UNITED VETERINARY SERVICES ASSOCIATION
The Pulse of the Industry

FOR IMMEDIATE RELEASE:
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UVSA Industry Insights Survey Highlights Consumer Expectations Related to Veterinary Services

ABINGDON, Md. (April 3, 2019)—Last year, the American Veterinary Distributors Association (AVDA) and key animal health industry stakeholders gathered together to discuss the future direction of AVDA and how it can evolve and stay relevant to its members. They agreed that it was important for the new organization to defend the veterinary channel and should maintain a focus on the veterinarian as it designed its future path for the organization. A new name, vision and mission for the association was developed.

AVDA has become the United Veterinary Services Association (UVSA) and our mission is to become the hub for relevant information leading to innovation in the supply chain and to enhance animal care by supporting those who serve the veterinary channel. Our vision is to become the pulse of the industry.

UVSA will fulfill its mission by designing programs and services that will help distributors, manufacturers and suppliers remain relevant in the veterinary supply chain through a three-pronged approach focusing on promotion of supply chain optimization; providing a voice for the industry and industry insights through targeted research to help understand consumer expectations regarding veterinary services.

UVSA is funding three surveys this year from Packaged Facts on consumer expectations related to the purchase of veterinary services and products. The results of the first survey conducted in December were shared at VMX and with our members via webinar earlier this month. These surveys are being supported by sponsorship from UVSA members MWI Animal Health, Covetrus, Boehringer Ingelheim, Vet-Advantage Magazine-NAVC and Animalytix.

The following are highlights from the first of three national consumer surveys commissioned for this UVSA initiative.

The human-animal bond and animal welfare lie at the heart of the pet dog and cat products and services industry. In terms of the human-animal bond, a hallmark of the new “pet parent” era is that two-thirds (66%) of dog owners keep them inside only (other than walks or letting dogs out), with another 17% keeping their dogs mostly but not always inside. Only 5% of dog owners overall them mostly or always outside, a percentage that doubles among rural dog owners but remains in the minority. With the “pets as family” mindset now dominant, dogs are almost as unlikely as children to be relegated to the outdoors.

Correspondingly, the trend is toward smaller rather than larger dogs, in keeping with indoor and urban lifestyles. Among survey respondents who had recently acquired a new dog, a third (32%) adopted small dogs of 8-24 lbs. Medium- and large-sized dogs (based on adult dog size) each accounted for about a fourth of new pet dogs, with toy- or giant-sized dogs at the extremes accounting for single-digit shares.

Another hallmark of the new pet ownership landscape is that welfare organizations have become the single most important source for adoption of dogs or cats. Among those who have recently acquired a new dog, 22% did so through a pet shelter or rescue source, and another 7% took in a stray, compared with 16% acquiring a new dog through a breeder, and only 8% through a pet store. Among new cat owners, this trend is even sharper, with 31% acquiring their new cat through a pet shelter/rescue source, and another 18% taking in a stray.

When it comes to small animal veterinary practices, business skews to the dogs. The vast majority of dog owners (86%) report having a veterinarian that they go to, a figure that notches somewhat lower among cat owners (75%). Moreover, while 84% of dog owners report having taken their pet to the vet within the last 12 months for a regular check-up, that figure drops to 64% among cat owners.

Among dog and cat owners who use veterinary services, four-fifths go to a traditional local, independent vet. The remainder use alternatives including chain veterinarians, mobile or pop-up clinics, and holistic veterinary practices—and these less traditional veterinary practice types, settings, and formats are expected to grow in popularity and market share. In this vein, the current UVSA survey shows a third (34%) of pet owners strongly agreeing and another third (34%) somewhat agreeing that they like the idea of veterinary services being located at specialty pet stores such as PetSmart or Petco. Pet owners are somewhat less receptive to the idea of veterinary services located at general retailers such as Walmart, but even here the tilt is toward receptiveness.

The percentage of pet owners turning to alternative veterinary practices such as chain or mobile notches higher among those who are price conscious. For example, among a sample of nearly 300 dog owners who opted for a chain veterinarian, half (49%) indicated that price definitely is a factor in which vet they go to, and another fourth (28%) that price is somewhat a factor.

Even so, among dog as well as cat owners, convenience outranks price as a factor in choosing which type of veterinary clinic to go do. While price of veterinary services is definitely a consideration among 27% of dog owners overall and 29% of cat owners, convenience is definitely a consideration among 56% of dog owners and 46% of cat owners. Other than location of veterinary practices, the top convenience factors among dog owners are ease of contacting vet by phone, weekend hours, and the availability of affordable pet medications.

Pet medications have emerged as a flash point in the competition for pet care dollars and customer loyalty among veterinarians, pet specialty and Internet retailers, and the Internet. The current UVSA survey shows 60% of pet owners strongly or somewhat agreeing that they use the Internet for price shopping and finding the best deals for pet products, as do 52% of pet owners in the case of flea and tick medications—long a mainstay of veterinary channel sales and profits. Correspondingly, 48% percent of pet owners strongly or somewhat agree that they are buying pet products online more than they used to, compared with 35% strongly or somewhat disagreeing.

The migration of pet product and pet medication sales to ecommerce has been substantial but somewhat fragmented. By percentage draw among pet owners overall (not restricted to those who buy pet products online), the leaders are: Amazon (at 22% for the main website, 13% for third-party vendors); pet specialty website Chewy.com (20%), acquired by PetSmart; Walmart (at 16%, excluding Sam's Club); and the eponymous websites of pet specialty chains such as PetSmart or Petco (13%).

As with choice of type of veterinarian, price and convenience play roles in the decision to buy pet medications online, rather than through the veterinary channel. Pet owners are overwhelming satisfied with the quality of medical care they receive at their veterinarian: among dog as well as cat owners, 95%-96% report being "highly satisfied" with the quality of medical care their pets receive at regular checkup or for urgent/emergency care visits. When it comes to the cost of the medical care received, perceptions are still positive but not as universally so: among dog and cat owners, 76%-80% report being "highly satisfied" with the cost of medical care for regular checkups or urgent/emergency pet care visits.

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Additional UVSA surveys to follow in 2019 will continue exploring the pet owner experience with veterinary care services, including issues and perceptions related to pet nutrition and to prescription vs. non-prescription pet medications.

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About UVSA- The mission of the United Veterinary Services Association (UVSA) is to be the hub for relevant information leading to innovation in the animal health care supply chain. UVSA members are distributors, manufacturers and suppliers of animal health products serving veterinarians and animal health clinics. The primary market for veterinary supplies consists of some 60,000 veterinarians practicing in approximately 25,000 animal health clinics throughout the United States and includes companion animal, equine, food animal and specialty practices.

UVSA will fulfill its mission by designing programs and services that will help distributors, manufacturers and suppliers remain relevant in the veterinary supply chain through a three-pronged approach focusing on:

- Promotion of Supply Chain Optimization.
- Providing a voice for the industry that includes collaboration with allied industry associations related to compliance and regulatory issues of concern to the animal health supply channel.
- Providing Industry Insights through research on emerging markets, customer needs, wholesaler and supply chain benchmarks and consumer expectations.

For more information, go to www.uvsa.net.