

**September 2014
Adopter Survey:
Purchasing Behavior**

Aggregate Results



Pethealth conducted a comprehensive adopter survey in September 2014 designed as a follow-up to a similar survey conducted in September of 2013, and to provide greater insight to four key objectives:

1. Determine the differences, if any, in the purchasing habits of respondents who adopted their new pet in a shelter's facility or third party location other than Petco or PetSmart versus a satellite location inside a PetSmart® or Petco® store;
2. Determine what and who influences a pet adopter's selection of veterinary care;
3. Determine what and who influences a pet adopter's selection of pet insurance;
4. Determine the degree to which veterinary clinics influence pet owner decisions for the post-adoption purchase of wellness and other related pet care products and services.

Readers can visit www.petpoint.com to compare the results of this survey with that of last September's survey.

The survey distribution list was compiled using new adopter data collected from U.S. pet adoptions through our industry leading PetPoint* software application. The data file covered adoptions occurring during the period of August 2013 to August 2014, and meeting the defined adoption criteria.

Data variables used to define the survey group included, though were not limited to:

- Adoption Location, i.e. Petco, PetSmart, Private Humane Society/SPCAs, Municipal Animal Control/Shelters, Rescue Groups/Breed Placement
- Animal Name
- Adopter Email Address

*Launched in 2005, PetPoint is a cloud-based animal management application developed specifically for AWOs, and allows Pethealth to aggregate more data on dogs and cats in AWOs than any other company. As the most widely used application in animal welfare, licensed by over 2,110 AWOs, it is one of the industries largest and most accurate repositories of information related to the animal welfare industry, and is now widely regarded by leading industry analysts as the leading source of data relating to AWOs.

The resultant dataset was then segmented based on two variables:

- 1) Animal Welfare Organization (AWO) adoption partners
- 2) Location of adoptions

This produced 8 groups for distribution:

Group	Adoption Partner	Location of Adoption
1	PetSmart	AWO
2	PetSmart	PetSmart
3	Petco	AWO
4	Petco	Petco
5	PetSmart and Petco	AWO
6	PetSmart and Petco	PetSmart
7	PetSmart and Petco	Petco
8	No Relationship with PetSmart or Petco	AWO

The online survey contained a maximum of 54 questions and was conducted with “skip logic” to ensure respondents were only presented questions based on their previous responses. Responses for each group were tracked using a unique URL embedded in the email communication that requested adopters to participate in the survey.

Adopters were incentivized with an offer of \$15 towards the purchase of pet supplies from Pethealth’s online pet specialty retail store, ThePetangoStore.com.

Of the initial 416,957 emails deployed, 396,462 were delivered. A reminder email was also sent 5 days following the initial communication.

The open rate for the initial and reminder emails were 15.3% and 13.4%, respectively.

10,544 surveys were started with 9,747 surveys being completed.

- ❑ Over 60% of respondents indicated they adopted from a Humane Society or SPCA (up from 50% in 2013); 24% of respondents indicated they adopted from a rescue (down from 27% in 2013); and over 9% indicated adopting from an Animal Control Organization. Only 5% specified that they adopted from Petco (1.1%) or PetSmart (3.9%). This is down from 2013 when 13% indicated they adopted from Petco or PetSmart.
 - Current and past data indicates that larger animal welfare organizations (AWO) are becoming less reliant on big box retailers to conduct offsite adoptions
- ❑ 62% of those who completed the survey adopted a dog. This is in line with the 2013 findings. Of the 62%, 48% adopted a puppy (0-12 Months). Of the 38% adopting a cat, 60% adopted a kitten (0-12 Months).
- ❑ 67% of dog adopters paid more than \$100 in adoption fees compared to only 27% for those adopting cats. When viewed in aggregate (dog and cat), 52% paid over \$100 in fees compared to the 39% in 2013.
- ❑ When asked if they remain in contact with the organization they adopted from, 71% indicated they do. The vast majority (75%) indicate that they received emails or newsletters. The remainder volunteered (8%) or made donations (17%).
- ❑ 78% indicated that they would be interested in purchasing goods and services suggested by the adopting organization. When made aware that a portion of their purchase was donated that percentage jumps to 92%.
- ❑ Only 22% of respondents received or purchased pet medications at the point of adoption, this is up slightly from 2013 (21%). Of the 22%, the majority purchased prescription medications (e.g. heartworm).
- ❑ As expected, those adopting dogs were more likely to have received or purchased medication. This also holds true for those adopting from an animal welfare organization vs. a store location.
- ❑ 81% of adopters acknowledge receiving a gift/trial insurance policy for their pet. 89% of those policies were from 24PetWatch. No other insurance brand was greater than 1%. When asked if they would continue with the same insurance provider offering the gift/trial, approximately 64% said they would.

