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Veterinary Market Outlook

Implications for Veterinary Practice Management



**CUTTING
EDGE**
LASER TECHNOLOGIES

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From the COVID-19 pandemic to shifts in pet owner demographics and demands, veterinary professionals are experiencing a multitude of practice management challenges moving into 2021.

While the impact of COVID-19 was far-reaching and varied, veterinary practices across the country have made tremendous changes to their operations in order to ensure a safe environment for their staff and clients while providing essential care to their patients.

Many of these changes are anticipated to become the standard in a post-pandemic world, including the use of technology to connect with clients and deliver medications to their homes.

As pet adoption and fostering rates skyrocketed during the pandemic, so has the need for veterinary care. Additionally, the lucrative Millennial pet owner market is demanding higher quality and more natural care options for their companions; and they're willing to spend more for it, too!

By implementing new treatment technologies to personalize patient care, veterinary practices can leverage market trends, strengthen their bottom lines, and provide a better patient experience.



67% of American homes own at least one pet.

Over 393 million pets live in the United States.

Dogs and cats are the two most popular pet choices among all generations.¹

Americans spend \$1 billion on pet insurance each year.²



53% of households in the U.S. own a dog.

Most dog owning homes have only 1 dog.¹

Dog owners spend an average of **\$1,201** per year on their dog.

Of that yearly average, **20%** is spent on veterinary care and vaccinations. The largest portion, **38%**, is spent on food.²



36% of households in the U.S. own a cat.

Cat owning households have an average of 2 cats.¹

Cat owners spend an average of **\$687** per year on their cat.

Of that yearly average, **18%** is spent on veterinary care and vaccinations. At 48%, nearly half is spent on food.²

An estimated 11.38 million households in the United States have welcomed a new pet during the COVID-19 pandemic.³

Shelter Animals Count, a nonprofit sharing data on sheltered animals, has spent the past year observing trends in these new pet adoptions.

Working with about 500 rescue organizations across the United States, they recorded a 15% overall increase in pet adoptions from 2019 to 2020. However, some shelters and rescue

groups have seen double their typical number of requests since the beginning of the pandemic.

This increase in adoptions has led to a shortage of rescue animals in some areas and many prospective fosterers and pet owners have been placed on waitlists going into 2021.

With an increasing number of new pet owners, many veterinary practices have been able to bounce back from the initial disruption experienced during the start of the pandemic.^{4,5}



CLIENT BEHAVIOR

Nearly all practices experienced a decline in client traffic and revenues accompanied by cash shortfalls at the start of the COVID-19 pandemic. However, by Summer 2020 almost half of the reporting practices saw a 10% to 30% increase in client traffic compared to the previous year.⁶

This spike in traffic can be linked to both new and existing pet owners. While spending more time at home, pet owners have been able to pay more attention to their pet's health and are more able to notice concerning behaviors that they may want to bring to a veterinarian's attention.⁷

One study found that 84% of people feel more attuned to their pet's health now than before the pandemic. Approximately 2 out of 3 pet owners plan to change how they care for their pet, especially after returning to a post-pandemic world. 20% of respondents said that this includes taking their pet to the vet more often for preventative care check-ups.⁷

As we emerge from the COVID-19 pandemic, the future of the veterinary environment looks promising as owners' relationships with their pets have strengthened during social distancing.

Prior to COVID-19, competition from large online pharmacies and big box pet supply stores challenged veterinary practices. For the first time, pet owners stopped viewing their veterinarians as the sole source for medications, and veterinary practices have lost portions of their medication revenues to these emerging competitors.⁸

As online pharmacies grew in popularity over the past decade, the market for pet medication grew increasingly competitive. In response, many veterinarians launched their own online pharmacy platforms as an extension to their practice.

This trend of practice-owned online pharmacies accelerated during the pandemic. With online platforms, veterinary practices can continue welcoming revenue from medication sales while staying compliant with COVID-19 safety guidelines.

By encouraging clients to purchase their pet's medications online with home delivery, veterinary practices can focus on delivering first-class care to their in-clinic patients with attention to clinic-based services that offer healthy profit streams.

