

Impact of COVID-19 on U.S. Pet Owners

Navigating Petcare Through a Global Pandemic

Foster | Rosenblatt recently conducted research on how COVID-19 has impacted veterinarians and their clinics. As a follow-up, we conducted 16 telephone interviews and an online survey with 380 pet owners on how COVID-19 has affected their experience.

Our findings suggest COVID-19 will have a lasting impact on consumer behavior in the pet care market.

Pet and Owner Behaviors/Routines

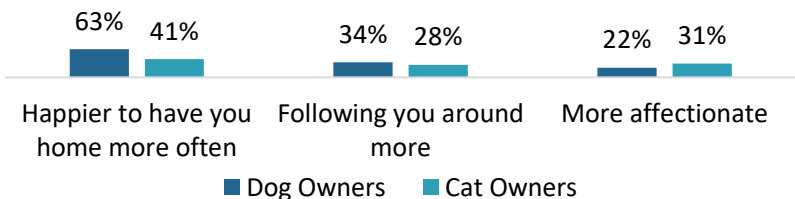
Since the start of the COVID-19 pandemic, there has been a marked increase in pet adoptions. Now, more than ever, pet owners have been relying on their pets for companionship and support. Pet owners reported that the bond they have with their pets has grown stronger and many reported that during COVID-19, especially during lockdowns, their pet had a positive impact on their quality of life and mental health.

The underlying question is - which changes in behaviors and routines will persist once the pandemic ends and which will return to “normal”?

“ *It’s been positive more so for me than for him. He’s been an emotional support.* *Having a pet during COVID-19 is important socially as we are distancing from human friends. Having our cats is central to the happiness of our home.* *One dog became very anxious and developed separation anxiety so bad that he now takes medication if I am gone more than 3 hours.* ”

Households have been adopting or purchasing pets at the highest rate in recent years with nearly **20%** of pet owners in our survey welcoming a new dog or cat during COVID-19, which is **4x** the previous year’s level. Of note, almost half of those who adopted or purchased a pet recently did so for the first time.

80% of dog owners and **65%** of cat owners noticed a change in their pets’ behavior since the start of the COVID-19 shutdown. Of owners whose pets’ behavior has changed, the most often exhibited behaviors were positive:



58% of pet owners said their relationship with their pet has improved since the start of COVID-19

Once business returns to normal, **1/4** of dog owners anticipate they’ll use a dog walking service or local pet daycare. **Services like these will help pets cope with separation anxiety once dog owners return to work.**

Pet owners will use these services:


2.6 times/week


1.8 times/week

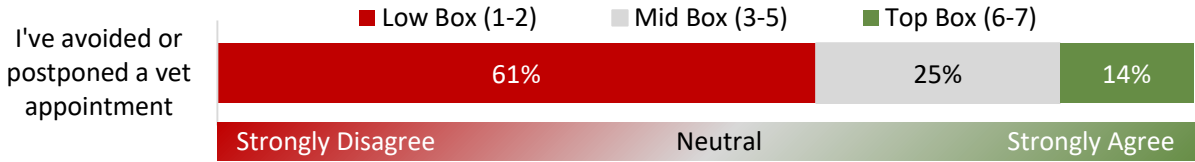


Foster | Rosenblatt – Key Takeaways

COVID-19 has strengthened the human-animal bond due to pet owners spending more time at home with their pets. Since the bond is growing stronger, both pets and humans may experience anxiety when people return to in-person offices and spend more time away from their pets. In lieu of human presence, toys, long-lasting chews, cat trees, etc. are good outlets for keeping pets occupied and stress-free when they’re left alone. To give pet owners peace of mind when they cannot be with their pets, products such as pet cams, GPS collars/tags, health/activity tracking devices and monitoring devices will allow this comfort, potentially leading to an uptick in spending on all these pet supply and technology products. Opportunities exist to capitalize on these evolving dynamics and conducting targeted market research with pet owners can help elucidate this potential.

Vet Visits

COVID-19 had a minimal impact on vet clinic visits: **78%** of pet owners visited the vet since the shutdown.



Only **17%** of pet owners who visited their vet had issues scheduling an appointment and, of these, the majority (**78%**) reported their vet clinic being busier than usual and they had to wait longer for an available appointment.

