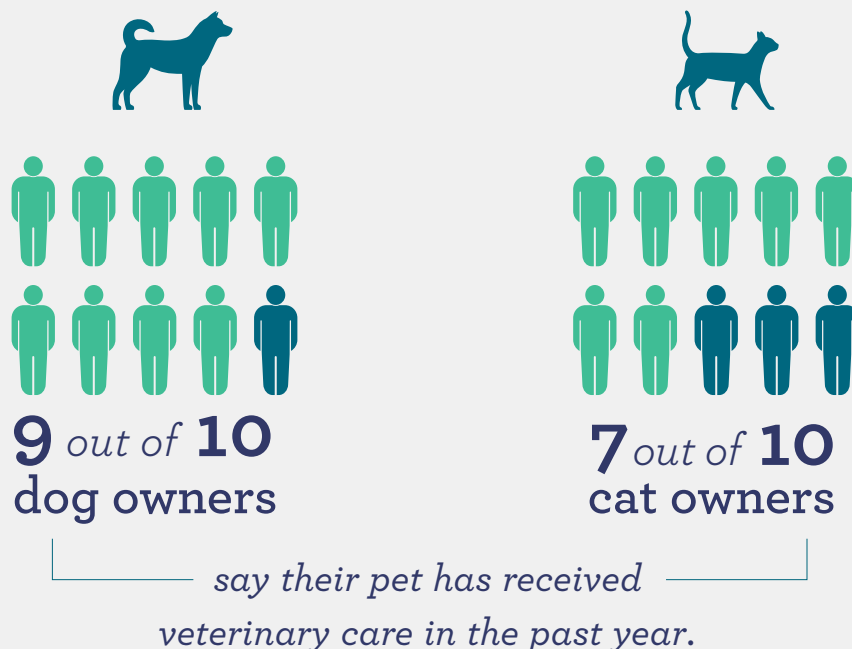
Pet owners aren't taking their pets to the veterinarian as often anymore.



Pet health is at risk.

Let's start by examining the current state of the veterinary industry according to pet owners.

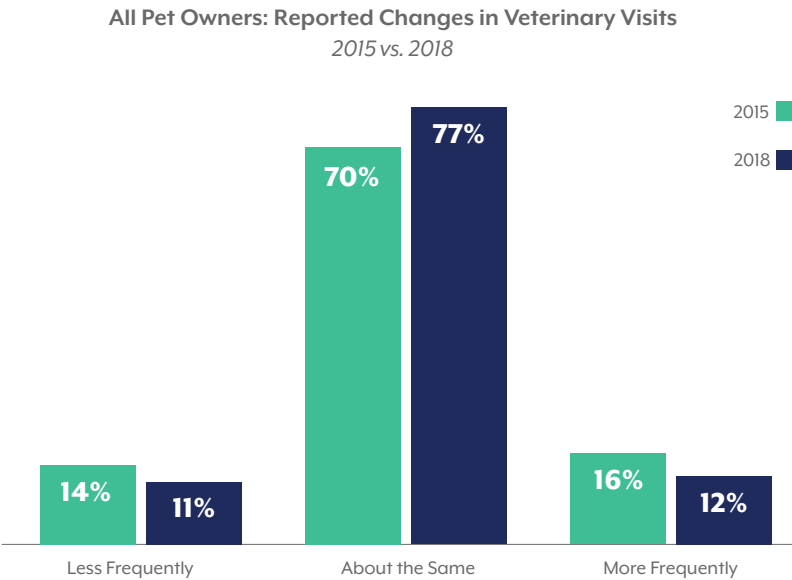
Figure 1



This echoes the 2017–2018 AAHA National Pet Owners' Survey which reported 2016 data (92% dogs and 74% cats). And it's higher than what was reported in the 2011 Bayer Veterinary Care Usage Study (86% dogs and 64% cats). Of course, it's no surprise that cats lag behind dogs, with nearly 10% not having seen a veterinarian for five or more years (Figure 1).

Three-fourths of pet owners say their pet received veterinary care about the same number of times this year as in prior years. Only 1 out of 10 say their pet received care less frequently, and approximately the same number report more frequently. The increases and decreases cancel each other out, which is consistent with findings from a study in 2015 (Figure 2).

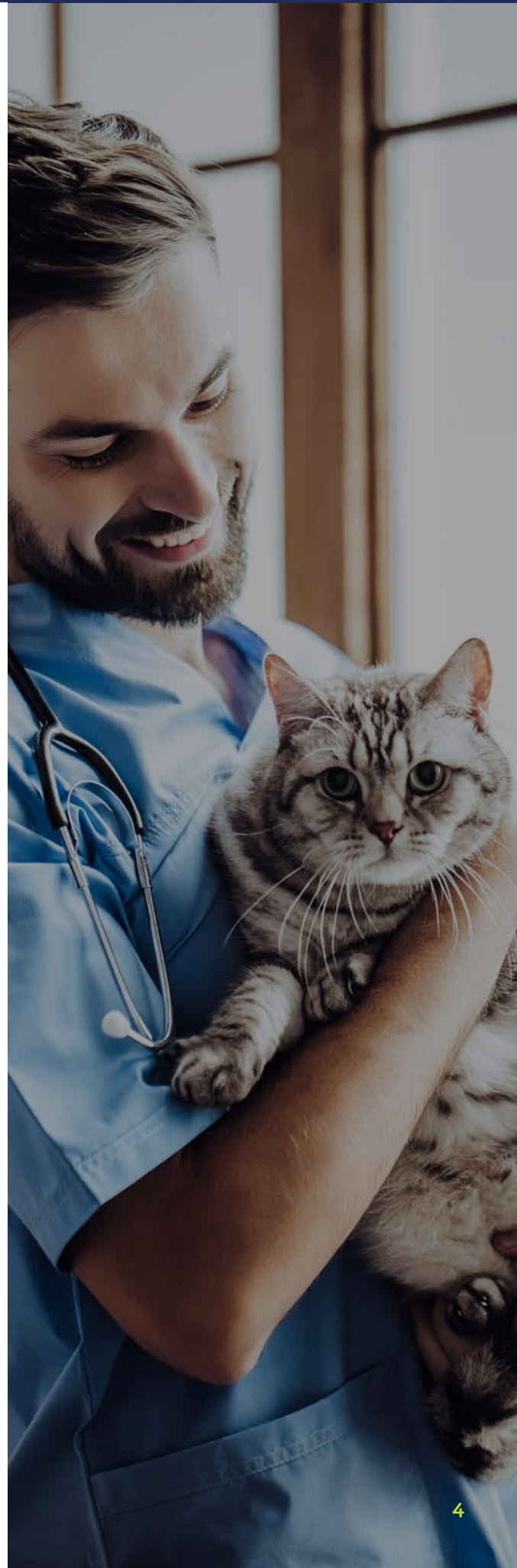
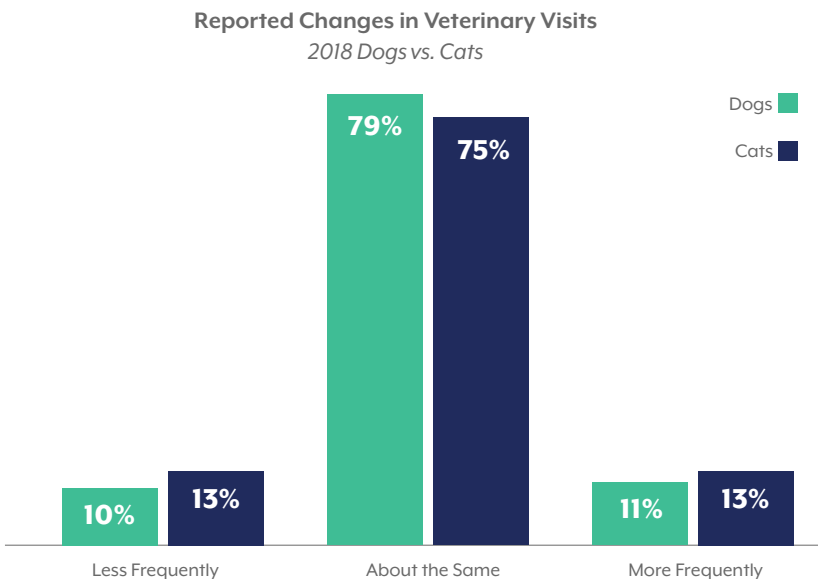
Figure 2



Dogs vs. Cats

When we separate dogs and cats, we still don't see a decline in veterinary visits (Figure 3).

Figure 3



Pet Owner Age Groups

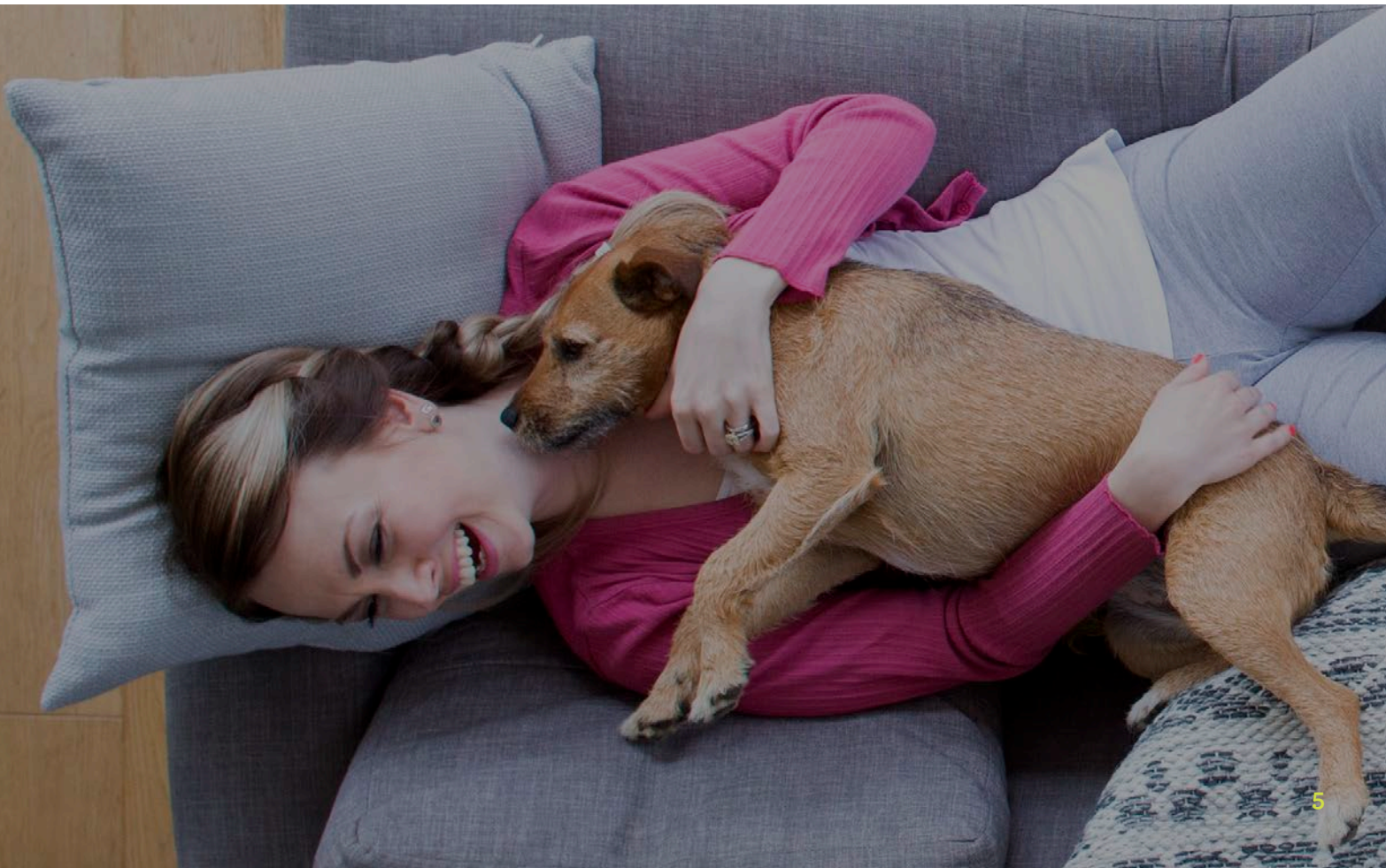
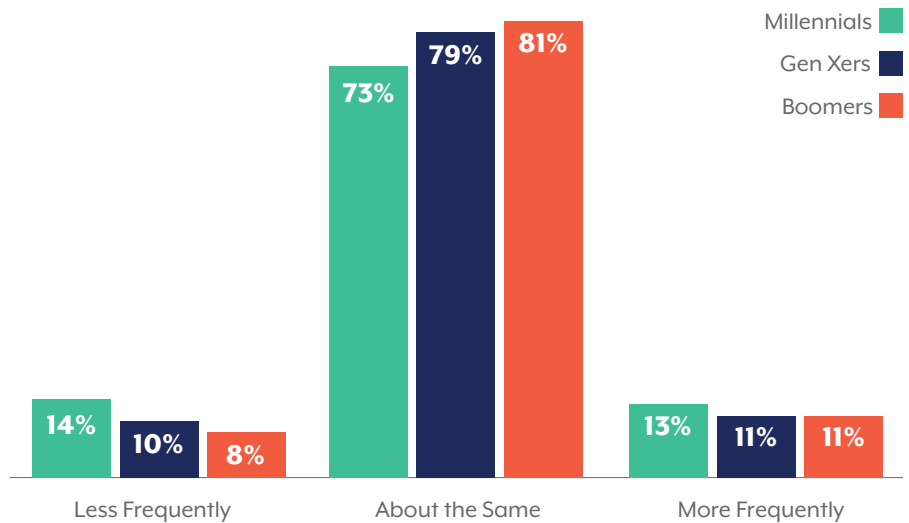
We also looked at differences between pet owner age groups (Figure 4). Even the Millennial pet owner is stable in their frequency of veterinary visits. In fact, the most notable generational discrepancy is Boomers with a higher percentage citing going to the veterinarian more frequently than less frequently.

According to pet owner-reported data, evidence of declining veterinary visits doesn't exist.

So, if there isn't an industry decline and there isn't a decline by pet species or pet owner age group, what's going on? Why are so many veterinarians seeing a decline in business?