In August 2020, 63% of veterinary practices had online pharmacies but only 16% of pet owners

knew their clinic offered this service. However, this lack of awareness is not indicative of a lack of interest.⁹

Of the pet owners unaware of their vet's affiliated online pharmacy, 8 in 10 claimed they would consider purchasing their medication from one; More than half stated they are likely to do so.⁹

Like many other trends sprouting from the pandemic, online pharmacies and medication delivery in both the veterinary and medical sectors are predicted to stay in demand in a post-COVID world due to their convenience to consumers. This is especially likely for Millennial clients who preferred online shopping and product delivery well before social distancing was the norm.^{9,10}

By investing in an online pharmacy platform, veterinary practices can gain a competitive advantage during the coronavirus pandemic and in the years to come. However, simply launching the platform will not be enough to sustain without adequately educating clients about the service.

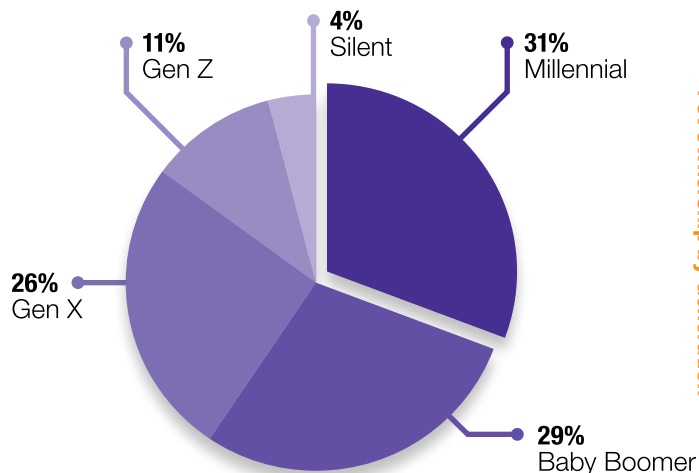
[Read our tips for marketing your practice during COVID-19](#)



At 31%, Millennials make up the largest portion of pet owners in the United States. Born between 1982 and 1996, 7 out of 10 Millennials have at least one pet.¹¹

In addition to being the largest segment of pet parents, Millennials are known for their interest in caring for a diverse array of species as pets.¹²

While Generation Z makes up a small portion of total pet owners, 16% of this cohort welcomed a new pet to their homes during the COVID-19 pandemic. In comparison, 13% of Millennials and 3% of Baby Boomers have done so.^{3,13}



Pet Ownership by Generation



What does this mean for vets?

Compared to prior generations, Millennials are seeking more natural and holistic care options for themselves and their animal companions.

Viewing their pets as part of the family, budget-minded Gen Z and Millennials are willing to splurge on higher quality food, toys, and personalized, holistic health care services for their pets.

A 2018 survey by TD Ameritrade found that Millennials are willing to spend up to \$2,000 on average if their pet becomes sick and 68% would take leave from work to care for them if possible.^{11,14}

Greater than average, 27% of Millennial pet owners claim that they have been spending more than usual on their pets during the pandemic. By making their pets a clear priority, Millennials have established themselves as lucrative clients for vet practices, even during an economic downturn.

While still only making up a small portion of pet owners, Generation Z is starting to show similar pet owning behaviors and preferences to Millennials. As this cohort continues to enter adulthood and establish themselves as pet parents, they are anticipated to become a vital group for veterinary clinics in years to come. This emphasizes the necessity to continue observing their behavior as up-and-coming clients.

Offering natural and holistic solutions to pain and inflammation will be necessary for veterinary practices to stay relevant as these younger groups of pet owners continue to grow.

As a non-invasive alternative to surgery and pharmaceuticals, laser therapy uses light to favor and accelerate the body's natural healing processes. Photons penetrate the tissue where they interact with chromophores that cause different biological effects, including reduced pain and inflammation, improved mobility, and faster wound healing.

Growing in popularity, laser therapy continues to gain the attention of tech-savvy consumers who wish to avoid pharmaceuticals and invasive procedures for themselves and their companions.

