American Veterinary Medical Association Annual Convention
July 18, 2011

BAYER VETERINARY CARE USAGE STUDY:
THE DECLINE OF VETERINARY VISITS
AND HOW TO REVERSE THE TREND
Speakers

Cristiano von Simson, DVM, MBA
Director, Veterinary Technical Services
Bayer HealthCare LLC, Animal Health Division

John Volk
Senior Consultant
Brakke Consulting

Karen E. Felsted, CPA, MS, DVM, CVPM
Chief Executive Officer
National Commission on Veterinary Economic Issues
Agenda

• Background

• Goals and objectives

• Methodology

• Key findings

• How to apply research to build patient traffic in your practice
Cristiano von Simson, DVM, MBA
Director, Veterinary Technical Services
Bayer HealthCare LLC, Animal Health Division

Veterinary Study Goals and Objectives
Too Many Downward Trends

Pets, Visits 1996-2006

Active Clients/Vet

Patients/Vet/Week

New Clients/Vet

Bayer Veterinary Care Usage Study
©2011 Bayer HealthCare
Research Goals

• Identify root causes for decline in patient visits

• Determine what, specifically, can be done to reverse the trend
Research Team

• Brakke Consulting
  – Project design, management

• NCVEI
  – Expertise in economics of veterinary medicine & practice management

• Ipsos-Forward Research
  – Field studies

• University Consultants
  – KSU, SMU and TCU

• Bayer Marketing Research
  – Project oversight
Five-Stage Study

Step 1: Literature Review
Step 2: Qualitative Research with Veterinarians
Step 3: Qualitative Research with Pet Owners
Step 4: Quantitative Research with Pet Owners
Step 5: Quantitative Research with Veterinarians
Why Visits Are Declining

**Environmental Factors**
- Recession
- Fragmentation of veterinary services
- Internet Information

**Client Factors**
- Don’t understand need
- “Sticker shock”
- Feline resistance
Veterinary Study Objectives

• Measure visit trends and impact at practice level

• Confirm findings of pet owner research

• Measure veterinarian use of and interest in service concepts preferred by pet owners

• Identify key drivers for visits and opportunities for building patient traffic
John Volk
Senior Consultant
Brakke Consulting

The Veterinary Study
Methodology

• Online survey using proprietary Ipsos-Forward panel

• Fielded May 9-16, 2011

• 401 respondents
  – Sample representative of practice owners

• Statistical margin of error ± 4.9% at 95% confidence level
Patient Visits in Serious Decline…

Q28. Which of the following best describes the degree to which pet visits to your clinic have increased, decreased or stayed the same during the past 2 years?

Base: All respondents (n=401)
Q3. How did your practice’s 2010 revenues compare with 2009 revenues?
Base: All respondents (n=401)
Most Practices with Visit Increase also Grew Revenue

2010 Revenues Compared to 2009 Revenues

- Increased: 47%
- Decreased: 42%

88% among practices with visit increase

Q3. How did your practice's 2010 revenues compare with 2009 revenues?
Base: All respondents (n=401)
Many Open Appointments, Some Staff Reductions

**Appointments Filled**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Percentage Filled</th>
</tr>
</thead>
<tbody>
<tr>
<td>90+%</td>
<td>5%</td>
</tr>
<tr>
<td>80-89%</td>
<td>9%</td>
</tr>
<tr>
<td>70-79%</td>
<td>21%</td>
</tr>
<tr>
<td>60-69%</td>
<td>27%</td>
</tr>
<tr>
<td>50-59%</td>
<td>12%</td>
</tr>
<tr>
<td>40-49%</td>
<td>10%</td>
</tr>
<tr>
<td>30-39%</td>
<td>11%</td>
</tr>
<tr>
<td>20-29%</td>
<td>2%</td>
</tr>
<tr>
<td>10-19%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Mean = 61.7%

**Staff Headcount Relative to 2 Years Ago**

- Increased 20%
- Decreased 27%
- Stayed the same 53%

**Veterinarian Headcount Relative to 2 Years Ago**

- Increased 15%
- Decreased 11%
- Stayed the same 74%

Q10. During the first 3 months of 2011, approximately what percentage of your available client appointments were filled each week?