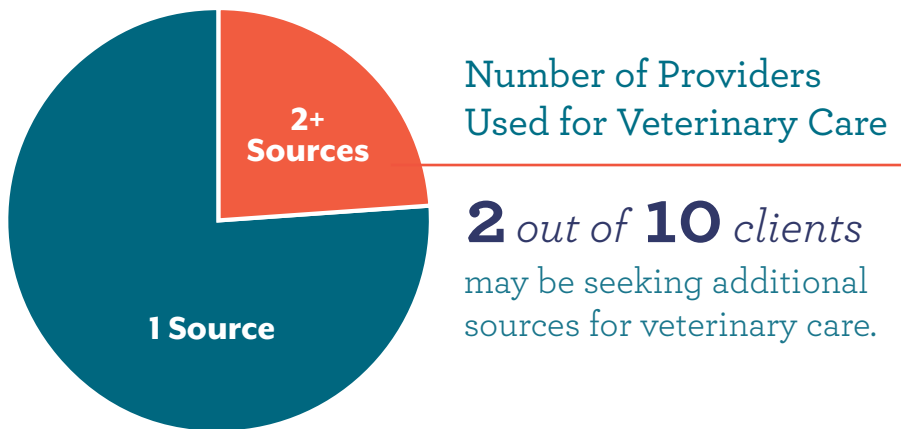
Reported Changes in Veterinary Visits
Millennials vs. Gen Xers vs. Boomers

Figure 4



Are Pet Owners Cheating on Their Veterinarians?

The majority of pet owners report that they only used one source for all of their veterinary care in the past three years (78%). But that means 22% are using more than one type of provider for veterinary care.



Who's Cheating?

Younger pet owners are more likely to use multiple places than older pet owners (Figure 5). We also found that cat owners are more likely than dog owners to be using only one source (79% vs 74%). While fewer cats are seen by a veterinarian, when they are, it's most likely their owners are not cheating on you.

Number of Places Pet Visited for Veterinary Care in the Past Three Years

Figure 5

	Millennial n=541	Gen Xers n=391	Boomers n=466
One	72%	79%	85%
Two	22%	19%	14%
Three	4%	1%	2%
Four +	2%	0%	0%

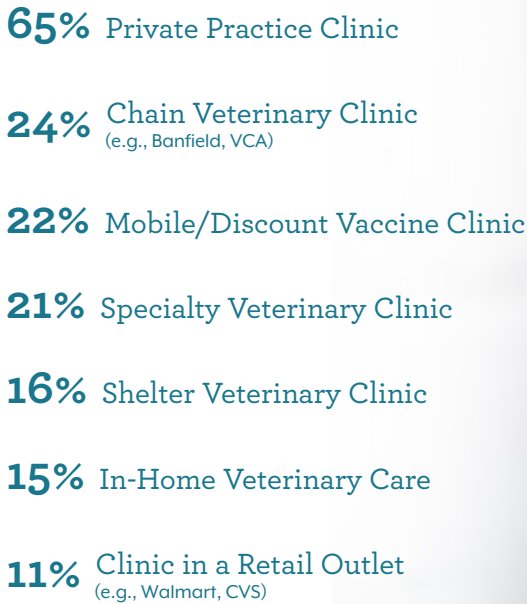
28% of Millennial pet owners visit more than one place.

Where Are They Going?

Chain veterinary clinics. Mobile clinics. Shelter clinics. Today's pet owners are choosing a variety of options for veterinary care (Figure 6). Private practice remains the most common, but all age groups are exploring different care providers. Millennials are using a wider variety of sources than older pet owners, so this is likely an emerging trend. And it's a reality you need to accept and adapt to soon.

Types of Veterinary Clinics Millennials Used in the Past Three Years

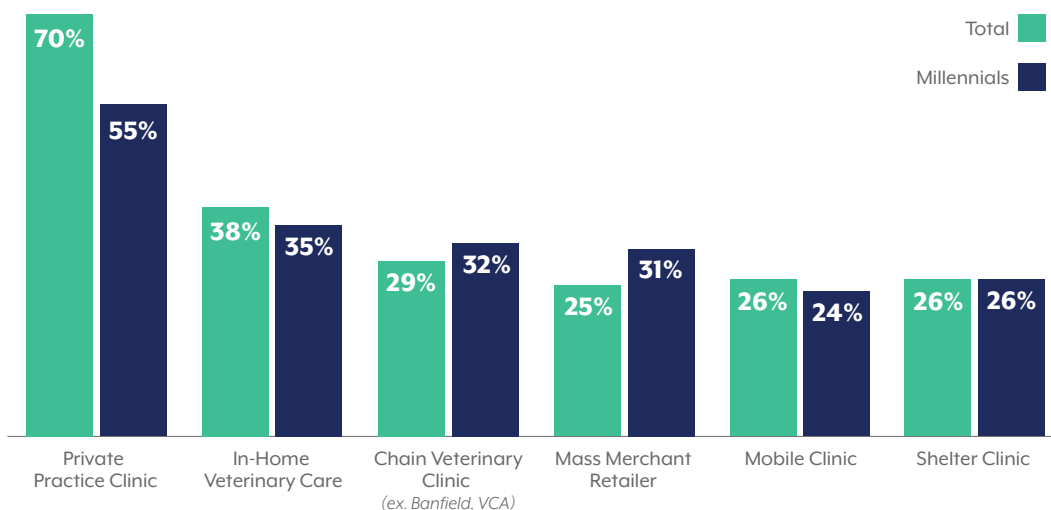
Figure 6



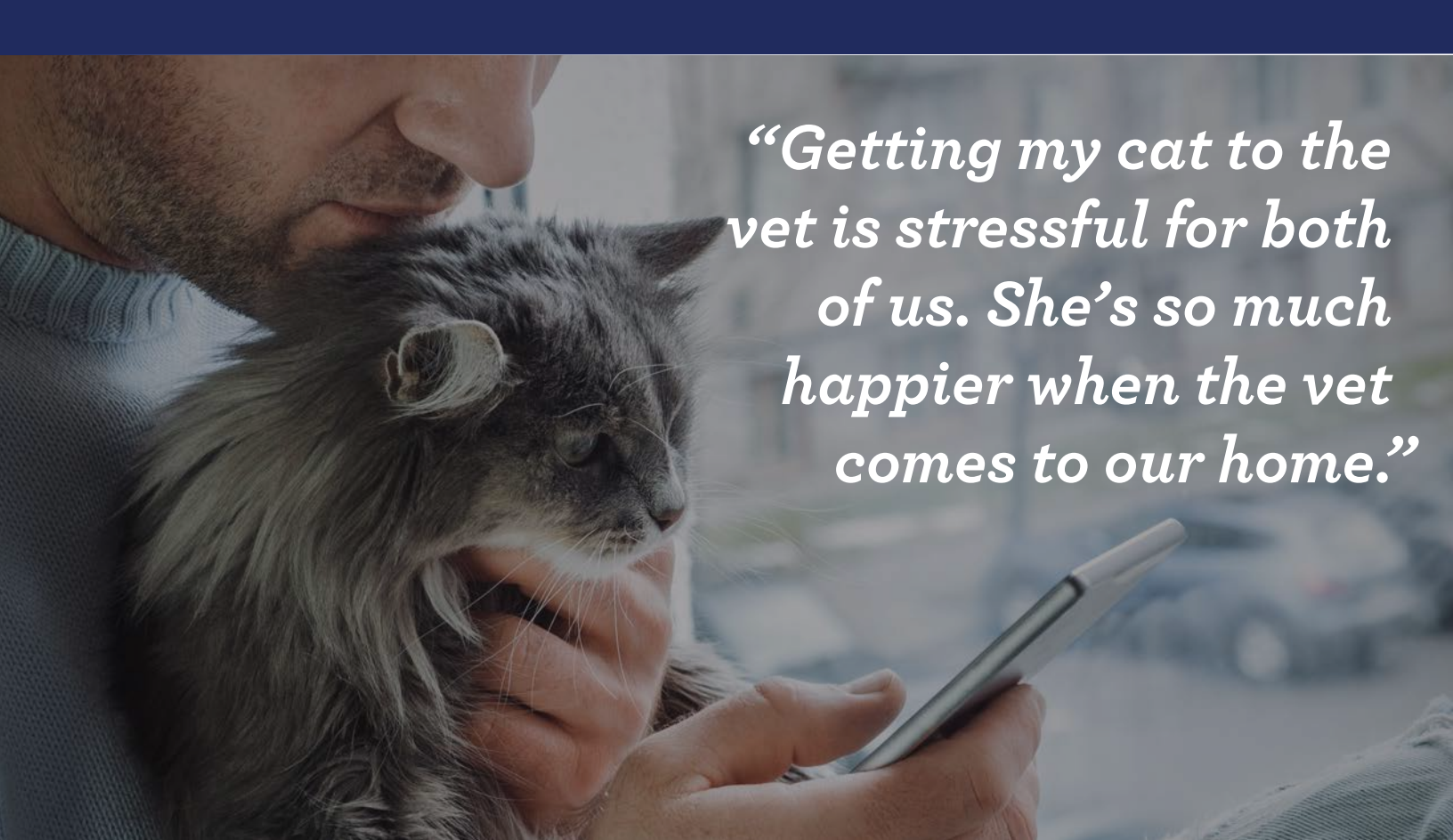
In a previous study, we asked pet owners where they wish they could go, assuming they had access to all of these sources for veterinary care (Figure 7). Even in 2015, Millennials were less likely than older age groups to select private practice clinics. In fact, for 45% of Millennials, the private practice clinic wasn't among their top three preferences at all.

Top Six Most Preferred Sources of Veterinary Care (2015)

Figure 7



Across all age groups, there was strong interest in in-home veterinary care.



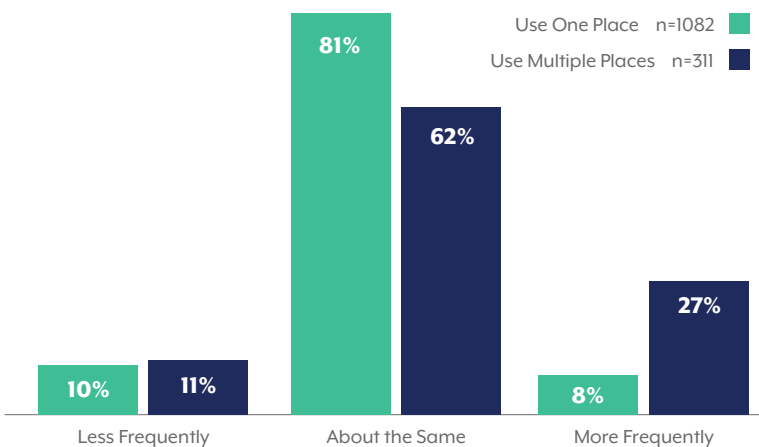
“Getting my cat to the vet is stressful for both of us. She’s so much happier when the vet comes to our home.”

Are They Visiting More or Less?

Believe it or not, those using multiple places for veterinary care are actually more likely to say they are making **more** trips for veterinary care now (Figure 8).

All Pet Owners: Reported Changes in Veterinary Visits Pet Owners Using One Location vs. Those Using Multiple Locations

Figure 8



Perhaps what the industry has experienced in recent years is a shift in where pet owners are going for veterinary care rather than a true decrease in the number of visits they are making.

ACTION PLAN:

Don't assume that your client, new or existing, is only seeing your clinic for veterinary care.

Encourage each pet owner to tell you about all of the places their pet receives care so that you can have a collaborative approach to the pet's health. If you have a strong rapport with a pet owner, ask them why they seek care from other veterinary establishments and how you can help make a difference in the health of their pet. You may not always like the answer, but you may learn something about how you can regain some or all of their business. Be transparent and communicate. Be cautious not to make them feel like a bad pet owner. Make sure they know you are always there to help.

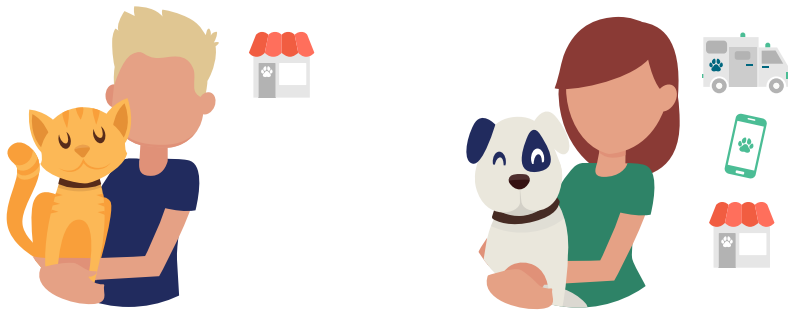
Pet owners using multiple places seem to be interested in variety for many areas of their pet's care, including the types of veterinarians they see and the options they want available to them. They are also more diversified in their sources for their pet health information, primarily the internet. Make sure your clinic website explains the benefits of wellness care and provides additional links to content that you trust.

How Multiple Care Sources Are Impacting Private Practice

The majority of pet owners who use a private practice clinic as their single source of veterinary care typically make one visit per year to the veterinarian (Figure 9).

22% of all pet owners and 28% of Millennials are visiting multiple places for veterinary care. Pet owners using multiple clinics typically only visited a private practice twice in the past three years. That means on average, these pet owners are seeing their private practice veterinarian less frequently.

Figure 9



Only Use Private Practice Veterinarian
Average 1 Visit Per Year

Use Multiple Sources for Veterinary Care
Average Less Than 1 Visit Per Year

It appears that private practice veterinarians are seeing a decline in the number of visits from clients who are using multiple places for veterinary care. Keep in mind that this is likely to be a growing trend because it is more common among Millennials. If you are in a private practice, start thinking now about how your clinic can prepare.

ACTION PLAN:

Ask your clients how you can best accommodate their needs.

Find out if it would help for you to:

- Offer in-home care a day or two per month
- Change clinic hours to 12pm–8pm one day per week
- Expand your service line

Assuming the average client transaction is \$300 and you reclaim five patients, that could be an additional \$1,500 you had previously lost.



Is Private Practice Still the Standard for Primary Care?