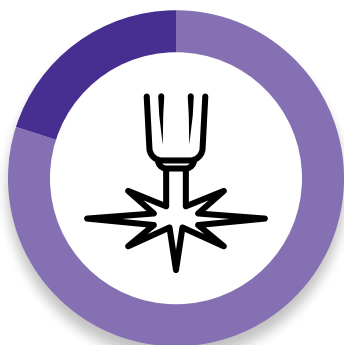
Veterinary professionals who are able to address this trend by educating clients about alternative pain management solutions and offering modalities, such as MLS® Laser Therapy, can proactively build their reputation as a cutting-edge provider while promoting client loyalty.



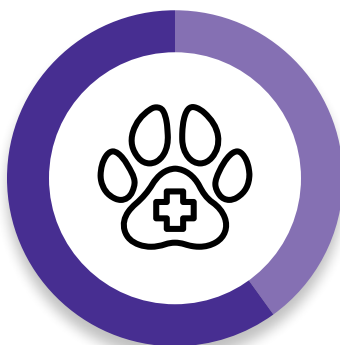
MLS® Laser Therapy relieves pain and inflammation associated with:

- Post-Surgical Incisions
- Wounds
- Arthritis
- Back and Hip Conditions
- Acute Trauma
- Chronic Pain Conditions
- and Many Others

[Download the Complete MLS Indications Checklist](#)



80% of veterinary patients could benefit from laser therapy treatments.



40% of veterinary clinics are already offering laser therapy to their patients.



85-90% efficacy rate allows your practice to deliver exceptional care.

With over 300 different treatment applications, MLS Laser Therapy can provide natural relief of pain and inflammation associated with a wide range of conditions. Studies show that laser therapy can benefit up to 80% of veterinary patients making it an expansive revenue opportunity, especially among Gen Z and Millennial pet owners wishing to avoid drugs and invasive procedures.

With significant profit potential, MLS Laser Therapy provides an opportunity to replace commodity-based revenues by increasing or supplementing surgical and routine care revenues.

Laser therapy can be used alone or in conjunction with other services to expedite and improve outcomes. In addition to its effectiveness, the overall fee structure is affordable for most pet owners.

In terms of potential cash flow, the revenue generated typically depends on three areas:

- Patient base volume
- Volume of patients presenting conditions treatable with MLS Laser Therapy
- Current procedures typically offered

In addition to identifying potential candidates for laser therapy, veterinary care providers must consider the frequency and duration of treatment sessions. Most conditions have protocols that range from 6 to 10 treatments. The treatments are cumulative and are delivered 2 to 3 times per week for 2 to 3 weeks.

This per-session pricing guide for MLS Laser Therapy procedures is based on national-media pricing and can help practitioners estimate the additional revenue that their veterinary clinic may be able to derive from these services.

MLS Laser Therapy Per-Session Pricing Guide

Post-Surgical Incisions	\$15 to \$25
Oral Treatments	\$15 to \$25
Wounds	\$15 to \$40
Orthopedic Surgeries	\$40 *
Acute Traumas	\$40 *
Chronic Conditions	\$40 *
Arthritic Treatments	\$40 *

** Many practices offer packages of 6 for \$200*



Calculate your potential return on investment with MLS Laser Therapy

As veterinary practices slowly bounce back from the initial disruption of COVID-19, many protocols initiated during the pandemic are expected to become commonplace in the veterinary field, such as increased sanitation, use of technology, and medication delivery.

Moving into 2021, veterinary practitioners can remain viable by meeting client demands for expert, customized care with treatment modalities to support short- and long-term health.

Veterinarians must also recognize the shifting pet ownership demographics leading to an increase in demand for more holistic animal healthcare and less-invasive pain management options.

With new pain management technologies, veterinary practitioners can address these demands while establishing a competitive advantage and improving the profitability of clinic-based services.





Cutting Edge Laser Technologies has been serving the veterinary community with a full family of Surgical and MLS® Therapy Lasers for 20 years.

With its patented emission system, MLS Therapy Lasers a unique type of Class IV laser that synchronizes dual wavelengths for optimal clinical effectiveness while eliminated the risk of thermal collateral tissue damage.

Learn more about MLS Laser Therapy at
www.CELasers.com/veterinary
or call 800.889.4184 x125

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