Q8. Thinking back over the past two years, has your total employee headcount increased, decreased or stayed the same?

Base: All respondents (n=401)
Driver Analysis

• Of the variables measured in this study, these were the most consistently associated with increased visits

• Consider them foundational elements
  – Not the only things you need to grow your practice, but a very solid starting point
Attributes Most Associated with Increased Visits

• Seeing same veterinarian every time

• “Wellness exams are one of practice’s most valuable services”

• “Marketing and advertising are key part of business strategy”

• Active use of social media such as Facebook
Attributes Most Associated with Decreased Visits

- “Advertising undermines my credibility as a veterinarian”
- Lack of referral arrangements with other pet service providers
Recession
Fragmentation of veterinary services
Internet information
Don’t understand need
“Sticker shock”
Feline resistance

How Six Factors Impact Practices
1. Recession: Perceived Impact on Local Economy

Q4. To what extent did the recession impact your local economy?
Base: All respondents (n=401)

- Significant negative impact: 33%
- Moderate negative impact: 51%
- Little to no negative impact: 15%

32% with an increase in visits saw little/no impact
Recession: Veterinarian Attitudes

Although a contributing factor, the economy is only one of many important issues faced by the veterinary profession.

In this economy, it is very challenging to get my clients to bring their pets in for routine examinations.

When the economy recovers my clinic’s business will return to normal.

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.

Base: All respondents (n=401)
2. Fragmentation: More Competition

Mean: **15.3** Competing Clinics

<table>
<thead>
<tr>
<th>No. in trade area</th>
<th>Other independent practices</th>
<th>Corporate clinics (e.g., VCA, NVA)</th>
<th>Mobile vaccination clinics</th>
<th>Pet store clinics (e.g., Banfield)</th>
<th>Specialty-referral clinics</th>
<th>Shelter vets, other low cost/limited service clinics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>38%</td>
<td>23%</td>
<td>23%</td>
<td>24%</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>56%</td>
<td>76%</td>
<td>74%</td>
<td>75%</td>
<td>71%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Q5. Approximately how many of each of the following operate in your practice’s trade area?
Q5a. Please indicate if the number of each has increased, decreased or stayed the same in the last 5 years

Base: All respondents (n=401)
Some Level of Concern

Q6. Please indicate the degree to which you are concerned/unconcerned with competition from each of the following types of veterinary clinics.

Base: All respondents (n=401)

<table>
<thead>
<tr>
<th>Type of Veterinary Clinic</th>
<th>% Concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low cost/limited service veterinary clinics</td>
<td>20%</td>
</tr>
<tr>
<td>Shelter veterinarians</td>
<td>13%</td>
</tr>
<tr>
<td>Other independent veterinary clinics</td>
<td>10%</td>
</tr>
<tr>
<td>Mobile vaccination clinics</td>
<td>8%</td>
</tr>
<tr>
<td>Pet store veterinary clinics (e.g. Banfield)</td>
<td>7%</td>
</tr>
<tr>
<td>Corporate veterinary clinics (e.g., VCA, etc.)</td>
<td>4%</td>
</tr>
<tr>
<td>Specialty-referral clinics</td>
<td>1%</td>
</tr>
</tbody>
</table>
Not All Are Highly Confident

I am confident in my ability to retain my customers even in the face of competition

- Completely agree: 26%
- Somewhat agree: 55%
- Neither agree nor disagree: 11%
- Somewhat disagree: 2%
- Completely disagree: 6%

My clinic doesn’t need clients that are only motivated by low price

- Completely agree: 31%
- Somewhat agree: 42%
- Neither agree nor disagree: 15%
- Somewhat disagree: 2%
- Completely disagree: 11%

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.
Base: All respondents (n=401)
3. Internet: Impact on Practice

- I provide my clients with links to online resources that I approve of: 31% Completely agree, 37% Somewhat agree, 18% Neither agree nor disagree, 7% Somewhat disagree, 6% Completely disagree.

- These days it seems the sick or injured pets that I see should have been brought in two or three days earlier: 22% Completely agree, 44% Somewhat agree, 27% Neither agree nor disagree, 6% Somewhat disagree, 1% Completely disagree.

