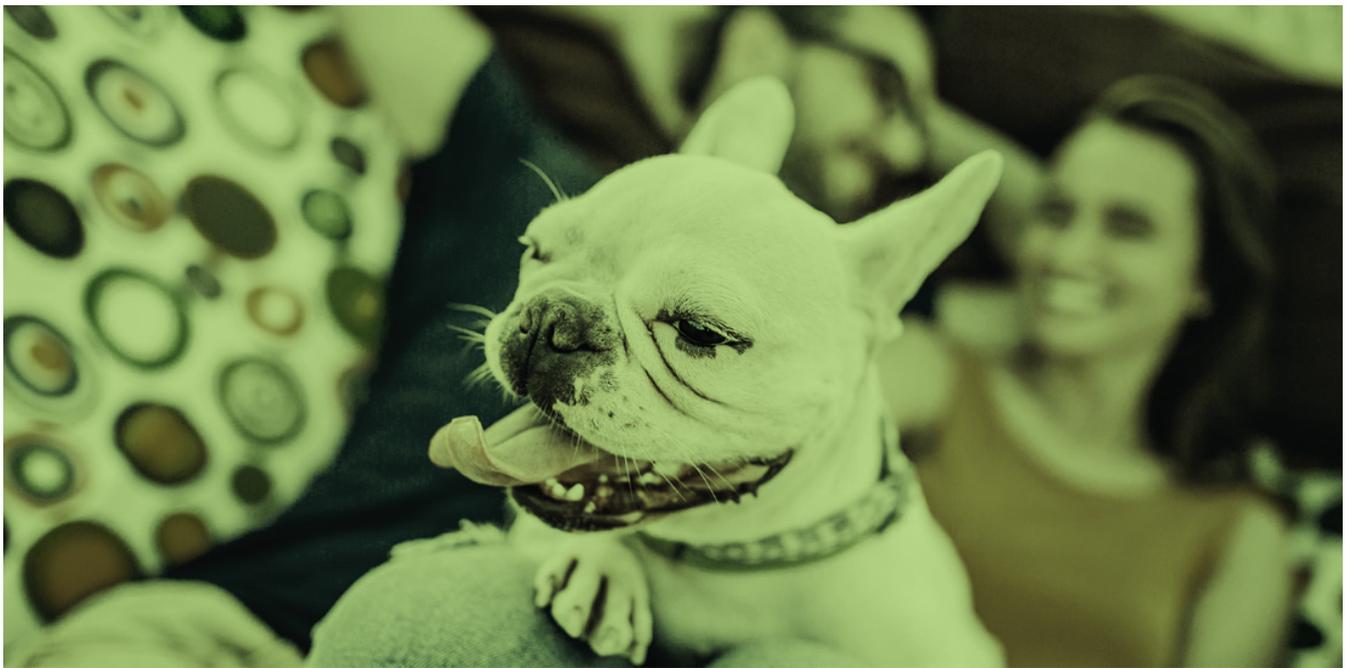


Veterinary and Pet Trends Heading into 2019

Article by Roxanne Hawn



According to large-scale market research and trend watchers, here's how the daily lives of pets continue to evolve.

No longer new, the humanization of pets and premiumization of pet products and services mark the current baseline—par for the course—forcing anyone working in the pet space to function well outside the proverbial box.¹

What clients want now

Veterinary clients genuinely want to know where you stand on key animal welfare and other issues. Jane Harrell's research team from 'cause Digital Marketing recently released the results of its first of 10 planned annual veterinary client surveys looking at consumer perceptions of veterinarians.

Among the 525 people surveyed, 469 self-identified as the "primary caretaker of pets" defined as the one who

takes pets to the vet, at least every few years. Within that subset, 89.1 percent would be more likely to stay with and recommend a veterinary practice that shares their values and actively volunteers to help causes they support.

"What we found through the study—all pet owners, not just that subset—is less than half of them recognized that veterinary hospitals are doing anything beyond strictly paid-for-care services to help their communities," Harrell explains. "About one in five pet owners who take their pets to the vet have questioned whether their practice is in it for the money."

Your practice likely does far more for the community than clients realize. If so, then you have a major marketing gap. "By not letting clients know what you stand for," Harrell says, "there is a competitive threat in this space, and we've identified that one in five of your *own clients* are asking if you're in it for the money sometimes, so there needs to be some kind of response at an industry-wide level."

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Touting your good works isn't bragging, Harrell explains, adding, "It's an emotional point of connection and social proof that you are genuine and authentic in a way that happens to attract your ideal clients, retain and reinvigorate staff, and attract top talent."

How your patients are changing

Two big shifts in pets themselves also will affect daily veterinary practice.

Older pets. With 42 percent of dog families having dogs over age 7 and 44 percent of cat families having older cats, more companion animals will need age-related care and products, including for the diagnosis and management of these conditions:

- Joint/mobility problems
- Coronary issues
- Cognitive problems
- Immune system issues
- Diabetes
- Cancer²

Smaller dogs. More pet families now prefer smaller dogs. In a first quarter 2018 survey of pet owners, "Thirty-eight percent of U.S. households have small dogs (8–24 pounds) and 9 percent have toy/very small dogs, followed by medium (33 percent) or larger (34 percent) dogs, and trailed by giant (6 percent) dogs."³

In smaller dogs, veterinary practices can expect to see more diabetes mellitus, periodontal disease and dislocated kneecaps—rather than the arthritis, hip issues and bloat more common in big dogs.⁴

How the profession is changing

Mergers and acquisition are still big news. The year 2017 ended with a rush of M&A (mergers and acquisitions) activity resulting in further consolidation of veterinary clinics and veterinary distributors. Multi-practice operations now account for roughly 11–13 percent of animal hospitals in the U.S., according to Packaged Facts estimates. "Packaged Facts expects the veterinary market to continue to experience M&A and investment dynamism through 2019, given that private equity firms and the larger pet players are sensing significant opportunity in the still fragmented veterinary world," says Daniel Granderson from Packaged Facts.