ONLY 65%

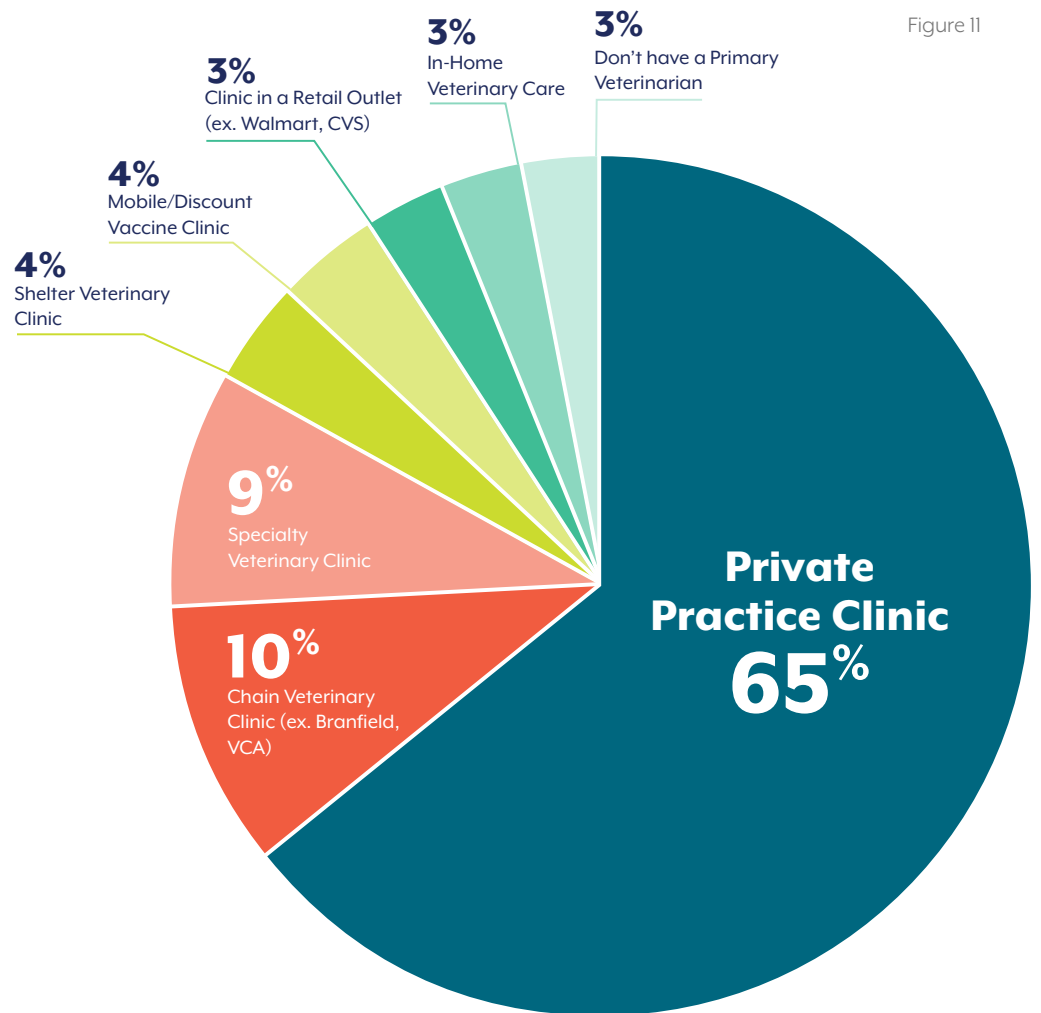
of today's pet owners report that their primary veterinarian is in a private practice clinic.

Young Pet Owners Are Driving the Change

It's important to note the generational differences here. Only half of Millennials currently use a primary veterinarian in a private practice, versus the majority of Boomers (Figure 11). If you are a private practice veterinarian, you need to think about adopting new strategies to attract and retain younger clients. At the time of this report, multiple new clinics announced opening in both Walmart and Meijer. These changes are happening today.

Type of Clinic in Which Current Primary Veterinarian Practices (n=1,504)

Figure 11



Pet Owners Using a Primary Veterinarian in a Private Practice

Millennial
5 out of 10



Gen X
7 out of 10



Boomer
8 out of 10



4 out of 10 pet owners using multiple veterinary sources are starting to turn away from private practice clinics as their primary veterinarian.

The likelihood of seeing a private practice veterinarian as a primary veterinarian also differs among those who use only one source for all types of care versus those who use multiple places. Of those using only one source for veterinary care, 7 out of 10 reported that their primary veterinarian is in a private practice clinic, versus only 6 out of 10 who use multiple places for veterinary care.

Where Are They Going?

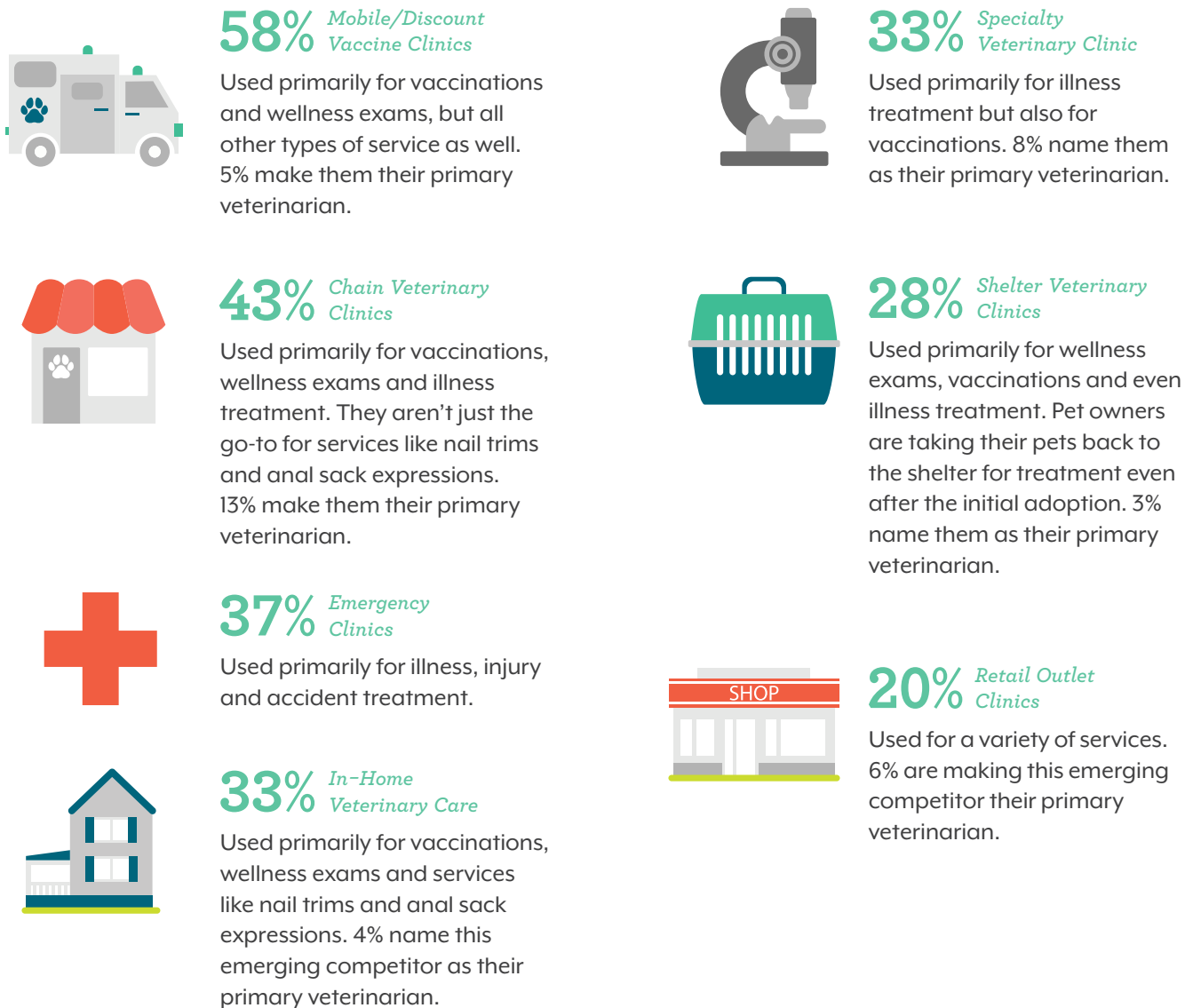
Although 86% of pet owners are still turning to private practice clinics for some of their needs, only 59% say the private practice is their primary (Figure 12). There is no difference between cat owners and dog owners.

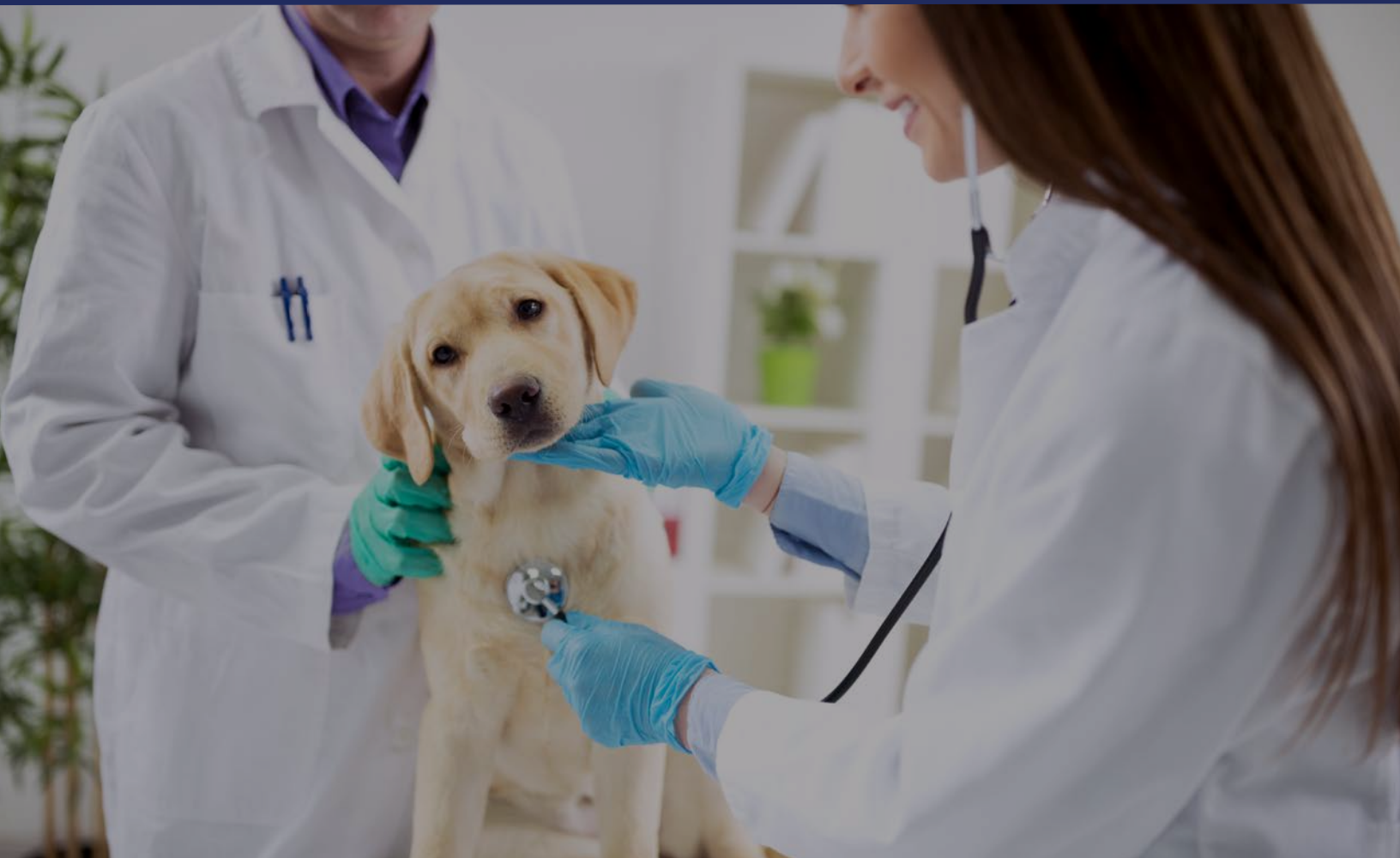
In May 2019 alone, there were more than 150 news articles that referenced veterinary clinics in Walmart. This doesn't include the other emerging veterinary care channels. If you're not seeing the impact in your area, you will. It's an inevitable reality.

What Services Are They Seeking?

So, what types of veterinary care are they getting from alternative clinics? One-off services or actual primary care? Who is a real threat to the core business of the private practice clinic? The uncomfortable answer is that they all are.

Figure 12





The most common reasons for pet owners to visit a private practice clinic are for wellness exams and vaccinations. (Figure 13)

Private Practice Clinic Services Obtained in Past Three Years Use Multiple Places n=311

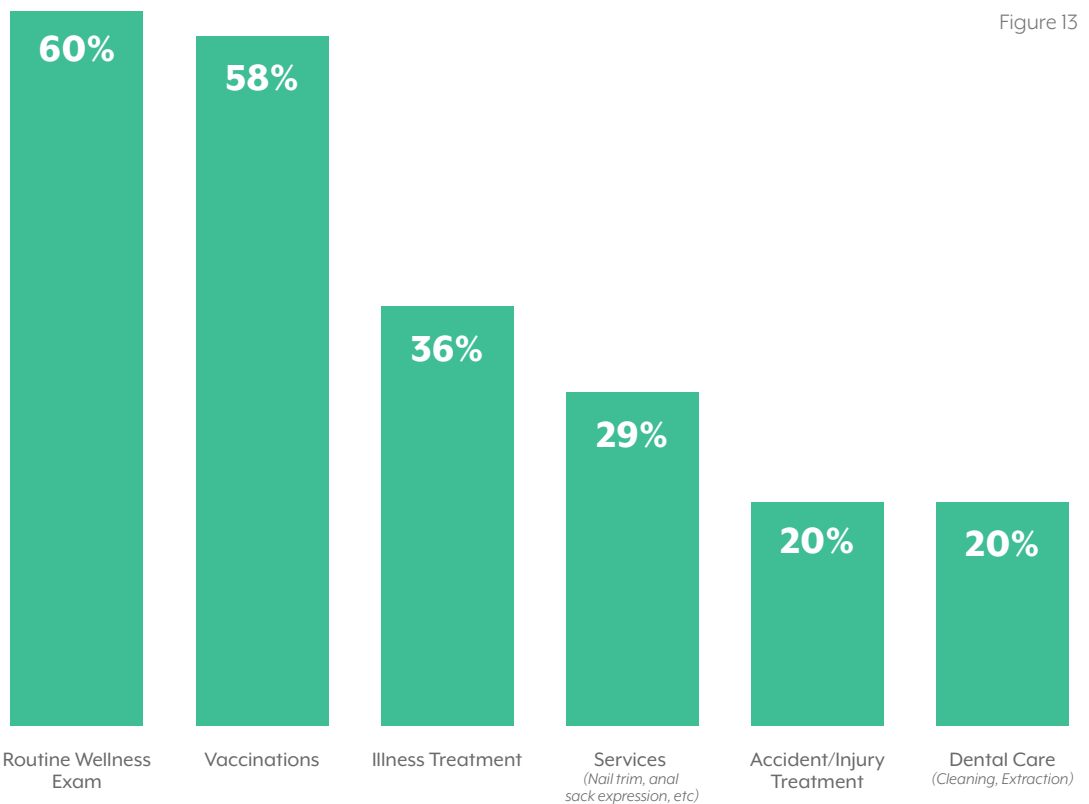


Figure 13

What's the Appeal?