- The Internet has made it easier to work with clients: 6% Completely agree, 25% Somewhat agree, 28% Neither agree nor disagree, 30% Somewhat disagree, 10% Completely disagree.

- I try to avoid providing pet owners with too much information: 3% Completely agree, 22% Somewhat agree, 21% Neither agree nor disagree, 29% Somewhat disagree, 26% Completely disagree.

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.

Base: All respondents (n=401)
Somewhat Limited Use of Internet in Practice

Q19. Which, if any, of the following activities did you utilize to promote your clinic during the past 12 months?
Base: All respondents (n=401)

- Clinic website: 77%
- Facebook: 43%
- Other social media: 9%
- Blogging: 4%
- Twitter: 4%

©2011 Bayer HealthCare
4. Clients Don’t Understand Need: Vet Attitudes Towards Wellness Exams

- I talk my clients through the exam, explaining what I am doing in detail:
  - Completely agree: 51%
  - Somewhat agree: 37%
  - Neither agree nor disagree: 8%
  - Somewhat disagree: 3%

- I view wellness examinations as the most important service my practice performs:
  - Completely agree: 26%
  - Somewhat agree: 46%
  - Neither agree nor disagree: 18%
  - Somewhat disagree: 9%
  - Completely disagree: 1%

- Wellness examinations are a commodity that pet owners don't value:
  - Completely agree: 16%
  - Somewhat agree: 49%
  - Neither agree nor disagree: 14%
  - Somewhat disagree: 17%
  - Completely disagree: 4%

- I often worry that pet owners feel I am only recommending wellness examinations to make money:
  - Completely agree: 5%
  - Somewhat agree: 36%
  - Neither agree nor disagree: 22%
  - Somewhat disagree: 21%
  - Completely disagree: 14%

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.
Base: All respondents (n=401)
### What Veterinarians Recommend

#### Adult, non-senior pets

<table>
<thead>
<tr>
<th>Interval</th>
<th>Dogs (%)</th>
<th>Cats (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twice a year</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Annually</td>
<td>80%</td>
<td>83%</td>
</tr>
<tr>
<td>Every three years</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Depends on pet lifestyle</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Q22.1** [Dogs] At what intervals does your practice recommend wellness exams for adult, non-senior pets?

**Q22.2** [Cats] At what intervals does your practice recommend wellness exams for adult, non-senior pets?

Base: All respondents (n=401)
What Clients Do

Within Last year

- 1-2 years: 10%
- 3-4 years: 3%
- 5+ years: 2%
- Never, DK: 0%

Within Last year

- 1-2 years: 21%
- 3-4 years: 6%
- 5+ years: 6%
- Never, DK: 7%

Bayer Veterinary Care Usage Study
©2011 Bayer HealthCare
What Veterinarians Recommend for Senior Pets

Q23_1. [Dogs] At what intervals does your practice recommend wellness exams for senior pets?
Q23_2. [Cats] At what intervals does your practice recommend wellness exams for senior pets?
Base: All respondents (n=401)

- Twice a year: 53% (Dogs) 52% (Cats)
- Annually: 42% (Dogs) 43% (Cats)
- Every two years: 0% (Dogs) 0% (Cats)
- Every three years: 0% (Dogs) 0% (Cats)
- Depends on lifestyle of pet: 4% (Dogs) 4% (Cats)
- Other: 1% (Dogs) 0% (Cats)
But Owners Bring Older Cats in Less

Q8. Generally speaking, would you say you take [SURVEY PET] to its primary veterinary clinic more often, less often or the same amount as two years ago?
Base: All survey pets that have a primary veterinarian (Cats n=862)

- <3 years old:
  - Top 2 Box (much more often/somewhat more often): 7%
  - Bottom 2 Box (somewhat less often/much less often): 13%
- 3 - 8 years old:
  - Top 2 Box:
  - Bottom 2 Box: 18%
- 9+ years old:
  - Top 2 Box:
  - Bottom 2 Box (somewhat less often/much less often): 21%
Would Take Pet to Vet More Often...

**Q23.** Please indicate your agreement with each of the following using the scale provided…I would take [SURVEY PET] to the veterinarian more often if...