- ❑ Approximately 64% of respondents took their newly adopted pet to a vet clinic within 7 days of adoption. Another 23% went to a clinic within the following 2 – 4 weeks.
- ❑ 75% did not receive any clinic recommendations during the adoption process (up from 56% in 2013). Of the 25% that did receive a recommendation, 70% took the advice and visited that clinic.
- ❑ Most first time veterinary visits were made to local animal clinics or hospitals for:
 - 1) post adoption check ups
 - 2) routine wellness or vaccinations10% visited a Banfield or VCA facility, up from 9% in 2013.
- ❑ Nearly 7% of respondents took their pet to a clinic owned or operated by the animal welfare organization from which they adopted their pet.
- ❑ When asked, “what influenced your decision to visit that clinic or hospital” adopters indicated:
 - 1) They had an existing or previous relationship (41%)
 - 2) The clinic’s location was desirable (22%)
 - 3) They were influenced by word of mouth (12%)Only 8% indicated that their “Primary” reason for selecting that clinic was based on a referral from the adopting organization.
- ❑ Approximately one-half (51%) of the adopters surveyed made a purchase of pet medication during their first visit to the clinic. The majority (73%) of those purchased prescription medications. 82% spent less than \$200 on that first visit (visit including medication), compared to 86% in 2013. Dog owners were more likely than cat owners to make a prescription purchase.
- ❑ The vast majority of adopters rated their first clinic experience as positive to very positive (92%) and said they saw value in the care their pet received (95%).
- ❑ Of the 63% of adopters who said that their pets required subsequent care after their first clinic visit 86% indicated they returned to the same clinic for this follow up care. As for why they returned, 48% indicated that they were happy with the care, 37% indicated that they were already an existing client of the clinic, and only 2% said the adopting organization had an influence on they decision to return.

- ❑ For the 14% that did not return to the same clinic, the top reasons varied between:
 - 1) Cost (31%)
 - 2) Quality of service (28%)
 - 3) No longer convenient (27%)

- ❑ Two-thirds purchased medication since their first clinic visit, up from 59% in 2013. 4% responded that they purchased homeopathic types of medication.

- ❑ Although the data sample is small at the group level, there does appear to be a positive correlation between the location of adoption and future purchases of medication.

- ❑ 84% purchased their medications at the veterinary clinic, 8% purchased at a retail outlet and 8% purchased it online.

- ❑ Of those purchasing from retail outlets the majority purchased medications from the following locations:
 - 29% PetSmart
 - 23% Walmart
 - 13% Petco
 - 6% Local supermarkets
 - 6% Costco
 - 4% Walgreens
 - 2% CVS
 - 17% Other

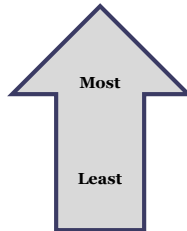
- ❑ Of those purchasing from online outlets the majority purchased medications from the following sites:
 - 40% 1-800PetMeds.com
 - 36% Other (Amazon, Various Pharmacies, etc.)
 - 8% ThePetangoStore.com
 - 7% PetCareRx.com
 - 2% Petco.com
 - 7% Other

- ❑ 20% of those purchasing medication for their pets do so monthly, while 34% say they purchase it every few months, and 40% indicate that they purchase “only when required.” Over 78% say they spent less than \$300 on medications over the past 12 months.