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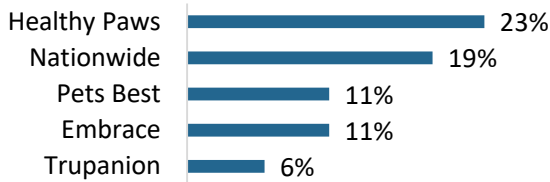
COVID impacted the availability for spay appointment.

Appointment delayed a month per vet's office.

The vet office had limited hours and services during shutdown.

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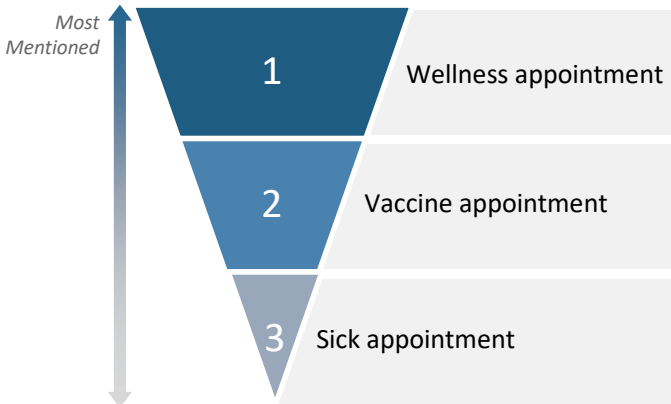
Top Pet Insurance Companies



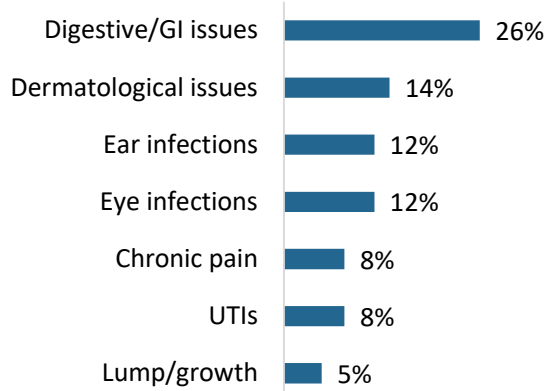
Of those with insurance, % of pet owners by company

27% of pet owners in our study have pet insurance. These pet owners were significantly more likely to visit the vet during COVID-19 and more frequently visited the vet compared to those without insurance. These findings suggest **pet insurance helps drive vet visits.**

Top Reasons for Visiting the Vet



Top Reported Sick Visits



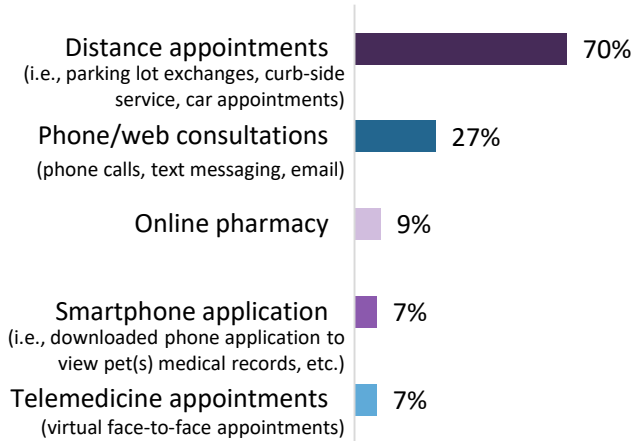
Pet owners have not been holding back and postponing vet visits due to COVID-19. They have still been taking their pets to see the vet, not only for emergencies, but also for routine preventative care and common illnesses.