**Base:** All respondents (Dogs n=1096)(Cats n=1092)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Dog Owners</th>
<th>Cat Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I knew I could prevent problems &amp; expensive treatment later</td>
<td>59%</td>
<td>56%</td>
</tr>
<tr>
<td>If I was convinced would help pet live longer</td>
<td>59%</td>
<td>53%</td>
</tr>
<tr>
<td>If each visit was less expensive</td>
<td>47%</td>
<td>54%</td>
</tr>
<tr>
<td>If I really believed pet needed exams more often</td>
<td>44%</td>
<td>49%</td>
</tr>
<tr>
<td>If it wasn't so stressful for me and my pet</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>If my pet didn't dislike it so much</td>
<td>19%</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Dog Owners**  **Cat Owners**
5. Client Sticker Shock

Costs usually much higher than expected

- Completely Agree: 19%
- Somewhat Agree: 34%
- Neither A or D: 28%
- Somewhat Disagree: 13%
- Completely Disagree: 6%

Always looking for less expensive vet options

- Completely Agree: 8%
- Somewhat Agree: 18%
- Neither A or D: 30%
- Somewhat Disagree: 19%
- Completely Disagree: 25%

Would switch for less expensive vet

- Completely Agree: 10%
- Somewhat Agree: 16%
- Neither A or D: 25%
- Somewhat Disagree: 21%
- Completely Disagree: 28%

Q22. Please indicate your level of agreement with each of the statements listed below using the scale provided. If you do not have a regular veterinarian for [SURVEY PET], please think of the veterinary clinic you last took them to.

Base: All respondents (n=2097)
% of Practices Increasing Fees

- Increased Fees in Both 2010 and 2011: 56%
- Increased Fees in 2010 or 2011: 24%
- Did Not Increase Fees in 2010 or 2011: 20%

Mean Fee Increases:
- 2010: 4.8%
- 2011: 4.3%

Q29. By what percent did you raise fees in 2010?
Q31. By what percent will you raise fees in 2011?

Base: All respondents (n=401)
6. Feline Resistance: Vets are Locked in a Test of Wills with Cats

And cats are winning.
Cats Significantly Under-Represented in Patient Base

SC1. What percentage of your total patient base are either dogs and/or cats?
Base: All respondents (n=401)

Population

<table>
<thead>
<tr>
<th>Patients</th>
<th>Dogs</th>
<th>Cats</th>
</tr>
</thead>
<tbody>
<tr>
<td>45%</td>
<td></td>
<td>55%</td>
</tr>
<tr>
<td>59%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Veterinarian Attempts to Accommodate Cats

We provide training to all staff members about how to handle cats and the basic care they need.

- Completely agree: 39%
- Somewhat agree: 45%
- Neither agree nor disagree: 11%
- Somewhat disagree: 4%
- Completely disagree: 1%

We go to great lengths to ensure the waiting room experience for cats and cat owners causes as little stress as possible.

- Completely agree: 28%
- Somewhat agree: 42%
- Neither agree nor disagree: 18%
- Somewhat disagree: 8%
- Completely disagree: 3%

Cat owners seem more reluctant than dog owners to schedule visits to the practice.

- Completely agree: 23%
- Somewhat agree: 47%
- Neither agree nor disagree: 16%
- Somewhat disagree: 10%
- Completely disagree: 4%

I provide each cat owner with instructions on how to make travel to the clinic less stressful for them and their cat.

- Completely agree: 8%
- Somewhat agree: 25%
- Neither agree nor disagree: 28%
- Somewhat disagree: 26%
- Completely disagree: 12%

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.

Base: All respondents (n=401)
Big Opportunity

- **Travel/Arrival at clinic** identified as key friction point
  - It defines the experience of a cat owner
  - Key point of differentiation between lighter and heavier users
  - Where opportunity for dissatisfaction begins
Factors Responsible for Visit Declines are Consistent

• Findings of veterinary quantitative survey reinforced earlier vet interviews and pet owner survey

• No new issues surfaced
Karen E. Felsted, CPA, MS, DVM, CVPM
Chief Executive Officer
National Commission on Veterinary Economic Issues

How to Address the Problem
Solutions

• Veterinary receptivity to pet owner service concepts

• Research-based recommendations
Services Most Likely to Increase Visits

Q25. Please select the three concepts which, if implemented, would make you most likely to take [SURVEY PET] to their veterinarian more often.