- ❑ Of those visiting a clinic 24% responded that the clinic did “discuss pet insurance.” The majority of the clinics (65%) discussed a broad range of insurance options including accident only, accident & illness and insurance coverage that includes wellness.
- ❑ When adopters were asked specifically which brand of pet insurance coverage was recommended, approximately 54% cannot recall a brand. Of those who could recall the brand, 24PetWatch was highest at 20%, Trupanion was next at 7% and PetPlan was third at 3%. 12% responded some or all of the listed brands were recommended.
- ❑ All those who completed the survey were asked if they purchased pet insurance, 16% responded yes. Dog owners were more likely to have made this purchase. The following brands were purchased:
 - 24PetWatch (75%)
 - VPI (5%)
 - PetPlan (4%)
 - HealthPaws (4%)
 - Trupanion (3%)
 - Other (9%)
- ❑ When insurance purchasers were asked who had the greatest influence on their decision to purchase pet insurance, veterinarians/clinics or adoption organizations (AWO), 46% indicated the adoption organization, 44% indicated neither veterinarians/clinics nor adoption organizations influenced their decision and 10% selected veterinarians/clinic,
- ❑ The features and benefits most cited as the “primary” reason for selecting the pet insurance brand purchased:
 - Recommendation by adoption organization (42%)
 - Cost of coverage (23%)
 - Choice of coverage options (10%)
 - Online reviews (7%)
 - Have same coverage for other pets (7%)
- ❑ 91% indicated that their insurance coverage was still active at the time of the survey.

- ❑ When both adopters who purchased pet insurance, and insurance non-buyers, were asked to rank the most important factors in purchasing pet insurance they ranked them as follows:

- Monthly premium
- Coverage limits
- Deductible
- Wellness coverage
- Co-pay



- ❑ When both adopters who purchased pet insurance, and insurance non-buyers, were asked what a reasonable monthly pet insurance premium would be 81% responded less than \$25. 16% indicated a range of \$25 - \$34.

As with the 2013 Survey, respondents to the Fall 2014 Purchasing Behavior Survey tend to be:

- Female
- Less than 50 years of age
- Completed all or some college
- Employed
- Earn less than \$60K

1. Which type of organization did you adopt your new pet from?		Aggregate Results
Answer Options		Response Percent
Animal Control Organization (City Owned)		61.1%
Humane Society or SPCA		24.4%
Petco		9.5%
PetSmart		3.9%
Animal Rescue Organization		1.1%
2. Did you adopt a dog or cat? (Please select based on the most recent adoption)		Aggregate Results
Answer Options		Response Percent
dog		62.0%
cat		38.0%
3. Approximately how old was your [Q2] when adopted?		Aggregate Results
Answer Options		Response Percent
0 - 12 Months		52.5%
1 - 2 Years		25.5%
3 - 5 Years		14.4%
6 - 8 Years		4.9%
Older than 8 years		2.7%
4. Please indicate your total adoption fees excluding the purchase of any pet products or medications at the time of adoption:		Aggregate Results
Answer Options		Response Percent
\$ 0 - 49		25.3%
\$ 50 - 99		23.0%
\$ 100 - 149		20.2%
\$ 150 - 199		13.4%
\$ 200 - 249		11.1%
More than \$ 249		7.0%
5. Do you remain in contact with the organization you adopted from? (e.g. Newsletters, Email Notification Updates or Donations)		Aggregate Results
Answer Options		Response Percent
Yes		70.5%
No		29.5%

6. Predominantly, how do you remain engaged with your adopting shelter/rescue?	Aggregate Results
Answer Options	Response Percent
Volunteer	75.2%
Donations	17.1%
Subscribe to and/or receive emails or newsletters	7.7%

7. Would you be inclined to purchase, pet goods or services, if they were referred or offered by your adopting organization?	Aggregate Results
Answer Options	Response Percent
Yes	77.7%
No	22.3%

8. Would you be more likely to purchase, pet goods or services, if a percentage of your purchase was donated back to your adopting organization?	Aggregate Results
Answer Options	Response Percent
Yes	91.4%
No	8.6%

9. Did you receive or purchase any medication for your [Q2] at the POINT OF ADOPTION?	Aggregate Results
Answer Options	Response Percent
Yes	78.0%
No	22.0%

10. What type of medication(s) did you receive or purchase for your [Q2] at the TIME OF ADOPTION?	Aggregate Results
Answer Options	Response Percent
Non - prescription medication (e.g. flea & tick)	81.1%
Sample dose	24.5%
Prescription medication (e.g. heartworm, pain relief)	7.1%
Homeopathic medication	2.1%