In the next 10 years, it's estimated that one-third of veterinary practices will be up for sale,⁵ so consolidation will likely continue.

Big-name retailers both from pet and general merchandise superstores view adding veterinary services and medications as one way to offset revenue lost to e-commerce. While 51 percent of pet consumers like the idea of superstore veterinary care, the percentage of those who currently use it is much lower—15 percent of dog owners, 7 percent of cat owners.⁶

Most of these clinics, however, will focus on day-of care and will not have the capacity for true hospitalization, so there is likely an opportunity for referral relationships between superstore clinics and traditional veterinary practices.⁷

On the financial front, Packaged Facts researchers also predict the pet insurance market will double by 2022 for several reasons, including:

- Promotion through veterinary channels and other niches such as the American Kennel Club
- Streamlined technology and claim processing
- Coverage for exotic pets⁸

In addition, as options for diagnostics and treatments become more complicated and multifaceted, Leslie May, founder of Pawsible Marketing, says, "We wouldn't be surprised if we see the beginning growth of health care and information management practitioners for pets added to practices and as independent consultants. I imagine them like managed care consultants—veterinarian-trained and knowledgeable, helping pet parents navigate the entire healthcare system for their pet."

What's hot in pet products

While some pet product trends influence veterinary medicine more than others, they all reveal evolving pet owner expectations and actions.

Pet foods. In the past, premium and later super-premium pet foods sold only within the domain of pet specialty boutiques, but "mass premiumization" elevated pet owners' expectations and access.⁹

One reason human food companies and others are snapping up pet food brands in the M&A rush is that the pet food retail market is growing faster (4 percent) than the human food retail market (1.2 percent).¹⁰

The interest in raw and fresh pet food continues to grow. “I’ve noticed a significant increase in emails from pet parents who want to feed raw or add fresh food to their dog’s commercial diet. Pet parents are finding it easier to learn from books, blogs and social media groups, and a common complaint is the inability to find a veterinarian who supports feeding fresh food to dogs,” says Kimberly Gauthier, founder of a site called Keep the Tail Wagging and author of *A Novice’s Guide to Raw Feeding for Dogs*. “... In 2019, I hope to see more collaboration between veterinarians, pet parents, pet brands and content creators.”

At the same time, environmentally focused consumers see trouble ahead, where pet food companies will need to find sustainable proteins. “You’ve probably seen the chatter around the United Nations’ climate report, which describes a tremendous food crisis that could hit as soon as 2040. Here’s the thing,” says Maggie Marton, pet industry writer and founder of Oh My Dog Blog, “we’ll be running out of protein to feed humans. The pet food industry uses enormous amounts of protein. Pet food fads have tended toward humanization for years: human-grade meat, grain-free formulas and so on. The reality is that, if we’re running out of food to feed people, it’s going to impact pet food manufacturers in ways we can’t even imagine yet.”

Calming products. As people integrate pets more into a variety of settings in daily life, they express growing concern for pets’ emotional wellbeing.¹¹ This is one reason for so many new CBD oil (cannabidiol) products.

Pet tech. The rapidly growing pet-tech market includes pet activity monitors, but tech also now allows people to connect with their pets remotely with cameras and Skype-like connections to dispense meds or supplements, treats or toys.¹²

Look for increasing use of pet tech to inform veterinary recommendations, where clients could share pet activity and mobility stats, eating habits, weight trends and other key factors from pets’ daily lives.

Pet-tech products also provide routine pet-care tasks such as automatic feeders and self-cleaning litterboxes. The most integrated options let people access their pet’s collar, feeder, dog door and treat dispensers from a single mobile or web portal.¹³

Much like Uber and others disrupted transportation options, various apps now allow families to order dog walkers and pet sitters at a moment’s notice.¹⁴

Social training. With more stores, pubs and restaurants welcoming dogs, dog trainers now offer social-environment-specific training. Want to get your dog a dog beer? (Yes, it’s a thing.) Super, let’s practice having your dog stay on his go-to-place mat when the waiter comes by or someone new sits down at a nearby table.

Where you’ll focus in 2019

Look for ways to use these trend insights to move your practice forward in 2019. It’s an exciting and dynamic time to work in veterinary medicine. Make the most of it.

Resources:

- ¹ Packaged Facts U.S. Pet Market Outlook, 2018-2019.
- ² Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ³ Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ⁴ Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ⁵ Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ⁶ Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ⁷ Packaged Facts Pet Industry Outlook: Veterinary Services and Pet Product Retailing, May 2018.
- ⁸ Packaged Facts Pet Insurance in the U.S., Sixth Edition, October 2018.
- ⁹ Packaged Facts U.S. Pet Market Outlook, 2018-2019.
- ¹⁰ Packaged Facts U.S. Pet Market Outlook, 2018-2019.
- ¹¹ Packaged Facts U.S. Pet Market Outlook, 2018-2019.
- ¹² Packaged Facts U.S. Pet Market Outlook, 2018-2019.
- ¹³ Packaged Facts Durable Dog and Cat Petcare Produces, Second Edition, October 2018.
- ¹⁴ Packaged Facts U.S. Pet Market Outlook, 2018-2019.



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