



News Release

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Bayer Study Finds Six Causes for Yearly Decline in Companion Animal Veterinary Visits

Lack of understanding among pet owners of the importance of annual visits and angry cats are contributors to the decline

SHAWNEE, Kan. (January 17, 2011) — Bayer Animal Health, Brakke Consulting and the National Commission on Veterinary Economic Issues (NCVEI) announced today results of the Bayer Veterinary Care Usage Study, a comprehensive investigation into reasons for the decline in companion animal veterinary visits over the past several years. The study identified six root causes:

- The economic impact of the recession;
- Fragmentation of veterinary services;
- Consumers substituting Internet research for office visits;
- Feline resistance;
- Perception among pet owners that regular medical check-ups are unnecessary; and
- Cost of care.

“By far the most important finding, from a pet health perspective, is the misperception by many pet owners that regular medical check-ups for pets are unnecessary,” said Ian Spinks, president and general manager of Bayer Animal Health North America. “This could be driven by the absence of professional patient care guidelines that recommend annual physicals. The unintended consequence is that many pets aren’t getting the care they need for healthy, long lives.”

The study included individual interviews and focus groups with veterinarians, focus groups with pet owners and a nationally representative survey of 2,000 owners of dogs and cats to determine the factors contributing to the decline in veterinary visits and to test propositions that would encourage pet owners to increase their visits.

The Value Proposition for Regular Veterinary Care and the Role of the Internet

“People often associate clinic visits with ‘shots,’ or vaccinations,” said Karen Felsted, CPA, MS, DVM, CVPM, and CEO of NCVEI, a professional organization dedicated to improving economic conditions in veterinary medicine. “But that’s not all that happens during a visit. Veterinarians perform a full physical exam on the pet during which they look for problems with the eyes, ears, skin, internal organs and other body systems. Pets, like people, can develop health conditions that, if undetected, become costly-to-treat chronic illnesses. That’s why regular check-ups are important.”

Older animals, in particular, are susceptible to a range of chronic and costly illnesses like diabetes, cancer, and arthritis. But pet owners who responded to the survey believed by a wide margin that older pets require less medical attention than younger animals, and that indoor pets need next to no veterinary care because they are less exposed to environmental threats.

Another factor that can negatively affect pets and their health is the ready availability of information online. Fifteen percent of pet owners said that with the Internet they don’t rely on the vet as much; 39 percent look online before consulting a vet if a pet is sick or injured. “This means veterinarians often see sicker pets because the owner has delayed treatment based on something they read online,” said Dr. Felsted.

The Recession, Cost of Care and Fragmentation of Services

Fifty-six percent of veterinarians who responded to a recent survey conducted by the NCVEI reported that patient visits for the first nine months of 2010 were down compared to the same period in 2009. But declines in veterinary visits have been documented as far back as 2001, while the population of dogs and cats in the U.S. has steadily increased year over year.

Another contributing factor to visit decline is industry-wide fee increases throughout the last decade and the associated higher veterinary costs that clients experience. Fifty-three percent of pet owners surveyed reported that the costs of a veterinary visit are usually much higher than they expected. Affluence also plays a role: as household incomes decline, so do veterinary visits.

“Veterinarians must learn to manage pricing and communicate the value of regular care to avoid deterring pet owners from making annual visits a priority,” said Ron Brakke, president and founder of Brakke Consulting. “Veterinarians can take specific actions to grow client traffic and improve pet care. As a profession, veterinarians need a consistent message about the importance and frequency of veterinary care. It is likely that the trend can be reversed, if the proper actions are taken.”

An additional factor is the fragmentation of the veterinary service options that pet owners have. Now, more than ever, pet owners can take pets for treatment to veterinarians at mobile vaccination clinics, animal shelters and pet store clinics. These visits may offset annual visits with their regular veterinarian.

Cats – 1; Vets – 0

Among the most surprising findings was that one-third of cats owned by study respondents have not seen a veterinarian in the last year. This in part is attributed to “feline resistance,” a catch-all term defining the hiding, aggression, vocalization, and stressed/fearful behavior cats exhibit when crated and transported to unfamiliar surroundings. Unwilling to do battle with their pets, cat owners become more comfortable with longer time between exams. This can be especially harmful for older cats, which are more prone to diabetes, kidney failure and cancer than dogs.

About the Bayer Veterinary Care Usage Study

The study objectives included measuring pet owner perceptions of the need for veterinary services, obstacles to scheduling office visits, and the role of alternative channels for pet health information and products. The survey included companion animal veterinarians and U.S. pet owners of all economic levels and major ethnicities.

Bayer Animal Health, Brakke Consulting and NCVEI conducted the study, and collaborated with several university experts. Brakke Consulting and NCVEI are also assisting in developing solutions to increase veterinary visits.

For study results and more information, please visit www.XXXXX.com.

About Bayer Animal Health

Bayer HealthCare, a subsidiary of Bayer AG, is one of the world’s leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Medical Care and Pharmaceuticals divisions. Bayer HealthCare’s aim is to discover and manufacture products that will improve human and animal health worldwide. With sales of EUR 977 million (2009), the Animal Health Division is one of the world’s leading manufacturers of veterinary drugs. The division manufactures and markets approximately 100 different veterinary drugs and care products for food-supplying animals and companion animals. U.S. Headquarters for Bayer Animal Health is located in Shawnee, Kansas.

About Brakke Consulting

Brakke Consulting is the leading consulting firm specializing in the animal health and nutrition markets. Headquartered in Dallas, Texas, the firm also maintains offices in Chicago, Omaha, St. Louis and Stuart, FL, and has affiliate offices in Osaka and Sydney. Established in 1986, Brakke provides a full range of consulting services, including General Consulting, Strategic Planning, Mergers and Acquisitions, Market

Research Studies, Technology Licensing, Communications Strategies and New Business Development. It is located at 2735 Villa Creek, Dallas, TX, (972) 243-4033, www.brakkeconsulting.com.

About NCVEI

The National Commission on Veterinary Economic Issues (NCVEI) was founded in January 2000 with a mission of raising the economic base of veterinary medicine. A wide-ranging group of benchmarking, pricing and communications tools as well as other resources are available, free of charge, at www.NCVEI.org. The Commission is a not-for-profit organization governed by a Board of Directors including members from the American Veterinary Medical Association, the Association of American Veterinary Medical Colleges and other organizations. Funding is provided by members of the NCVEI's Sponsor Council that includes Merial, Veterinary Pet Insurance, Bayer Animal Health, CareCredit, Abbott Animal Health, MWI Veterinary Supply, Webster Veterinary, Catalyst Council and Simmons Educational Fund.

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