Base: All survey pets that have ever visited the veterinarian (Dogs n=1057) (Cats n=1040)
Where Opportunity Lies

<table>
<thead>
<tr>
<th>Service Concept</th>
<th>% Clients Would Visit More if . . .</th>
<th>% Vets Offering Now</th>
<th>% Vets Willing to Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive product prices</td>
<td>47</td>
<td>73</td>
<td>8</td>
</tr>
<tr>
<td>Wellness program billed monthly</td>
<td>45</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>Develop full-year health plan</td>
<td>39</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>Information about financing programs</td>
<td>29</td>
<td>47</td>
<td>17</td>
</tr>
<tr>
<td>Online appointment scheduling</td>
<td>26</td>
<td>18</td>
<td>29</td>
</tr>
<tr>
<td>Pet health records online</td>
<td>26</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Drop-off appointments</td>
<td>29</td>
<td>85</td>
<td>3</td>
</tr>
<tr>
<td>Days/times reserved for dogs/cats only</td>
<td>13</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Play area for kids</td>
<td>3</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>None</td>
<td></td>
<td>2</td>
<td>28</td>
</tr>
</tbody>
</table>

Q32. Please indicate which of the following services are currently offered by your clinic.
Q33. Which three of the following items would you most be willing to implement in the next year

Base: All respondents (n=401)
Management-based Recommendations

• Track visits and related metrics

• Market your practice

• See same veterinarian for every visit

• Communication of need for care

• Manage pricing

• “Friend” cats

• Make it easy to schedule and keep appointments
Q27. Which of the following do you review or check at least quarterly. That is to say, at least once during the past three months.

Base: All respondents (n=401)
Two Basic Ways to Grow Visits

• Retain existing clients and build frequency of visits

• Attract new clients

Remember: only 61.7% of appointments are currently filled
Approach to Existing Clients

In comparison to other vets, I tend to spend more time building long-lasting relationships with my clients.

I would change how my practice operates if I knew it would increase client satisfaction.

In my clinic a client is assigned a veterinarian whom they see on nearly every visit.

I would do almost anything to ensure my customers are satisfied.

We routinely measure client satisfaction through after-service surveys.

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.

Base: All respondents (n=401)
Attitudes Towards New Clients

Continuous growth of my clinic is part of how I define success

- 28% Completely agree
- 53% Somewhat agree
- 13% Neither agree nor disagree
- 2% Somewhat disagree
- 2% Completely disagree

I am always trying new ways to attract clients

- 22% Completely agree
- 34% Somewhat agree
- 26% Neither agree nor disagree
- 14% Somewhat disagree
- 5% Completely disagree

I am worried about the future of my business

- 16% Completely agree
- 45% Somewhat agree
- 16% Neither agree nor disagree
- 16% Somewhat disagree
- 8% Completely disagree

Advertising and promoting my services to clients undermines my credibility as a veterinarian

- 3% Completely agree
- 26% Somewhat agree
- 24% Neither agree nor disagree
- 31% Somewhat disagree
- 16% Completely disagree

Marketing and advertising are important tools to run a successful practice today

- 26% Completely agree
- 47% Somewhat agree
- 16% Neither agree nor disagree
- 7% Somewhat disagree
- 4% Completely disagree

Q34. Please indicate the extent to which you agree or disagree with each of the following statements using the scale provided.
Base: All respondents (n=401)
Q19. Which, if any, of the following activities did you utilize to promote your clinic during the past 12 months?