Foster | Rosenblatt – Key Takeaways

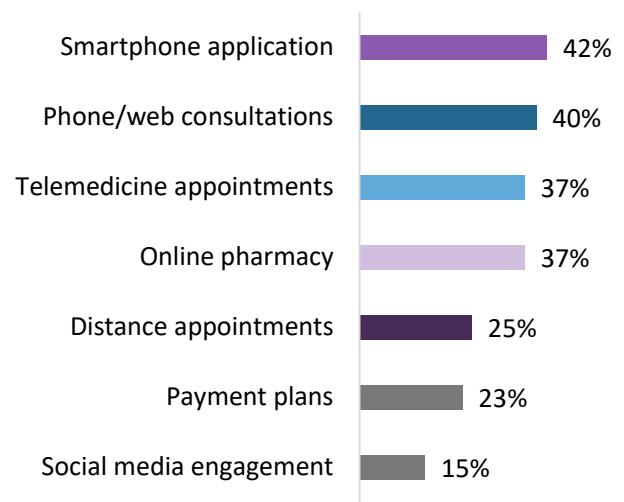
Vet clinic visits were largely unaffected by COVID-19: pet owners have still been going to the vet for preventative care, common illnesses, and other visits. This trend is expected to continue throughout the remainder of the COVID-19 shutdowns. Vaccine appointments are on the rise as this correlates with the increase in pet adoptions. There is an opportunity for clinics & pet insurance companies to join forces to grow their demand, since pet owners with insurance have a higher rate and frequency of vet visits.

Services Offered by Vet Clinics



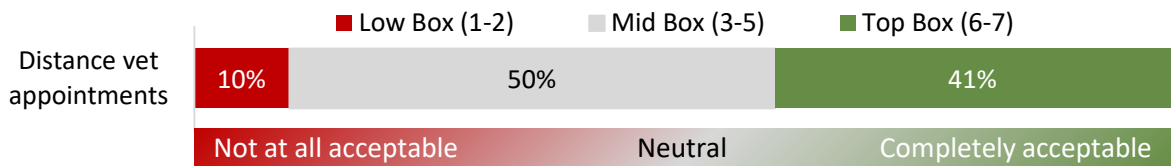
23% of pet owners were unsure of the services their vet offered, indicating a potential awareness issue.

Services Pet Owners Want Vet Clinics to Offer



There was a disconnect between the services pet owners want and the services offered by vet clinics. ~40% of pet owners wanted their vets to offer smartphone applications, phone/web consultations, telemedicine appointments and an online pharmacy, yet most vets have not offered these since COVID-19.

Pet Owner Perceptions of Distance Vet Appointments



Most pet owners found distance vet appointments to be adequate. While the changes aren't ideal, pet owners understood and were relatively satisfied with them and appreciated their clinic keeping them and their pets safe.



Despite pet owners understanding the need for distance appointments, **37%** would prefer to accompany their pet in the exam room, especially in order to ease their pet's anxiety.



12% would prefer to speak directly to the vet during the visit, as some felt there was a lapse in communication and the interaction was not as thorough, especially since it's more difficult to discuss any questions or problems.



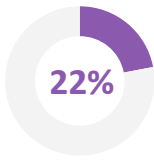
Foster | Rosenblatt – Key Takeaways

With distance appointments, pet owners are spending less time talking with the vet and clinic staff, which leads to less time for discussion on new products or alternative therapies - targeted marketing communications to pet owners outside the clinic may help to offset this dynamic.

Smartphone applications, phone/web consultations, telemedicine appointments and online pharmacies are services pet owners want their vets to offer. These can serve to increase loyalty and retention and drive sales to the vet clinic. Manufacturers and retailers can also benefit from engaging with customers through smartphone apps and other channels outside of the vet clinic.

The Foster | Rosenblatt team has years of experience providing ROI analysis on promotional spend for DTC (Direct-To-Consumer) channels ensuring that every \$ spent is as efficient and effective as possible.

Purchasing Behavior



of pet owners have been spending **more money** on their pets since COVID-19

Of pet owners who spent more money on their pets...

The top purchases were:

1. Toys
2. Treats
3. Pet food

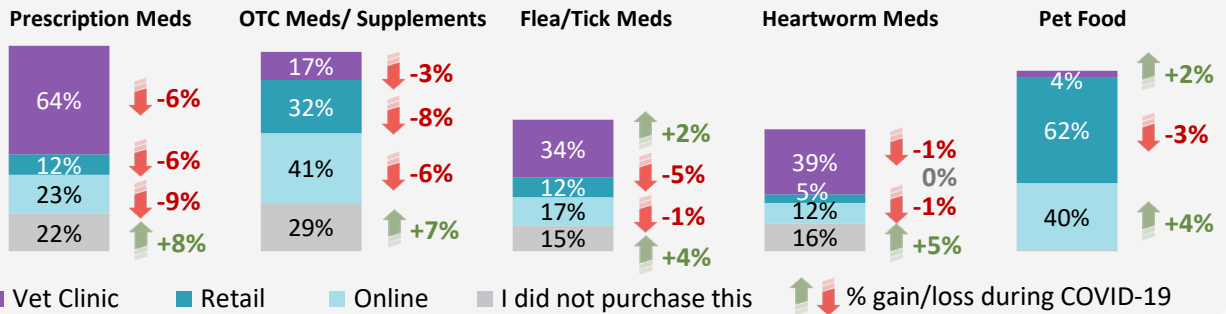
The top purchase locations were:

1. Amazon
2. Chewy
3. Online (non-specific)

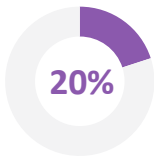
We analyzed pet owner purchasing behavior before and during COVID-19 for several product categories and through 3 major channels: vet clinic, retail, and online.

Pet Owner Purchases By Category

- % of purchases before COVID-19, % gain/loss during COVID-19 -



For all categories except pet food, there was a decline in purchasing since COVID-19, especially for prescription & OTC meds. Most channels have been negatively affected, with the retail channel experiencing the largest decrease. For pet food, owners purchased less from pet specialty stores and purchased more online, with Chewy.com gaining the most business.



of pet owners **changed their purchase location** for any pet products they regularly purchased (incl. accessories, treats, toys, etc.)

Of these pet owners, **44%** reported ordering more **online** due to convenience (18%) and limiting in-person contact (18%).

In the future, **97%** of pet owners anticipate purchasing from their new/updated purchase locations after COVID-19.

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Used to purchase items at PetSmart but have switched to Chewy for safety, convenience and pricing.

Mostly online purchases to reduce coming into contact with others.

Brick and mortar stock low or unavailable, not wanting to leave home.

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Foster | Rosenblatt – Key Takeaways

Since COVID-19, people have been adopting more pets which is contributing to an increase in spending on non-medical products. Furthermore, those who already had pets have been spending more money on higher quality food and more pet supplies, toys and accessories. The pet care industry is on an upward trajectory which will continue post-COVID-19.

There has been a shift from retail stores to online purchasing of food and pet supplies (non-prescription/non-medical products) due to convenience and this shift is expected to persist in a post-COVID-19 environment. Both online & in-store retailers should thoroughly research this space, to ensure near-term resiliency and long-term success.

About the study

The qualitative interviews were conducted with 16 US dog and cat owners between August 1st and August 24th. The quantitative survey was conducted among 380 pet owners across the US. The survey was fielded between September 3rd and September 22nd, 2020; the data in this report was collected by Foster | Rosenblatt.



Foster | Rosenblatt

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Executive Biography

Anna is among the Animal Health industry's most knowledgeable launch strategy experts. Her work supports many of the world's most valuable product portfolios in both the companion animal and farm animal/livestock spaces. Her skills include knowledge and techniques that address the most critical commercial issues facing a brand.

Anna began her life sciences career in human health where she worked for IMS Health as a consultant in opportunity assessment and advanced predictive analytics. Previously, she had worked in multiple senior marketing roles in fast-moving consumer goods. She joined Foster|Rosenblatt in 2009 as a leader in multiple business intelligence practice areas. Due to high demand for her services in animal health, Anna is now exclusively focused in this area. She has run F|R Animal Health business unit since the group's inception.

Anna and the entire F|R Animal Health Group help brands find their unique selling proposition for target segments by fostering a deep understanding of markets, customers and promotional levers.

Strategic Market Research

Brand Strategy & Planning

Promotional Analytics

Pricing

Competitive Assessment

Forecasting

About Foster | Rosenblatt Animal Health

The F|R Animal Health is the industry leader in comprehensive commercial consulting services that are specific to this unique sector of the life sciences industry. We are marketing and sales experts in both the companion animal and farm animal/livestock spaces. Our clients rely on us to deliver customer and strategic insights that maximize the value of their in-line products and R&D pipeline.

The F|R Animal Health is a unit of Foster|Rosenblatt, an international commercial advisory and training firm exclusively focused on life sciences.