Chain clinics inside big box pet retailers like PetSmart offer one-stop shopping with endless aisle capacity for pet food, toys, treats, leashes and supplements in addition to medications and services like nail trims and veterinary care.

Clinics inside mass retailers like Walmart offer price discounts as well as one-stop shopping for pet products. They don't have endless aisle selection, but they do have more choices than typical private practice clinics. Plus, they have the added benefit of allowing pet owners to grab that much-needed gallon of milk or pack of toilet paper.

Mobile/discount vaccination clinics offer the advantages of location convenience and discount pricing.

In-Home veterinary care delivers the ultimate location convenience as well as a reduction in real or perceived pet anxiety from travelling, which is particularly important to cat owners.

Alternative Care Options

Those using multiple places for veterinary care are more likely than the general population of pet owners to be interested in all kinds of alternative care options including telemedicine, in-home care, payment plans, wellness plans, insurance plans, extended hours, round-the-clock response teams, retail clinics and drug store clinics. These alternative care options are becoming more available and will continue to change the landscape of veterinary medicine. Change is inevitable. You are in control of remaining relevant by adapting to change. The alternative may put your clinic out of business.

“If you dislike change,
you're going to dislike
irrelevance even more.”

— *Eric Ken Shinseki,*
Decorated US Army General



ACTION PLAN:

If you are in a private practice, now's the time to reexamine your approach to attracting new clients and maintaining loyalty as their primary veterinarian.

As Millennials gain influence, you will likely face growing competition from alternative types of clinics such as chain clinics, in-home providers, retail outlets and mobile clinics. Make efforts to reach out to these young pet owners and provide the services that can cause them to stray.

Cater to pet owners' needs for convenience, immediacy, internet reliance, price sensitivity and perceptions of pet anxiety.

- Consider telemedicine and in-home veterinary care
- Expand your clinic hours
- Offer discounts, promotions and payment plans

Explore your ability to branch out and get involved before these emerging markets mature. Think about new revenue streams from offering in-home visits once a week, mobile clinic days once a month, etc. The sooner you diversify your business model to accommodate some of these services, the less revenue bleed you may suffer.

If you already provide some of these options, make sure your existing clients are aware. Communicating your value is an essential part of client retention.

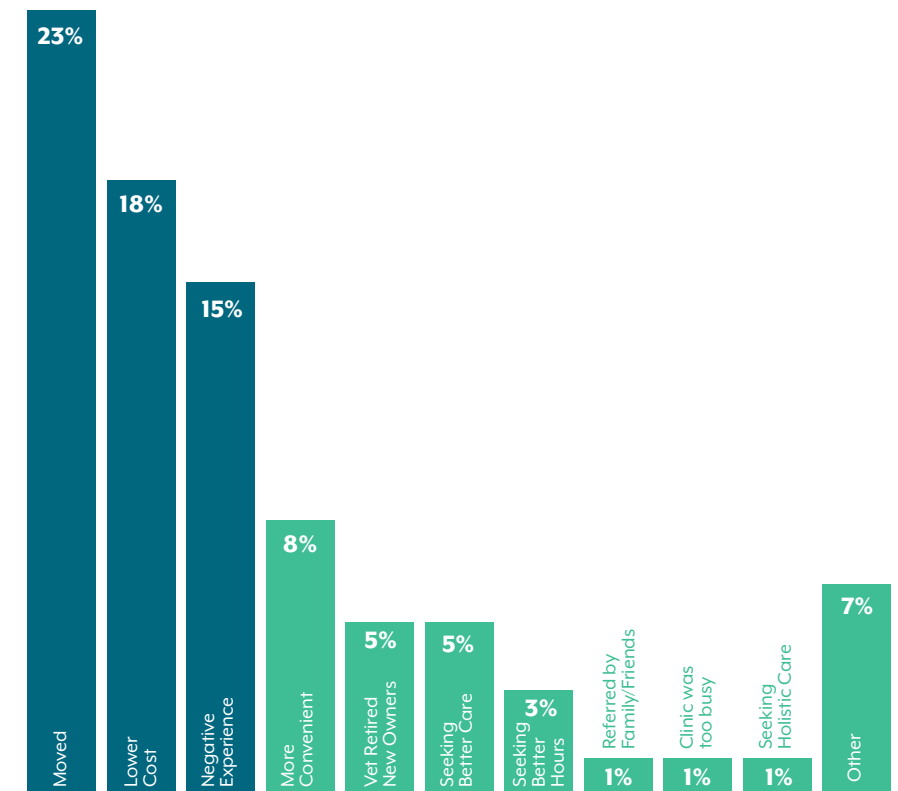
The Real Reasons Pet Owners Are Switching

Let's examine pet owners who have recently switched to a new primary veterinarian. Are they sticking with a private practice or are they showing signs of defecting? Nearly 2 out of 10 dog and cat owners have changed primary veterinarians in the last few years.

Not surprisingly, the most common reason for changing a primary veterinarian is because the client moved (Figure 14). However, 67% changed for a different reason. The second most common reason is to find a lower cost veterinarian and the third most common reason is because they had a negative experience with their prior veterinarian. Interestingly, these top three reasons for switching primary veterinarians are consistent across all age groups.

15% of pet owners left because of a negative experience.

Why Clients Changed Their Primary Veterinarian Figure 14



What Constitutes a Negative Experience?

Real pet owner responses:

I didn't like the way they cared for my dog before he passed away.

My dog was completely traumatized with vet visits to the point she had to be sedated. We found a new vet who took her time with her to make her comfortable.

Didn't like vet's attitude with my animals.

The 1st vet was rude and crude. The 2nd vet was closed [Wed] when we really needed her. The 3rd vet saved my dog's life.

I found one that I like the environment better. Less barking, less craziness that affects my dog.

My dog Princeton was misdiagnosed that cost him his life.

Previous vet did not seem interested in us and our pet.

I felt they only cared about the money.









Had trouble with the staff being rude.

Where's Everyone Going?

Pet owners who recently switched are now less likely to be seeing a private practice veterinarian as their primary veterinarian (Figure 15). The most notable increases for alternative clinics occurred in retail outlet clinics and in-home veterinary care.

Does Using Multiple Sources Lead to Switching?

There is about 50% overlap between pet owners who use multiple places and those changing their primary veterinarian. This suggests that for some pet owners, using multiple veterinarians may ultimately lead to them switching. However, those using multiple veterinarians also report the same top three reasons for switching as we saw among all pet owners: moving, lower costs and a negative experience.

Type of Clinic in Which Primary Vet Practices	Overall <i>n</i> =1503	Pet Owners Who Changed Primary Vet <i>n</i> =270
 Private Practice Clinic	65%	53%
 Chain Veterinary Clinic (e.g., Branfield and VCA)	10%	11%
 Specialty Veterinary Clinic	9%	7%
 Shelter Veterinary Clinic	4%	6%
 Mobile/Discount Vaccine Clinic	4%	5%
 In-Home Veterinary Care	3%	7%
 Clinic in a Retail Outlet (e.g., Walmart and CVS)	3%	7%
 Don't have a Primary Veterinarian	3%	3%

About half of pet owners who changed their primary veterinarian were using multiple places.

ACTION PLAN:

Pay close attention to cultivating loyalty among clients who use multiple sources for veterinary care.

One of the best ways to inspire loyalty among these pet owners is by continually demonstrating the value you provide as their primary veterinarian.

- Acknowledge the other sources as an important part of their pets' well-being.
- Coordinate with the other care providers to make sure you are aware of everything that is happening with the pet—especially when it comes to medications, vaccinations and specialty care.
- Do not discourage pet owners from seeking alternative veterinary care providers.

Make sure you are addressing negative experiences.

If a client's trust in your clinic was somehow damaged, relationship repair efforts may be critical to make sure they don't switch to a new primary practice. Personalized regular communication is critically important to rebuilding trust.

Keep in mind, personalization must go beyond the pet's name. Consider sending out a simple email or text that a friend might send. Something like: "We just wanted to check in on Fido and make sure he's doing well. We're here if you need us." No sales pitch. Just a simple note to show you care.

To learn more about cultivating loyalty, check out our 2019 Preview Report, *Pet Owner Loyalty: Inspiring trust and creating lifelong clients*.

Why Are Some Pet Owners Skipping Out on Care?

11% of pet owners say their pet received less frequent veterinary care in the past year than prior years.

Pet owners who have decreased veterinary visits are less likely to currently use a private practice veterinarian as their primary veterinarian (59% versus 65% among total pet owners). But that means their decrease in total number of veterinary visits is impacting non-private practice clinics almost as much as private practice clinics. Fortunately, almost all of these pet owners say their pet did receive veterinary care at least once in the past three years.

Top Reasons Clients Took Their Pet for Veterinary Care Less Frequently



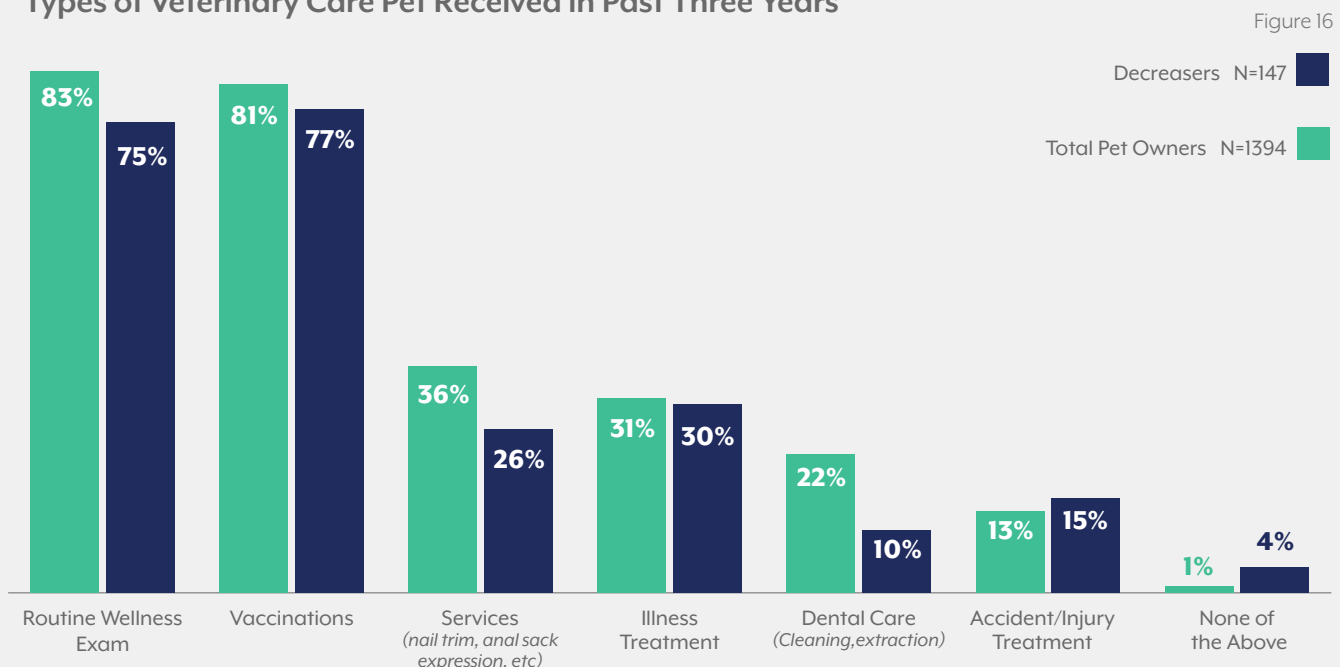
38%
My pet was healthier in the past year than prior years.



25%
I could not afford that much veterinary care this year.

Decreasers are less likely to have taken their pet for wellness exams, vaccinations, services and dental care in the past three years (Figure 16).

Types of Veterinary Care Pet Received in Past Three Years



Decreasers are slightly more likely to have changed their primary veterinarian in the last few years (22% versus 18% among total pet owners). However, three-fourths of them are still using only one place for all of their veterinary care.

45% of Decreasers are Millennials. As a whole, decreaseers are younger than the total pet owning population (Figure 17).

Generational Breakdown of Pet Owner Population vs. Decreasers

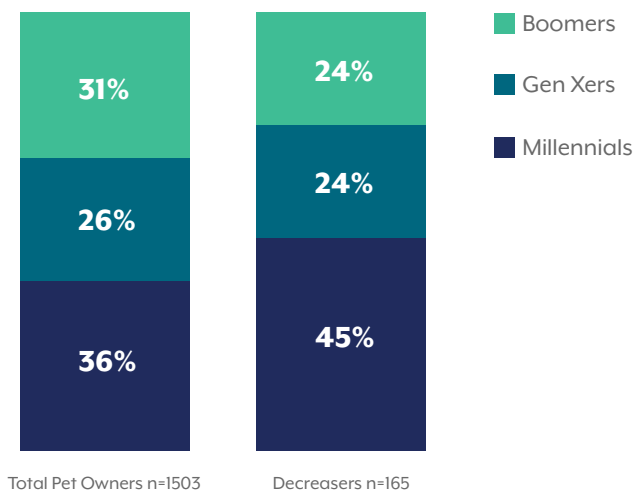
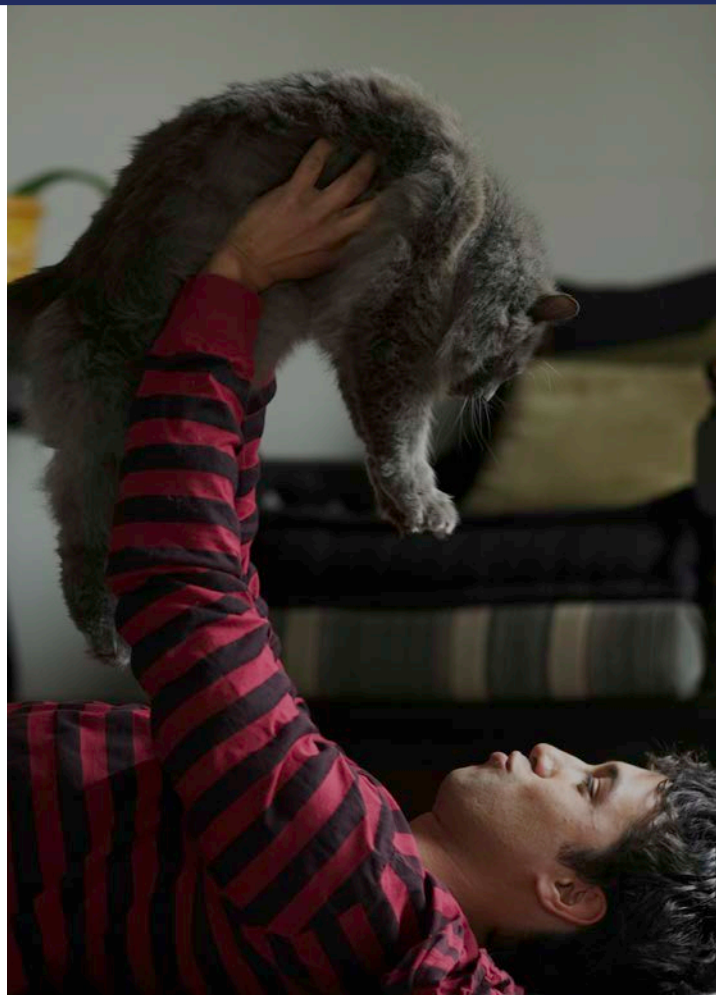


Figure 17



ACTION PLAN:

If your clinic is seeing a patient less frequently for wellness visits or vaccinations, be aware that the client may be facing financial difficulties.