Base: All respondents (n=401)
Referral Programs Used

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives to existing clients who refer new clients</td>
<td>37%</td>
</tr>
<tr>
<td>Referral arrangements with other pet service providers</td>
<td>20%</td>
</tr>
<tr>
<td>Sponsorship of 'Welcome Wagon' or New-to-community Services</td>
<td>12%</td>
</tr>
<tr>
<td>Employee referral relationships with local companies</td>
<td>6%</td>
</tr>
<tr>
<td>Referral relationships with local realtors</td>
<td>5%</td>
</tr>
</tbody>
</table>

Q19. Which, if any, of the following activities did you utilize to promote your clinic during the past 12 months?
Base: All respondents (n=401)
Communications Not Always Clear

My veterinarian communicates with me in language I understand

- 57% Completely agree
- 43% Not completely agree

My veterinarian clearly explains when I should bring my pet in

- 44% Completely agree
- 56% Not completely agree
Communicating About the Exam

I talk my clients through the exam, explaining what I am doing in detail

- 51% Completely agree
- 37% Somewhat agree
- 8% Neither agree nor disagree
- 3% Completely disagree

Bayer Veterinary Care Usage Study
©2011 Bayer HealthCare
Talking to Clients

• “There is allergy testing if you really want to do that.”

• “At some point you might want to get that done, just a suggestion.”

• “If you decide to do this, the estimate is good for a year. Call the front desk to set it up.”
Many Pet Owners Confused, Uninformed

Routine checkups are unnecessary
- Agree: 24%
- Neutral: 23%

My pet won't live as long if it doesn't get checkups
- Agree: 42%
- Neutral: 30%

My pet is more likely to get sick if it doesn't get routine checkups
- Agree: 31%
- Neutral: 36%

Bayer Veterinary Care Usage Study
©2011 Bayer HealthCare
Physical Exam – Describe it as You Go

• “I’m listening to Fluffy’s heart—the heart rate is normal and I don’t hear any murmurs.”

• “Fluffy’s abdomen feels normal—the kidneys are of normal size and shape and I don’t feel any masses.”

• “I don’t feel any lumps or bumps as I run my hands over her legs.”

• “Fluffy has a moderate degree of periodontal disease—Let’s schedule an appointment in two weeks for us to clean her teeth.”
Price is an Issue

Costs much higher than expected
- Pet Owners: 54%
- Vets: 89%

Always looks for less expensive vet option
- Pet Owners: 56%

Would switch for less expensive vet
- Pet Owners: 51%

More difficult to increase fees
- Vets: 89%

Client increasingly complaining about fees
- Pet Owners: 78%

Agree | Don't disagree
Managing Client Costs

• Fee increases are not the only way to improve profits
  — Counter-productive in some cases

• Written financial policy important

• Many options for managing client costs
  — Price-matching on shopped items
  — Expanded payment options
  — Promotional discounts
  — Wellness plans
Q11. The next few questions relate to client payment options. Does your clinic have a written financial policy for clients to review?
Q12. Does your practice prepare written estimates for services before starting treatment?

Base: All respondents (n=401)
Client Payment Options

Forms of Payments

- Cash: 100%
- Credit and debit cards (Visa, Mastercard, etc.): 96%
- Checks at time of service: 94%
- Held or post-dated checks: 64%
- Third party medical financing such as CareCredit or ChaseHealthAdvance: 56%
- Services invoiced to clients for payment at a later date: 29%
- 'Layaway' types of plans for clients where they prepay for certain services and the work is done when they have made all…: 12%
- Other: 4%

Client Requests for Alternative Payment Methods

- Increased a lot: 17%
- Increased a little: 52%
- Stayed the same: 31%

Q13. Which of the following forms of payment does your clinic accept from clients?
Q14. Thinking back over the past 12 months to what extent have client requests regarding alternative methods for payment increased, decreased or stayed the same?
Base: All respondents (n=401)
Q16. Which of the following best describes the overall interest in pet insurance among pet owners in the past 12 months? Has it...

Base: All respondents (n=401)
# Use of Promotional Discounts

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First exam free for pets adopted from shelters</td>
<td>45%</td>
</tr>
<tr>
<td>Price matching on pet products sold at your clinic</td>
<td>36%</td>
</tr>
<tr>
<td>Specials or discounts as part of promotions</td>
<td>28%</td>
</tr>
<tr>
<td>New client discounts</td>
<td>16%</td>
</tr>
<tr>
<td>First exam free for pets purchased from pet stores</td>
<td>15%</td>
</tr>
</tbody>
</table>

Q19. Which, if any, of the following activities did you utilize to promote your clinic during the past 12 months?

