



On **Veterinarians'** MindsSM

IN PARTNERSHIP WITH MEDSURVEY



Executive Summary

June 2021



The State of Veterinary Medicine

In subsequent pages, the findings of our June On Veterinarians' MindsSM conversations with treating animal health professionals will be presented in detail.

In November 2020, ThinkGen launched its On Doctors' MindsSM series. This initiative included one-on-one interviews with 10 healthcare professionals conducted monthly. These discussions allowed us to listen and unpack the dynamics of treating physicians as they navigated through the COVID-19 pandemic.

Now, under the umbrella of On Doctors' MindsSM, ThinkGen has partnered with MedSurvey to conduct a one-time, special edition—On Veterinarians' MindsSM—to look at the animal health sector and listen to what is on the minds of veterinary professionals as their practices emerge from the pandemic.

Like human health, the pandemic has had a major impact on practitioners of animal health. The greatest impact may be, however, the acceleration of pre-existing market forces. For example, declining job satisfaction, heavy care burden and stagnant wages were present prior to the pandemic. Recovering from the upheaval brought on by the pandemic is the priority among veterinary professionals, however, long-term barriers continue to persist.

The insights that follow identify areas of intersection between veterinarians and animal health companies. Our conversations unearthed several key themes:

- An Evolving Marketplace
- Opportunity for Partnership
- The Rise of Retail Pharmacy
- Decrease in Professional Satisfaction
 - Effects on Mental Health
 - Declining Financial Expectations
 - Corporate Consolidation
- Looking to the Future

In an Evolving Marketplace, Veterinarians are Looking for Partnership and Open to Acquisition

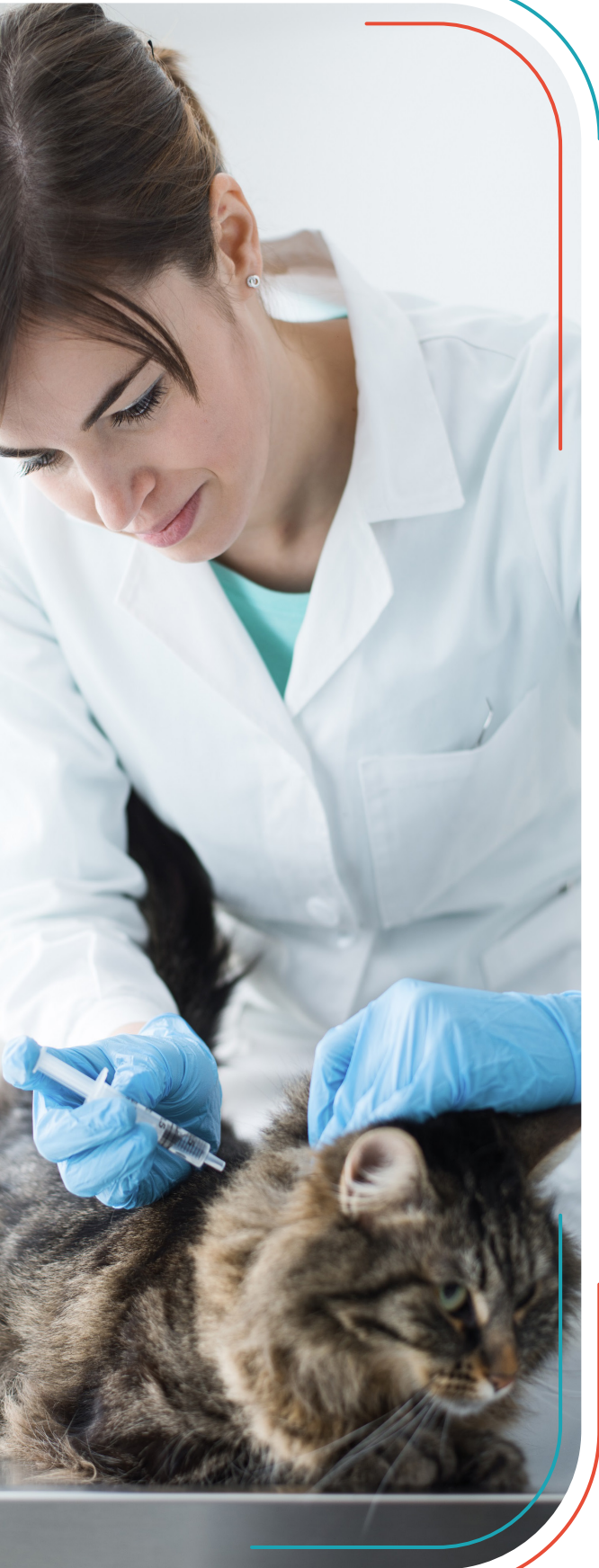
Small-animal veterinarians and vet techs face unprecedented challenges that will shape the future of how veterinarians' practice and deliver healthcare to pets and pet-owners. These challenges are influenced by many macro-level factors, driven by the Covid-19 pandemic, as well as micro-level factors, like the emergence of retail pharmacy. Vets express the belief that these challenges will persist and are uncertain about their future in providing medical care to pets and pet owners.

These factors are contributing to a decline in career satisfaction and an overall decline in interest to practice animal health. Many professionals are leaving the industry by choosing a different career or selling their practice to the increasing number of corporate entities. Those that do choose to stay are often discouraged and have lowered their personal and financial expectations of the industry. They are looking for partnerships with animal health manufacturers to stabilize the industry as they emerge from the pandemic and continue to advance medicine and pet care.



Business Impact

There are many opportunities for animal health companies to engage and support veterinarian professionals. Vet professionals desire manufacturer engagement through advocacy group partnerships, consistent and fair product pricing, R&D, and more frequent interaction with sales representatives. Through these avenues, and others, manufacturers can better align with veterinary professionals and build loyalty.