Promotions, discounts, payment plans or wellness plans may motivate them to resume their prior schedules. Many pet owners do not know that payment plans are an option. Make sure your clients are aware of everything you offer to make providing care less of a financial burden.

Payment Options

If you think managing pet owner bill payment plans is too much work for your clinic staff, consider the financial technology company Scratchpay. This service offers financial assistance options to pet owners for bills up to \$10,000, immediately reimbursing the veterinarian for a 5% charge and then independently managing the payment plan with the pet owner. While this may not be ideal for you, it will help clients with financial concerns provide care and protect their relationship with your clinic.

Many pet owners aren't aware that they can finance their pets' healthcare through CareCredit. Consider education efforts about this option and be sure to discuss it with those facing large unanticipated bills. A display of brochures is a passive recommendation. Be more proactive in discussing financial options.

Discounts and Promotions

- Consider bundling services together for a discount (e.g., free nail trim with vaccinations, prevention bundle of vaccinations and parasiticides). Or offer limited time discounts periodically.
- Be sure that your clients are aware of all the promotions manufacturers offer. These are at no cost to you but can be the tipping point for certain pet owners.
- Referral credits can provide the financial incentive some pet owners need. Plus, this rewards you with a new client.

* This research is conducted by an independent research firm and is not sponsored by any manufacturer, retailer or service provider.

One-Size-Fits-All Does Not Fit Pet Owners

Today's pet owners are not as like-minded as they used to be. Different groups have different mindsets—including beliefs, needs and attitudes.

Group 1: Traditional Pet Owners

This small group is reminiscent of the trusting, preventive-minded pet owners of 1999. They understand the importance and value of preventive care and stick to the recommended schedule. They have only one veterinarian and have built a strong relationship with them based on trust, confidence and loyalty. But only one-quarter of pet owners today have this mindset. So, what about the other 75% (Figure 18)?

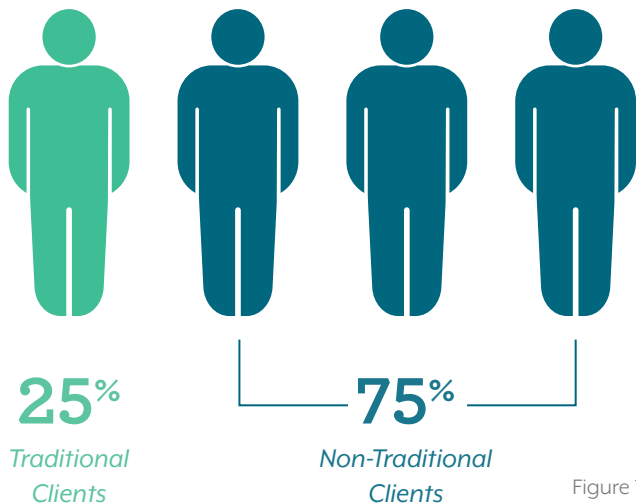


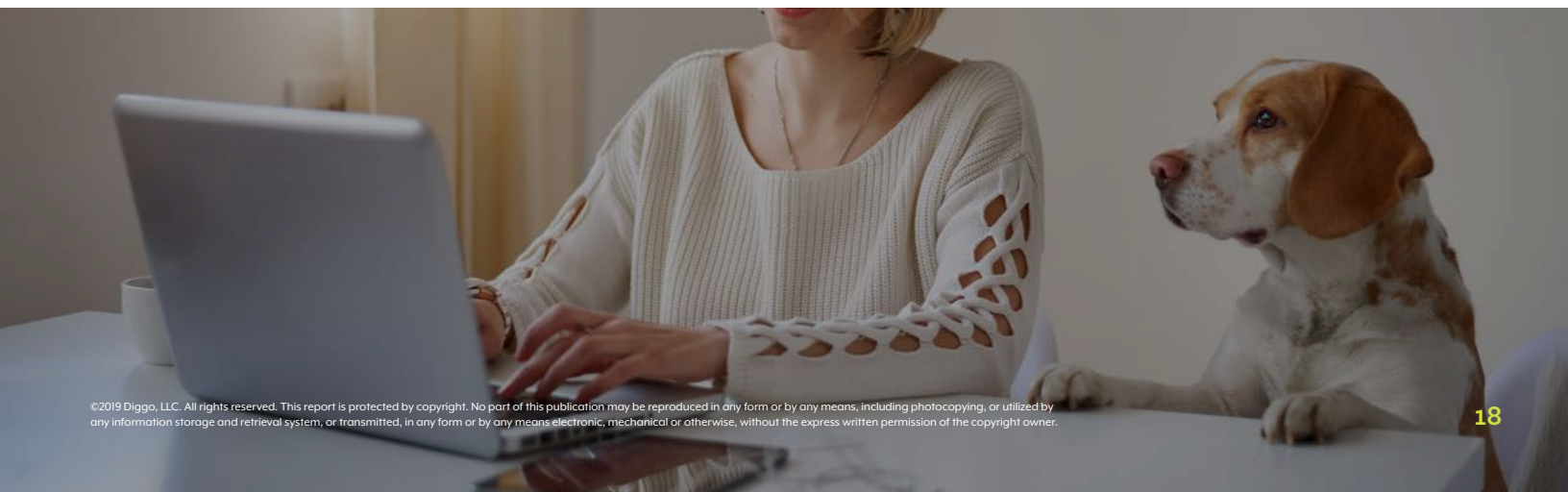
Figure 18

Group 2: Non-Traditional Pet Owners

Our statistical modeling has identified a much larger group of seemingly non-traditional pet owners who are extremely diverse and are driven by different motivators, including:

- Cost concerns (either due to financial distress or unexpected bills)
- Doubts about the importance of preventive care, vaccinations (for indoor pets) and wellness visits
- Beliefs about the value of nutrition or pet exercise
- Strong emotional bond with the pet
- Negative veterinary experience that resulted in loss of trust
- Perception of their pet's anxiety when receiving veterinary care
- Convenience
- Reliance on the internet

There is no longer one predominant type of pet owner mindset; therefore, ***a one-size-fits-all approach to building and maintaining relationships with today's pet owners simply won't be effective.*** There are several different emerging trends in how pet owners approach pet health. Each type of pet owner will interact with and respond to you differently.



Millennials Can't Be Blamed for Everything

With all the changes happening in the veterinary industry, you may be tempted to think it's all Millennials' fault. But before you judge, consider this: ***Every pet owner mindset is represented across every age group.***

Believe it or not, the traditional pet owner mindset is not dominated by older pet owners. There are plenty of younger pet owners who have a focus on preventive care and one veterinarian whom they trust and rely on extensively. Likewise, the internet-loving, convenience-driven mindset is not completely dominated by Millennials. There are plenty of older pet owners who've adopted this mindset.

Mindsets Can Be Difficult to Determine

Unfortunately, you can't identify a pet owner's mindset by looking at their age, gender, what species of pet they have, how often they bring in their pet or even how much they've spent in your clinic.

There is no consistent profile that you can use to easily determine which type of pet owner mindset you are dealing with when you interact with a client.

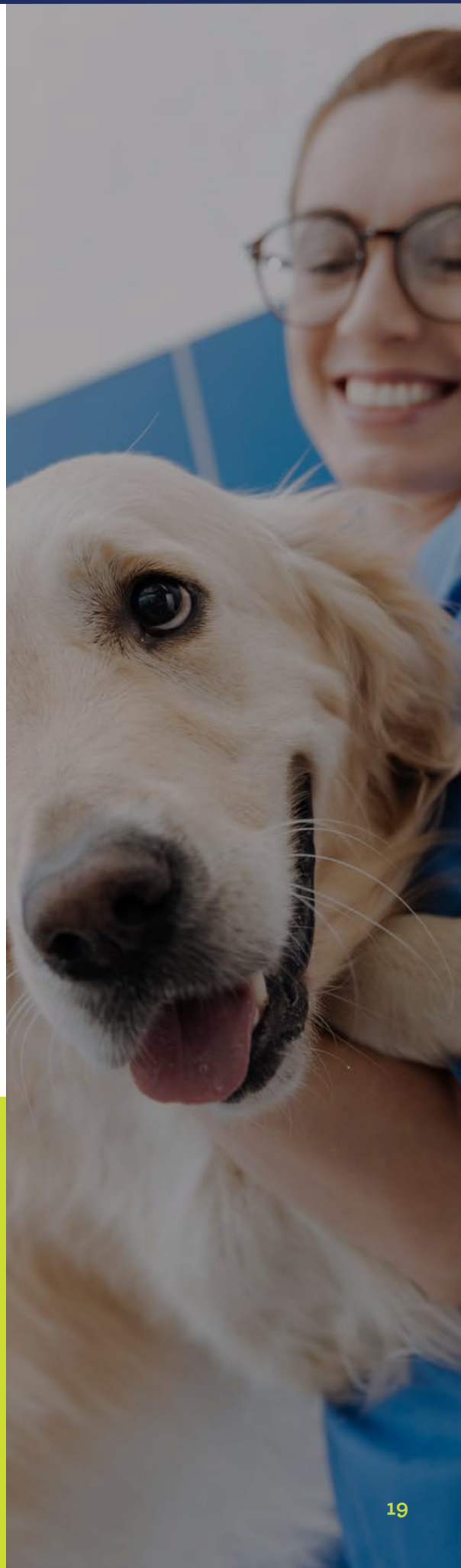
We also see each mindset engaging in a variety of different pet health behaviors. Some are using multiple veterinarians while others are using one. Some are increasing the number of visits they make to the veterinarian while others are decreasing. Some are loyal to their primary veterinarian and others have recently switched.

ACTION PLAN:

The challenge for you in responding to today's pet owners is taking an approach that needs to cover all the bases at once.

Because you cannot reliably predict the mindset of a client, your clinic should begin employing a multifaceted operational model and communication approach to address multiple key motivators in your discussions with pet owners.

If you are able to determine what motivates a specific client, you and your staff should tailor communications based on their individual perceptions, financial sensitivities and attitudes.



Human Healthcare Is Impacting Veterinary Healthcare

Significant changes have taken place for doctors in both the human and veterinary fields in the past 20 years. Consider the changes that have occurred with your own family's healthcare. This will help you better understand your clients' perspectives on how pet healthcare has also changed during that same time period.

Human Doctors and Veterinarians: Past and Present

1999	2019
Doctors obtain a generalized degree and become a primary health care provider, maintaining all records and oversight for the patient's health plan.	Doctors are increasingly specialized, making it more difficult to maintain complete health records and control over patient health plans.
Doctors drive to their office for their work day, including returning patient phone calls.	Increasingly, doctors are providing additional methods of care and communication (mobile, in-home, email, telemedicine).
Doctors know more than their patients about health issues and their recommendations are followed.	Doctors can assume many of their patients research health topics before and after appointments and may have their own opinions.
Doctors are asked questions by patients. Their opinion is the only one the patient hears.	Doctors don't know what kinds of information their patients are receiving because it can come from many other sources.
The norm is for doctors to see their patients on a regular basis for wellness care/vaccinations as well as illness/injury care.	Doctors see some patients more sporadically, sometimes only for illness/injury care. They sometimes have to explain and defend the need for vaccinations and wellness care.
Doctors are not competing with other patient priorities to justify healthcare spending.	Doctors are facing increasing price scrutiny and even deprioritization of healthcare spending among some patients.
Veterinary doctors are providing care for second class family members compared to human doctors.	Veterinary doctors are sometimes better than human doctors in the client's focus on family healthcare.
Doctors assume basic nutrition is obvious and easily available to patients. It's only discussed when a problem arises.	Doctors are increasingly recommending a preventive approach that focuses on smart nutrition decisions and staying physically active.
Doctors provide all products and services to clients through their clinic office location.	Doctors who are providing online products and services and addressing client needs for convenience are seeing stronger revenue than those who are not.

Keeping Up with Young Pet Owners

Millennials grew up with the internet at their fingertips (the smartphone culture), access to the power of the crowd (social media), more choices to consider (endless aisles), increasing pressures on time and a need for convenience (the Amazon effect), a focus on nutrition for health (first themselves and now for their pets) and recession experiences that drive price sensitivity.

The decline in private practice veterinary visits and increased diversification of veterinary clinic types mirrors what is happening with Millennials' own healthcare.

“...Millennials' preferences—for convenience, fast service, connectivity and price transparency—are upending the time-honored model of office-based primary care.”

“Many young adults are turning to a fast-growing constellation of alternatives: retail clinics carved out of drugstores or big-box retail outlets, free-standing urgent care centers that tout evening and weekend and online telemedicine sites that offer virtual visits without having to leave home. Unlike doctors' offices, where charges are often opaque and disclosed only after services are rendered, many clinics and telemedicine sites post their prices.”