Base: All respondents (n=401)
Discount Strategy

• Use discounts to reward desired behavior

• Examples
  – Move appointments from rushed times to slower times
  – Attract patients not seen in last year
  – Increase visits from existing clients
  – Expand use of particular service
Wellness Plans

• Annual care plans paid for on a monthly basis

• May include free office calls

• Include specific services

• Some practices significantly discount services included; others don’t

• May include discounts for services not included in the plan

• Must increase traffic to be profitable
Banfield Attributes Growth in Visits in Part to Wellness Plans

Source: IDEXX & VetInsite; Banfield
80% of Growth Potential is Cats

- 13% more cats than dogs
- Cat visits are ~30% less than dog visits
- Cat owners don’t understand the need for veterinary care as much as dog owners
- Lifetime value of cats is higher than veterinarians think it is
Changing the Care Cats Receive

• Identify all the cats owned by your clients
• Educate clients about the need for care
• Create a cat-friendly facility
• Teach your clients about cat-friendly transport
• Focus on cat-friendly handling and examination
• Improve your knowledge of cat-friendly healthcare
• Help clients understand payment options
Asking About Other Pets During Every Visit

- Completely agree: 24%
- Somewhat agree: 42%
- Neither agree nor disagree: 16%
- Somewhat disagree: 13%
- Completely disagree: 5%
Resources

• American Animal Hospital Association  
  www. aahanet.org

• American Association of Feline Practitioners  
  www.catvets.org

• CATalyst Council  
  www.catalystcouncil.org

• Feline Advisory Bureau  
  fabcats.org/publications/index.php#cfp1
Make it Easy to Schedule and Keep Appointments

• Schedule the next appointment before patient leaves practice

• Use email reminders in addition to mail and telephone reminders

• Extended hours may bring in more clients
  – Pet owners want them, but data ambiguous
Make it Easy to Schedule and Keep Appointments

**Frequency of Scheduling Next Appointment at Current Visit**

- Always: 4%
- Often: 35%
- Sometimes: 49%
- Rarely: 11%
- Never: 1%

**Types of Reminders Used**

- Post card reminders: 90%
- Telephone calls: 56%
- Email: 44%
- Publication (such as Healthy Pet): 16%
- Text messages: 3%
- Other: 2%
- I do not remind pet owners of routine: 1%

©2011 Bayer HealthCare
Regardless of Visit Trend, Every Practice Can Boost Traffic

- Develop annual pet health plans
- Offer monthly billing for wellness package
- Ask about other pets on every visit
- Always schedule next appointment before pet leaves
- Start a Facebook page
- Send email reminders
- Communicate need for care
- Dedicate space in waiting room for cats only
- Arrange referrals with realtors, new home owner programs
- Teach kitten owners how to train pet to carrier
- Promote pet insurance
- Send satisfaction surveys
- Stay open late two nights a week
- Offer discounts for pets not seen in last year
John Volk
Senior Consultant
Brakke Consulting

What it all boils down to...
What the Bayer Study Tells Us

• Pet owners want a veterinarian that knows them and knows their pet; someone in whom they can gain confidence. The way you know if you’re meeting their needs is by asking – through after-service surveys.
What the Bayer Study Tells Us

• Clients want consistency and predictability; they don’t like surprises. Value is important too. That’s why they eat at McDonald’s. That’s why an annual health plan for the pet and monthly billing are so attractive.
What the Bayer Study Tells Us

• There is no low-hanging fruit. Times are tough out there and they aren’t going to improve dramatically soon. It takes effort just to stay even. It takes a whole bunch of effort to move ahead. There’s a lot of competition; differentiating your practice is important.
What the Bayer Study Tells Us

• Your clients have moved to the Internet. If you want to keep in touch with them, you need to be there too. It’s not the only place to communicate with them, but it’s an important one.
What the Bayer Study Tells Us

- The time and energy spent building clinic traffic (patient visits) are worth it. There are pets out there, especially cats, that need better care. Their owners are willing to provide it if they know what to do. They need you to find them and tell them.
What the Bayer Study Tells Us

• It takes:
  – A team
  – Leadership
  – A plan
  – Some trial and error
  – Trying new things

• Each veterinarian needs to find out what works best for his or her practice.
Questions & Answers

THANK YOU!