The Rise of Retail Pharmacy

Vets frequently mention financial concerns and the negative impact on practice revenue due to the increased fulfillment of prescription medication through online pharmacy retailers (e.g., Chewy, 800-PetMeds) and big box brick and mortar (e.g., Walmart). This is yet another challenge that was amplified during the pandemic, as people looked for alternate ways to get their pets' medications without having to leave home.

As outlined in an [article by the Shackleford Vet Clinic](#), there are many reasons why pet parents should avoid these online retailers for their pets' medication, which several of our discussants mentioned during our conversations. But, one of the most important reasons is the way it negatively impacts veterinarians' practices.

In some cases, vet offices cannot purchase product from the manufacturers at a price lower than what these retailers sell to consumers. One veterinarian we spoke with said she's heard in lectures that in-house vet pharmacies will likely be a thing of the past in about 20 years, which she finds scary, stating that this is a huge area of profit for her practice.

Some of the vets we talked with believe that big pharma is siding with large corporations and neglecting the vet practice. Historically, selling medication from the practice was a huge driver for a vet practice's revenue. While vets have online pharmacy options, many are considering exiting this space. This will likely cause an increase in pet care cost to the consumer.

Business Impact

Veterinarians predict they will be more likely to treat with longer-acting medication, such as injectables, or other products that must be administered at the practice. Their increased adoption of these products is due in part to defend from perceived financial loss to the practice.

Marketplace Instability is Driving a Decline in Job Satisfaction

Effects on Mental Health

The rate of suicide and self-harm in the veterinary medicine field is alarmingly high compared to other industries. A recent [CNN article](#) states that approximately half of all vet techs burn out of the profession within their first five years and 35% of them burn out altogether.

This is top of mind for most veterinary professionals with whom we had conversations. Several of those we talked with referred to the non-profit organization [Not One More Vet](#) (and its Facebook support community), which provides support to veterinary professionals and students who are struggling with mental health issues or considering suicide.

The pandemic compounded an already present mental health issue. It created a drastic increase in pet adoptions, resulting in numerous “new pet exams”. Longer hours, increased responsibilities (especially among vet techs), stagnant wages, and lack of qualified workers (again, mostly among vet techs) were all amplified by the pandemic and all play a role in this critical industry issue.

Further compounding the issue, we learned from our conversations that the veterinary clients (pet parents) have become much more unpleasant to deal with since the pandemic started. Frustrations with new protocols, such as not being able to come inside with their pet, have caused the pet owners to be more emotional and have caused them to lash out at the veterinary staff on all levels. Dealing with those elevated human client emotions on top of existing stressors has exacerbated an already prevalent issue.

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Declining Financial Expectations

Veterinary medicine has come a long way in the past 20 years. The medications are advanced, and the diagnostics and procedures rival human health.

As wonderful as these advancements are, these innovations come with a price, leading to increased costs to the consumer, who is not as familiar with or receptive to big bills at the vet. This is causing sticker shock and, in many cases, anger among consumers. And, it is the veterinary staff that bear the brunt of this consumer anger each day.

In fact, we heard through these conversations with veterinary professionals that pet owners, tragically, sometimes opt to have their pets euthanized for treatable illnesses or injuries because they can't afford the cost of the treatment.

Issues like this can be addressed through better education in the marketplace and the emergence of animal health insurance. Future growth in insurance options and wellness plans should help vet offices satisfy the consumer and insure they continue to stay open and profitable.

Corporate Consolidation

The consolidation going on in the animal health industry is mirroring what happened with human health over the past few decades. Private practices are becoming fewer and fewer and these individuals find it increasingly difficult to compete with corporate entities.

A 2018 [American Veterinary Association article](#) stated that “Brakke Consulting tracks corporate purchases of veterinary clinics and estimates that about 3,500 are company-owned. John Volk, an analyst with Brakke, says corporations own about 10 percent of general companion animal practices and 40 to 50 percent of referral practices.”

Corporate entities are paying a premium to purchase these practices right now. There is also consolidation among medical distributors, pharmacy, and animal health pharmaceuticals.

Our conversations revealed the impact this consolidation is having on private veterinary practices and their frustrations in trying to compete with corporate entities. This consolidation is reducing the buying power of sole proprietorships which makes it difficult to make money and pay staff competitively.

Looking to the Future

Overall, our conversations with veterinary professionals revealed that the industry is struggling with several major challenges. Many of these challenges are things they have been dealing with for a long while. Several have been intensified by the COVID-19 pandemic.

The important thing is that there are ways that pharmaceutical companies in the animal health space can address and alleviate some of these issues.

As a result of these conversations, we are encouraging all of our readers to talk with their stakeholders about custom On Veterinarians' MindsSM projects that they would like to underwrite.



For more information on the On Veterinarians' MindsSM project, and to discuss custom research, contact:

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About MedSurvey

Named 2020 Panel Company of the Year by Quirks, MedSurvey has over 40 years of experience in recruiting healthcare professionals and patients for market research surveys. Healthcare is all we do. MedSurvey focuses on building strong, long-term relationships with each client, becoming a reliable research partner and an extension of their teams. We love to solve problems using technology as we continue to invest in building innovative software solutions for medical market research.



About ThinkGen

ThinkGen is a full-service, global market research consultancy that bridges clinical and behavioral sciences to uncover and deliver distinct, actionable insights to our clients. Our research approach focuses on innovation in the areas of habit, behavior, network connections, and health psychology, giving clients clarity and deeper understanding of the clinicians, patients, and caregivers who comprise their markets. Our tenured researchers possess vast therapeutic category knowledge and are experts in rare disease market research and emerging technologies.