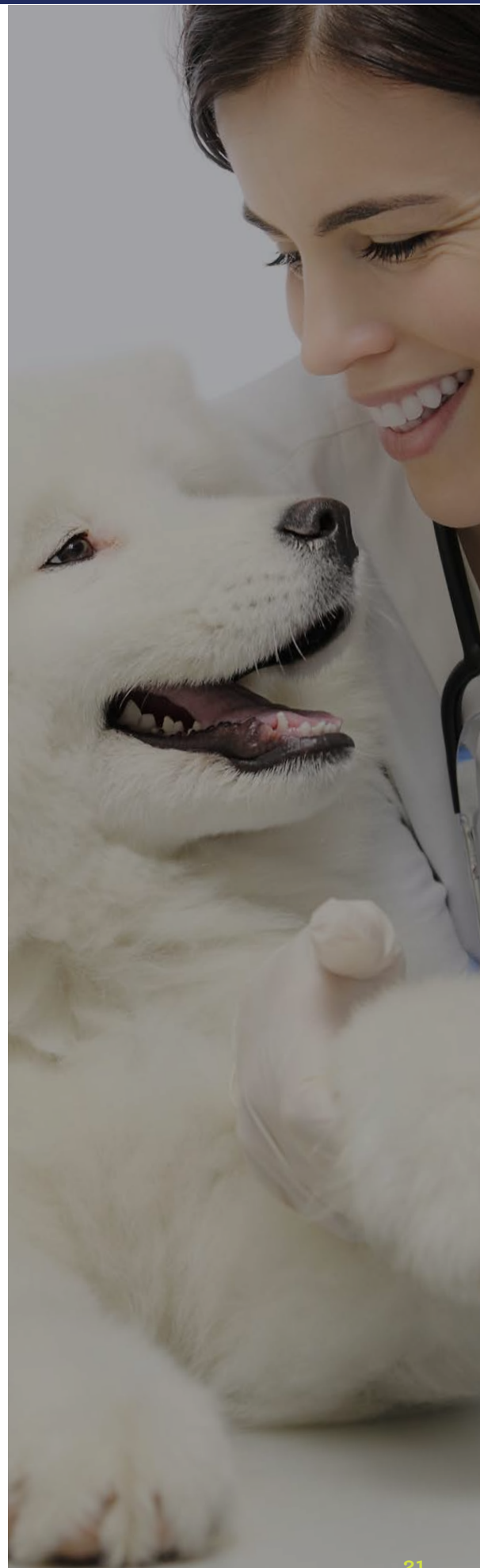
“45% of 18- to 29-year-olds have no primary care provider, compared with 28% of those 30 to 49, 18% of those 50 to 64 and 12% age 65 and older.”

—Kaiser Family Foundation, 2018

We've established that Millennials over-index on using multiple veterinarians, switching veterinarians and using non-private practice as their primary veterinarian. As more competitors begin catering to Millennials and providing veterinary and pet health products and services like retailer clinics and pharmacy clinics, pet owners will have more choices than ever before. The pressures to adapt your business model are going to become even stronger.

Change is not always easy, but it is essential to staying relevant.

Embracing Millennials and their changing needs now is a critical part of setting your clinic up for future success.



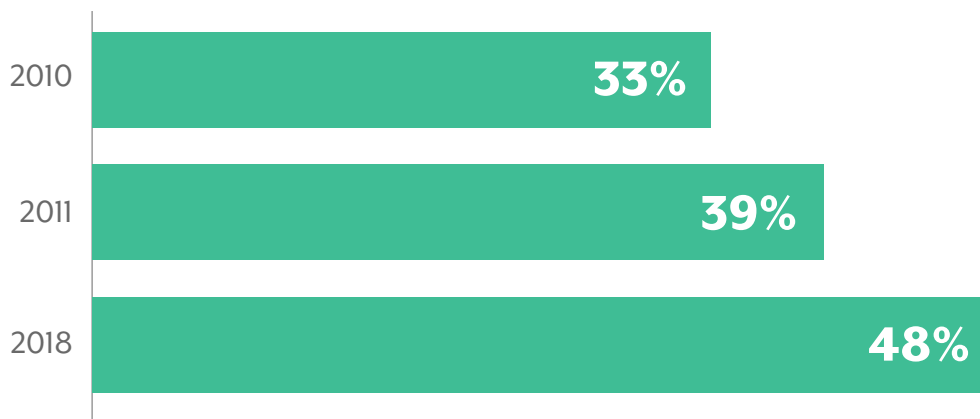
The Internet's Role in Your Patients' Health

We regularly hear questions from the veterinary community about whether they should view pet owners' use of the internet to search for pet medical information as a threat to their business. The answer, thankfully, is no.

Pet owners are increasingly researching on their own before reaching out to their veterinarian with a question (Figure 19). They use this research as a means of preparation for the conversation they will have in the clinic.

Pet Owners Researching Online Before Visiting the Veterinarian

Figure 19



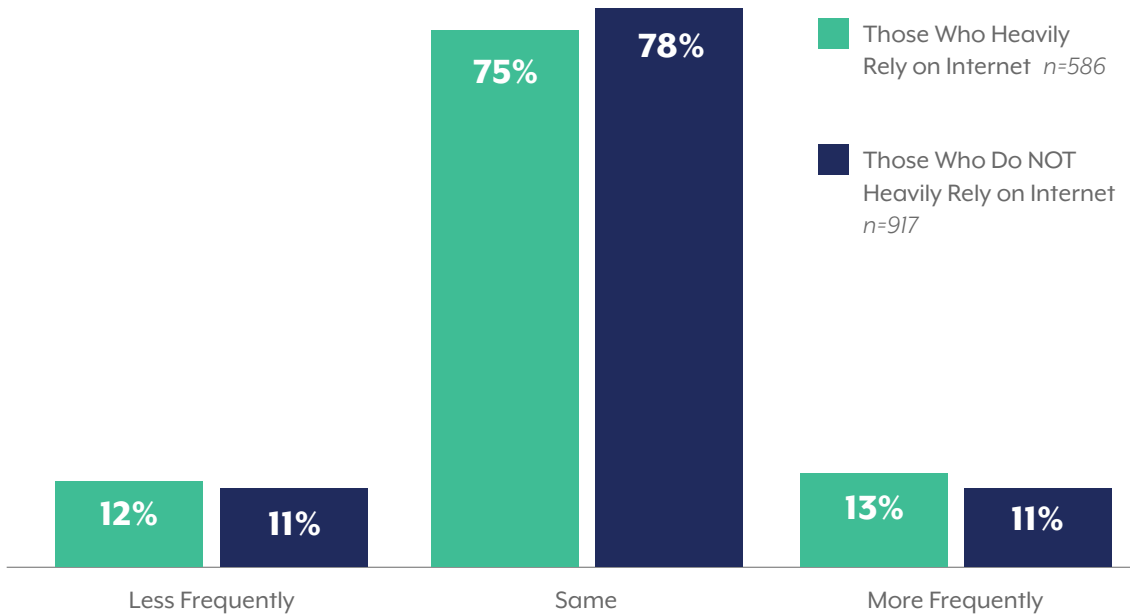
“I want to feel prepared when I go to the veterinarian. I need to know what questions to ask.”

The Internet Is Not to Blame

The declines in private practice veterinary visits are driven much more by other mindset factors (price sensitivity, lack of belief in the need for wellness and preventive care, perception of pet anxiety, negative experience with a prior veterinarian, etc.) than by internet usage. In fact, pet owners who rely heavily on the internet are no more likely than those who do not to take their pet to the veterinarian less frequently than in prior years (Figure 20).

Reported Changes in Veterinary Visits By Reliance on the Internet

Figure 20



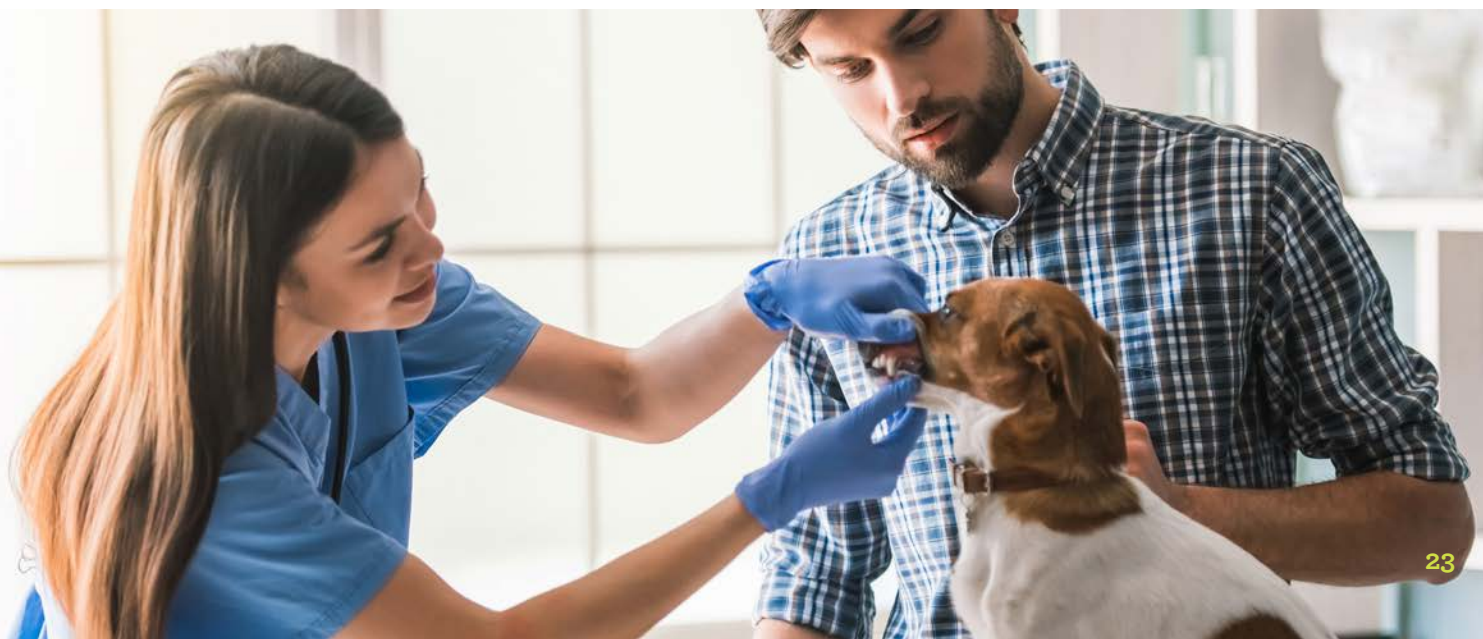
Pet owners continue to rely on their veterinarian more than the internet for pet health information. Nearly two-thirds frequently rely on their veterinarian for pet health information, compared to one-third who frequently rely on the internet (Figure 21). Regardless of where clients turn for information, veterinarians remain, by far, pet owners' most trusted source.

63% Frequently Rely on Their Veterinarian

33% Frequently Rely on the Internet

Figure 21

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Usage vs. Trust

Younger pet owners turn to the internet more often and their veterinarian less often than older pet owners (Figure 22). Cat owners turn to their veterinarian slightly less often than dog owners (58% vs. 67%); however, they turn to the internet with the same frequency.

Figure 22

Please indicate how often you use each of the following sources to find information on caring for your pet's health. (% Top 2 Box)	Millennial n=545	Gen X n=390	Boomer n=472
My Veterinarian	62%	61%	67%
Internet	40%	34%	23%

Do not mistake frequency as indicative of trust.

Pet owners of all ages trust their veterinarian much more than they trust the internet as a source of information on pet healthcare (Figure 23). However, younger pet owners don't trust their veterinarian quite as much as older pet owners. And we do see greater trust for the internet among younger versus older pet owners. There are no differences between cat and dog owners in their level of trust of their veterinarian or the internet.

While pet owners with blind faith in you can make your job easier, remember that today more and more pet owners want to partner with you in the care of their pet.

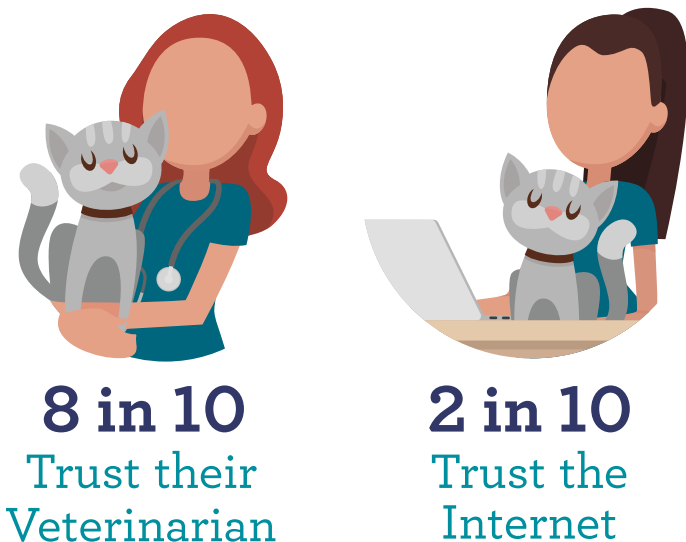
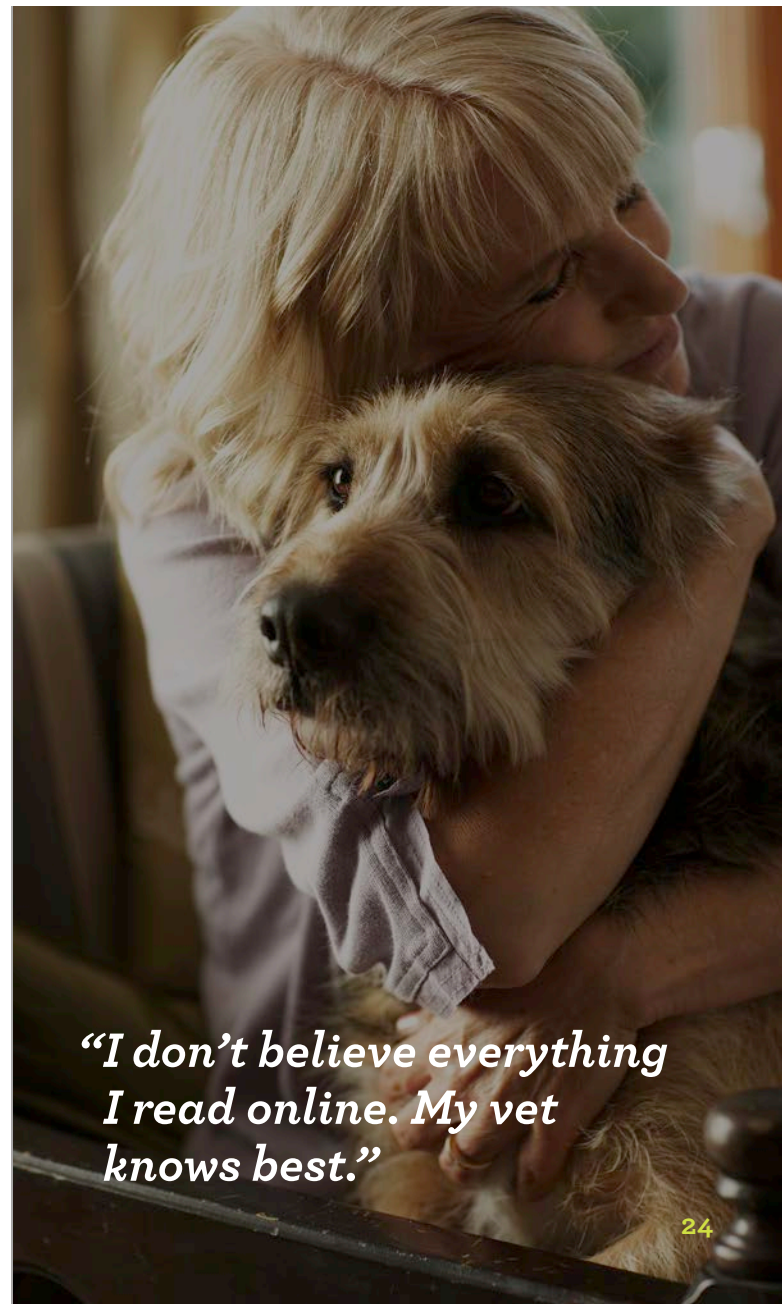


Figure 23



“I don’t believe everything I read online. My vet knows best.”

