

COVID-19 Implications for the Animal Health Industry: Executive Summary

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To understand how COVID-19 has affected the animal health industry in the United States, the UVSA commissioned a study using a representative sample of 2009 primary and shared decision-making canine and feline pet owners between March 7-24, 2021. Follow-up interviews were also conducted with 6 general practice veterinarians and 9 pet owners between April 1-16, 2021 to further illuminate the findings. Results are discussed below.

As a result of the pandemic and quarantine rules and restrictions, pet owners report a stronger human-animal bond (HAB) and increased pampering behavior over the past year, with statistically significant increases from work-from-home (WFH) pet owners and Millennials, respectively. This growth led to significant increases in owner-pet play, grooming (e.g., washing, dental care), vet-centric support, and vet hospital purchase behavior, led by high-earning urban Millennial males. Owners expect these pandemic-induced behaviors will likely persist post-COVID. Some tertiary services are expected to come back with diminished use, like pet sitting/walking, boarding, and day care.

The study also explored how the veterinarian-client relationship has evolved over the past year as a result of COVID safety protocols. While veterinarians and pet owners talked about lack of service availability generally, the pains of new patient flows and lack of face-to-face communication, client purchasing at hospitals was greater than ever this past year, again being driven by high-earning Millennial males. However, these Millennials have introduced a more-nuanced view of their desired relationship with the vet. Whereas trust in vets and their perceived credibility remain very high, Millennials as a group exhibit very high personal agency: they want to research and treat their pet's needs where applicable, which allows for greater perceived efficiency, cost savings, and convenience. This personal agency is much higher than any other generation, and working with veterinarians who support their want to DIY is becoming a key point in veterinary differentiation.

Millennials have emerged as the most-engaged group of pet owners in the US. Not only are they the largest group of pet owners, but Millennials also engage in more daily activities, groom their pets more, purchase more, and make use of more ancillary services than any other generation. They also engage with more digital services; general and vet-centric telemedicine, online chats with retailers, and online information from their vets are accessed at 2x the rate of other generations. Additionally, Millennials say that offering these types of digital services will play a greater role in how they choose and retain veterinary services moving forward.

Many pandemic pets were purchased during the COVID quarantine. These new pet owners state that the purchase was motivated by activity and loneliness reasons, again led mostly by high-earning urban Millennial males.

Additionally, there were many first-time pet owners introduced during the past year, and again – high-earning urban Millennial males drove this trend. While fears of high pet relinquishment pervade our industry, this study did not uncover any alarming trends. First-time pet owners are only 2% higher than total market in their stated intention to relinquish their pets (at 8% serious consideration).

Overall, this study revealed the incredible resilience of the animal health industry during an unprecedented time of change and growth which lends much confidence in this industry to, not just survive natural disasters, but thrive by focusing on core service needs to support owners and their pets.