Top Two Reasons Pet Owners Turn to Their Veterinarian Over Other Sources:

1. They trust their veterinarian
2. Their veterinarian knows the pet's history

Pet owners of all ages report a high level of confidence in their veterinarian and indicate that they generally follow their veterinarian's recommendations (Figure 24).

Figure 24

Please indicate your level of agreement with each of the following statements. (% Top 2 Box)	Millennial n=545	Gen X n=390	Boomer n=472
I have confidence my veterinarian has my pet's best interests in mind	78%	83%	85%
I have confidence my veterinarian is looking out for my best interests	74%	79%	81%
I completely trust my veterinarian's recommendations	74%	78%	82%
I generally comply with my veterinarian's recommendations	74%	78%	82%

AT LEAST 75% of all pet owners have confidence in their veterinarian.

Believe it or not, pet owners' level of trust has actually increased since 2015 (Figure 25).

Figure 25

Please indicate your level of agreement with each of the following statements. (% Top 2 Box)	2018	2015
I have confidence my veterinarian has my pet's best interests in mind	82%	75%
I have confidence my veterinarian is looking out for my best interests	77%	71%
I completely trust my veterinarian's recommendations	77%	71%
I generally comply with my veterinarian's recommendations	77%	72%

ACTION PLAN:

Keep in mind, trust is continually impacted by changes in the industry. Try not to fight change. Embrace it.

Think back: In 2015, the portable prescription issue was hot. Many veterinarians were fearful of online pharmacies and the impacts they would have on their business and their patients' health. Some even chose to deny pet owners prescriptions. Today, most veterinarians have embraced the online pharmacy model and are reclaiming their role as pet owners' primary trusted source.

There will always be new hurdles for veterinarians to overcome. Currently, one of the largest hurdles is meeting pet owners where they are—on their phones, at home, etc. Be open to new ways of connecting with pet owners. This is key to maintaining trust and prospering as a business in the future.

Internet Intent vs. Behavior

What happens when pet owners need advice? Younger pet owners are more likely than older pet owners to say that if their pet is sick or injured, their first step is to go online. In fact, nearly half of Millennials **expect** they would go online first (Figure 26).

Would you go online first for advice if your pet was sick or injured?

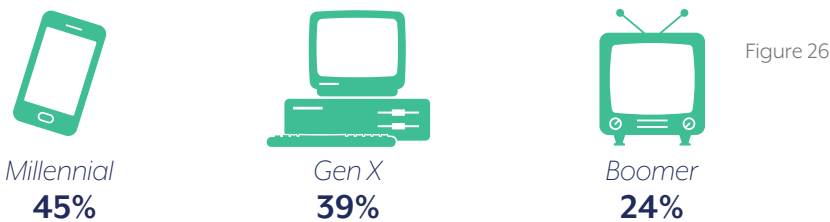


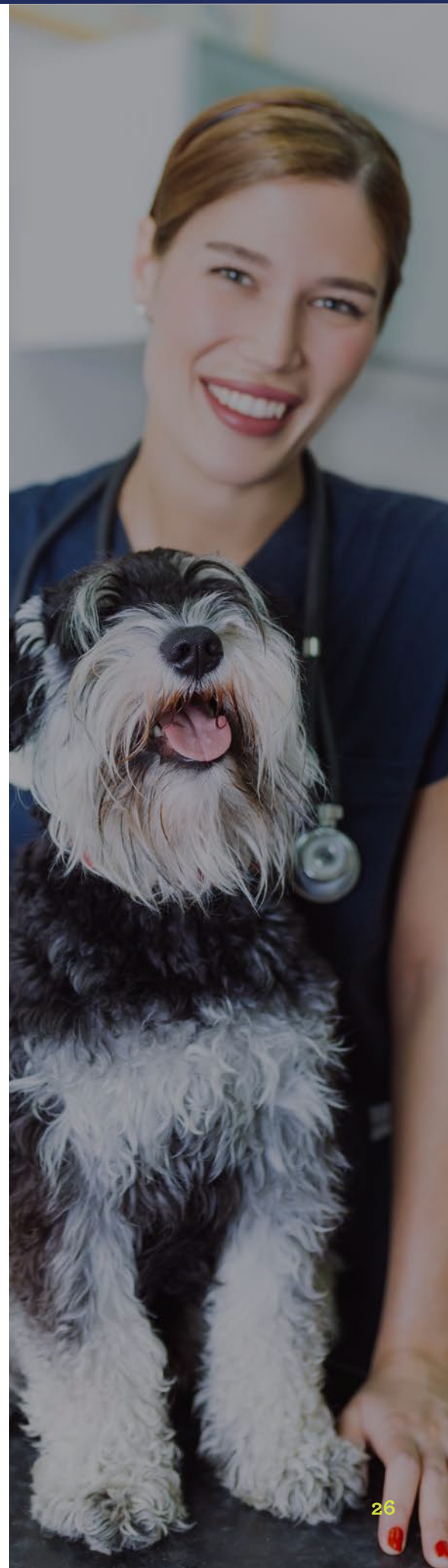
Figure 26

However, when asked about the most recent time that their pet was **actually** sick or injured, only one-fourth of Millennial pet owners really turned to the internet first. Half turned to their veterinarian (Figure 27). Older pet owners are even more likely to turn to their veterinarian first instead of the internet.

When there is a problem, Millennials turn to their veterinarian over the internet.

Figure 27

What was the first thing you did when your pet was injured?	Millennial n=151
Contact veterinarian for advice	19%
Take pet to veterinarian immediately	37%
Google for information	16%
Go to a specific pet health website for information	7%



What Are They Googling?

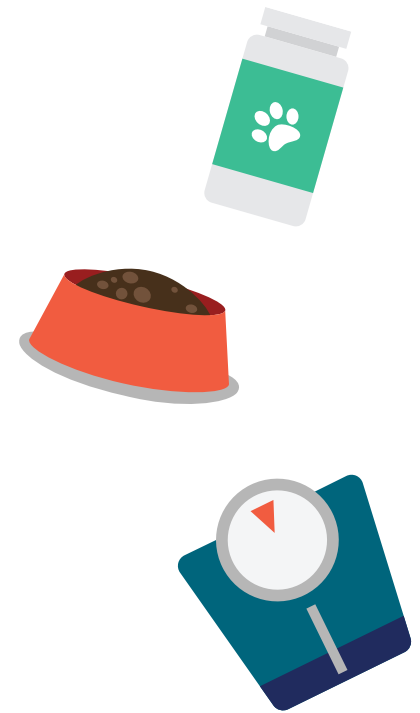
Top reasons pet owners of all ages turn to the internet:

1. To be informed on a topic when they discuss things with their veterinarian
2. To gain a better understanding of what their veterinarian said during a visit
3. To learn about a particular issue they haven't yet experienced

4 out of 10 Millennials say they almost always go online after a veterinary visit to do research.

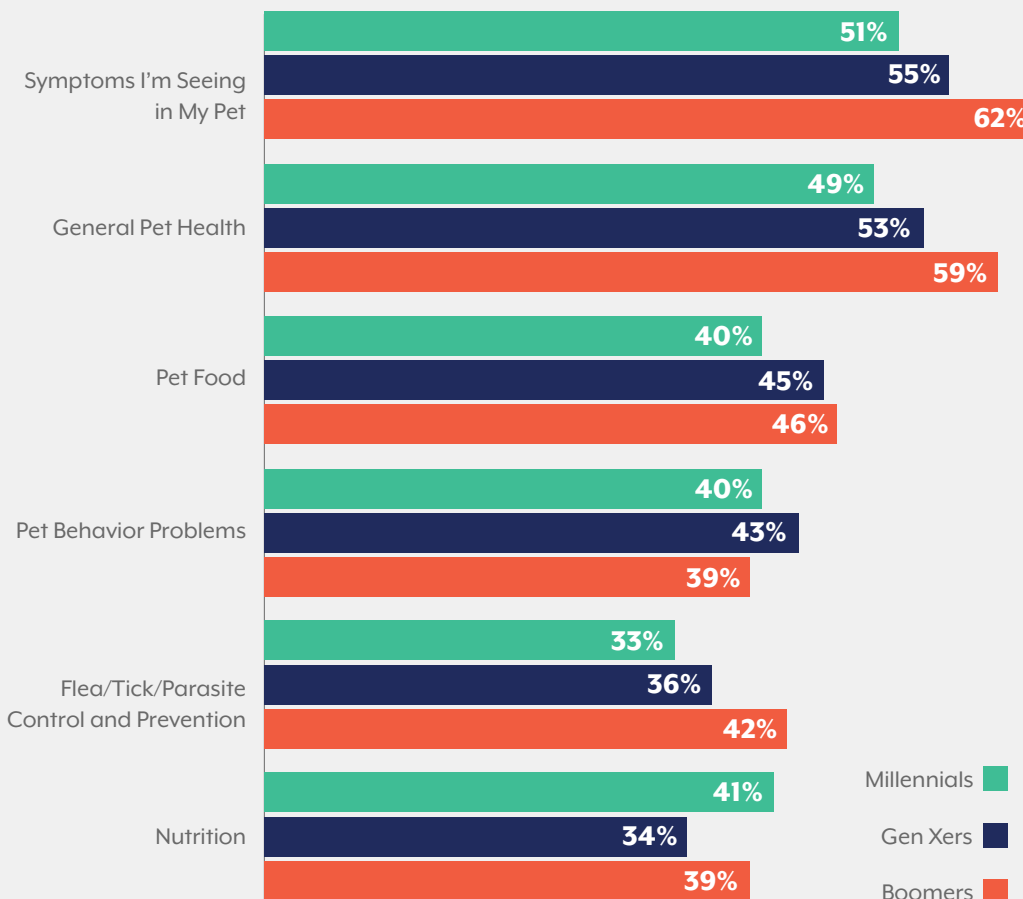
The most common issues pet owners are researching on the internet are (Figure 28):

- Symptoms they see in their pet
- General pet health
- Nutrition and pet food
- Behavior problems
- Parasite control/prevention



Top Pet Health Topics Researched on Internet

Figure 28



The majority of all pet owners are using Google rather than going directly to a trusted site, so you have the opportunity to provide guidance on which sites they use (Figure 29).

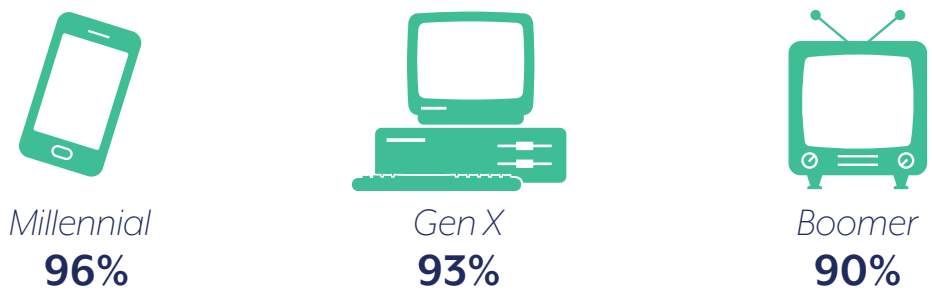


Figure 29

Make sure clients are going to websites you trust. Or better yet, provide the relevant content—or links to it—on your clinic website and direct your clients there. After all, Millennial pet owners trust their veterinary clinic website more than any other online source (Figure 30). The next most trusted websites are pet health sites like PetMD and AAHA; however, they are trusted by significantly fewer pet owners across age groups than their veterinary clinic website.

Please indicate how much you trust each of the following as online sources of information on caring for your pet's health. (% Top 2 Box)	Millennial n=545	Gen X n=390	Boomer n=472
My veterinary clinic website	60%	67%	69%
Pet health sites (e.g., PetMD, Pet Health Network, Vetstreet, AAHA, AVMA)	52%	55%	50%

Figure 30

60% of Millennials trust their clinic website more than any other online source.

Even when deciding on pet health products to purchase, pet owners of all ages say that veterinarian recommendations are more important than online consumer reviews (Figure 31).

Typically, how important is each of the following statements as you decide on pet health product purchases? (% Top 2 Box)	2018	2015
Is recommended by MY veterinarian	64%	56%
Online consumer reviews	36%	37%

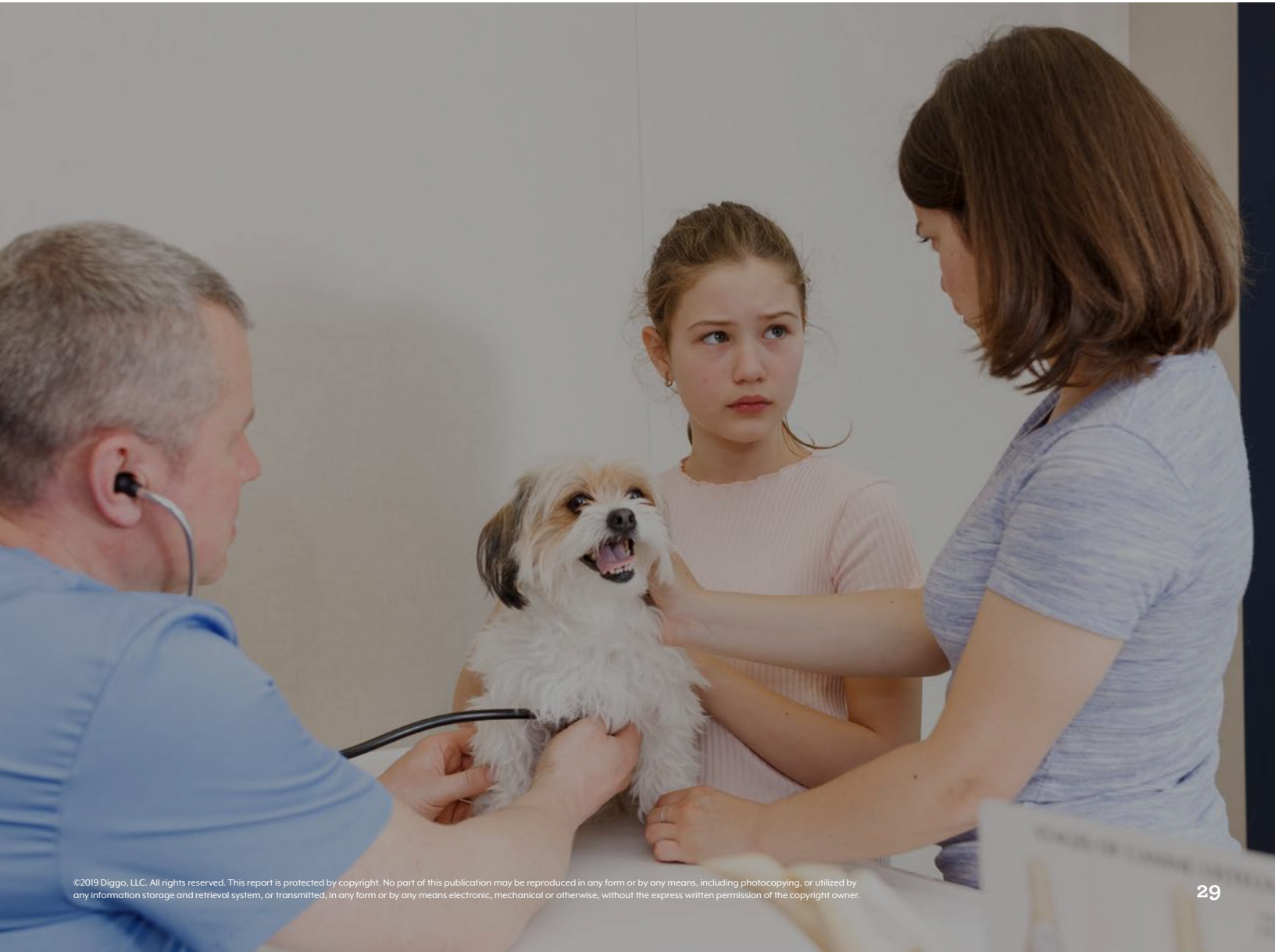
Figure 31

Are You Unintentionally Discouraging Conversations?

At least 7 out of 10 pet owners rely on their veterinarian's expertise, but less than that feel comfortable discussing information they find online with their veterinarian. Even fewer end up actually having those conversations.

Only 4 out of 10 pet owners say their veterinarian encourages having discussions about information they find online.

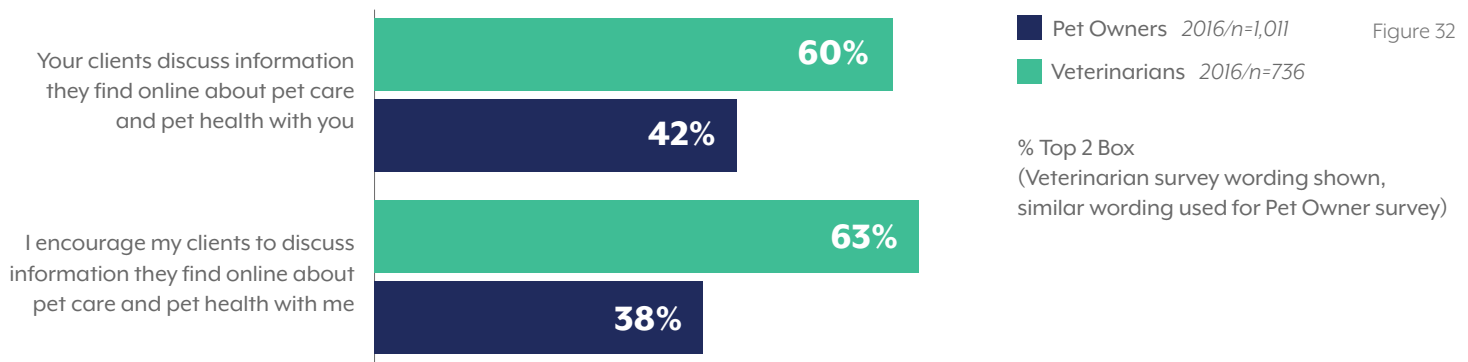
“The single biggest problem in communication is the illusion that it has taken place.” – *George Bernard Shaw*



In a 2016 study, we found that veterinarians tend to **underestimate** how comfortable pet owners feel discussing information they found online, but they **overestimate** how many actual discussions pet owners are having with them. Veterinarians also **overestimate** the extent to which pet owners feel encouraged by them to discuss what they find online. Think about how many times they've probably searched something in the last 6–12 months since they've seen you—but not asked a question (Figure 32).



“I would like to talk to my veterinarian more about what I read online. I just feel like it bothers him.”



ACTION PLAN:

Acknowledge that Dr. Google is not the enemy.

Don't wait for pet owners to come into your office to have discussions.

Use technology (email, text, even phone calls) to maintain dialogue with your clients between appointments. Leverage the trust your clients have in you to point them to reliable resources.

Consider internet marketing as a viable way to reach new and existing clients.

Small businesses can often significantly increase revenues by using search engine optimization (SEO) and Google Ads (pay-per-click). Check out these articles from Forbes to determine whether these techniques can work for you and how best to get started. We recommend Forbes as a resource because they use simple, straightforward language.

- Is SEO Worth It for Small Businesses?
- SEO is a Must for Small Businesses: Here's How to Get Started

Optimize your presence on social media.

According to a 2018 Pew Research Center study, the most commonly used social networks are Facebook, YouTube, Snapchat and Instagram. Social media is a pervasive presence in society that spans all age groups. If you've not yet mastered this tool, here are some resources to help you connect with clients on social networks.

- 10 Expert Social Media Tips to Help Your Small Business Succeed
- Social Media Marketing

*This research is conducted by an independent research firm and is not sponsored by any manufacturer, retailer or service provider.

Key Takeaways

1. Overall, veterinary visits are not really in decline.

- There is a subset of pet owners going more often and an equal subset going less often.
- Frequency of veterinary visits are driven more by whether the pet has an illness or injury in a given year.
- There is a decline in veterinary visits to private practices among a subset of pet owners.

2. Pet owners are cheating on their primary veterinarians.

- Many are using multiple sources, and some even have a non-private practice as their primary.
- This trend is more common among Millennials, so it is likely to continue to grow.

3. Millennials can't be blamed for everything.

- The trusting preventive-minded pet owner is in the minority now. Across all age groups, there are different pet owner mindsets with different motivations and barriers to pet healthcare.
- You can't look at a pet owner and tell which type of mindset they have.
- Millennials are avid users of the internet and prefer to rely on their own veterinarian's clinic website

What should you do if a client brought their pet in fewer times this year than last year?

Let's start with the obvious. Check to see if the pet was sick or injured last year and required extra veterinary care. If this is not the case, be aware that this pet owner could be decreasing veterinary visits overall, using multiple places or even switching their primary veterinarian. This knowledge should trigger you to try to figure out what is motivating the change in behavior so you can better address their needs.

Pet Owner Motivator	Possible Solution
Financial difficulties.	Payment plans, bundled services, discounts and manufacturer promotions.
Doubting the need for preventive wellness checkups when the pet is healthy.	Educational literature and links to reliable online resources.
Negative experience with your clinic.	Relationship repair efforts, including personalized communication.
Early adopter of mobile or in-home veterinary services or telemedicine (often influenced by pet anxiety).	Diversify your business model with new convenient services.
Relying more on the internet.	Promote and optimize your clinic website (educational resources, online appointment scheduling, online pharmacy, etc.).

Private practice veterinarians are losing business to emerging markets that cater to pet owners' needs for convenience and immediacy, internet reliance, price sensitivity and perceptions of pet fear. Now's the time to branch out and get involved, before these markets mature. Explore new revenue streams such as offering in-home visits once a week, a mobile clinic day once a month, etc.

What if a new client comes into the clinic?

Don't assume that you are their only or even their primary veterinarian. Encourage the pet owner to tell you about all of the places their pet receives care so you can have a collaborative approach to the pet's health. And make sure to explain the variety of service options your clinic offers, including loyalty programs, wellness plans, etc.

What if a client doesn't come to the clinic for one or two years?

Don't assume the pet passed away or the owner has stopped providing veterinary care. These are definite possibilities, but the client might also be using a more convenient type of veterinary option for wellness exams and vaccinations such as in-home or mobile care. Reach out to make sure they are aware of any alternative services that your clinic provides.



Methodology and Analysis

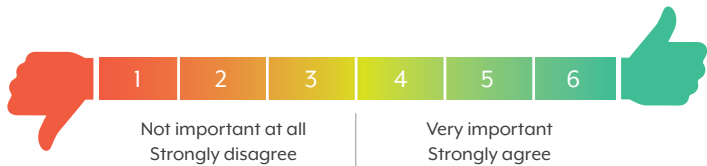
Methodology

This 25-minute online survey was fielded in Fall 2018, with a large sample size of 1,500 pet owners balanced across US geography. This sample size allows for 95% confidence with a margin of error of +/- 2.53. Respondents were screened to ensure they owned and were the primary decision maker for veterinary healthcare for either a dog or a cat.

This data is self-reported by pet owners (not transactional data). The survey includes all instances of seeing a veterinarian. It is not exclusive to private practice or traditional brick and mortar establishments.

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 use a 6-point scale to force respondents to choose a positive or negative side.



In these 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=545
Age: 23-38

Gen-X
1965-1980

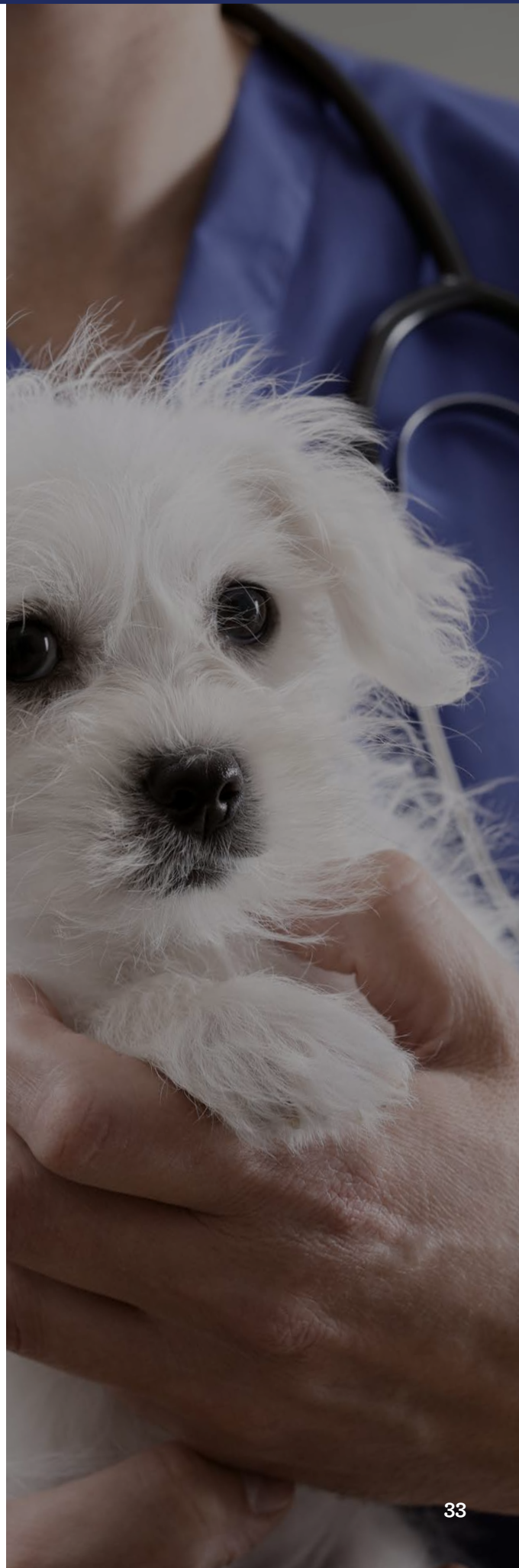


n=390
Age: 39-54

Boomer
1946-1964



n=472
Age: 55-73



Respondent Demographics

Number of Pets

44% — Own 1 dog
17% — Own 2 dogs
9% — Own 3+ dogs
32% — Own 1 cat
20% — Own 2 cats
13% — Own 3+ cats

Age of Pet

7% — Pet is <= 1 year old
26% — Pet is 2-4
19% — Pet is 5-6
24% — Pet is 7-10
23% — Pet is 11+

Demographics

62% — Female
38% — Male

83% — Caucasian
7% — African-American
6% — Hispanic
4% — Asian
4% — Other

51% — Employed full or part time

Household Size

61% — No Children <18 years in household
38% — 1+ Children in household
16% — 1 Adult in household
54% — 2 Adults in household
30% — 3+ Adults in household

Annual Household Income

16% — Under \$25,000
22% — \$25,000 to \$49,999
23% — \$50,000 to \$74,999
17% — \$75,000 to \$99,999
14% — \$100,000 to \$149,999
6% — \$150,000 to \$200,000
3% — Over \$200,000

This research is conducted by an independent research firm and is not sponsored by any manufacturer, retailer or service provider.