11. At the point of adoption, were you offered a 'short term' accident or illness pet insurance policy? For example a gift, trial, or introductory insurance coverage.		Aggregate Results
Answer Options		Response Percent
Yes		81.1%
No		18.9%

12. What best describes the gift, trial, or introductory insurance coverage you were offered?		Aggregate Results
Answer Options		Response Percent
Low first month premium		81.2%
No cost first month premium		11.8%
No discount offered		7.1%

13. Which gift or trial pet insurance plan did you receive or select?		Aggregate Results
Answer Options		Response Percent
VPI		89.0%
Trupanion		7.0%
24PetWatch		0.9%
Embrace		0.8%
Pets Best		0.8%
ASPCA		0.7%
Petplan		0.7%
Healthy Paws		0.1%
Other (please specify)		0.1%

14. After the insurance gift or introductory offer expires, would you be more inclined to stay with the same insurance provider should you decide to purchase a pet insurance policy?		Aggregate Results
Answer Options		Response Percent
Yes		64.3%
No		35.7%

15. At the time of adoption, did your adoption counselor recommend an immediate health or wellness check up for your newly adopted [Q2]?		Aggregate Results
Answer Options		Response Percent
Yes		74.9%
No		25.1%

16. Have you sought veterinary care since adopting?		Aggregate Results
Answer Options		Response Percent
Yes		82.7%
No		17.3%

17. When did you take your [Q2] for their FIRST veterinary visit after adoption?		Aggregate Results
Answer Options		Response Percent
0 - 3 Days		41.0%
4 - 7 Days		23.0%
2 - 4 weeks		22.8%
1 - 3 Months		9.1%
4 - 6 Months		2.6%
7 - 12 Months		1.5%

18. Did the organization you adopted from refer you to a specific veterinary clinic?		Aggregate Results
Answer Options		Response Percent
Yes		75.1%
No		24.9%

19. Did you go to the recommended veterinary clinic?		Aggregate Results
Answer Options		Response Percent
Yes		69.9%
No		30.1%

20. Which veterinary clinic did you go to for your FIRST visit?		Aggregate Results
Answer Options		Response Percent
VCA Hospital		54.8%
Local animal hospital		15.1%
Banfield pet hospital		13.3%
Clinic owned and operated by the organization I adopted from		6.8%
Have NOT gone to a veterinary clinic since I adopted		5.4%
Other (please specify)		4.7%

21. What was the PRIMARY factor that most influenced your selection of that veterinary clinic?		Aggregate Results
Answer Options		Response Percent
Location		40.7%
Specialization or expertise of the clinic		21.9%
Referred by the adopting organization when I adopted		11.6%
Word of mouth (e.g. friends, online forums, other pet owners)		8.1%
Low cost services (e.g. vaccinations, surgeries - discounted spay & neuter, etc.)		7.7%
Free 30 - day wellness coverage		6.6%
Previous or existing client of this clinic		3.4%
22. What was the PRIMARY reason for your FIRST visit to the veterinary clinic?		Aggregate Results
Answer Options		Response Percent
Post adoption check up		54.8%
Routine wellness		13.3%
Vaccinations		13.2%
Spay/neuter surgery		6.4%
Respiratory illness/infection		6.3%
Surgical procedure		2.3%
Heartworm testing or treatments		2.1%
Accident		0.8%
Illness		0.7%
23. During your FIRST veterinary visit did you make a purchase of pet medication?		Aggregate Results
Answer Options		Response Percent
Yes		51.3%
No		48.7%
24. Please tell us what you purchased		Aggregate Results
Answer Options		Response Percent
Non - prescription medication (e.g. flea & tick)		73.2%
Prescription medication (e.g. heartworm, pain relief)		31.0%
Homeopathic medication		13.3%
Other (please specify)		1.2%
25. What was the approximate cost of the veterinary care? (including the purchase of medication)		Aggregate Results
Answer Options		Response Percent
\$ 0 - 99		43.1%
\$ 100 - 199		39.5%
\$ 200 - 299		10.6%
\$ 300 - 399		3.4%
\$ 400 - 499		2.5%
More than \$ 500		0.9%

26. Overall, how would you rate your veterinary clinic experience?		Aggregate Results
Answer Options		Response Percent
Very positive		65.1%
Positive		26.9%
Neutral		6.4%
Poor		1.1%
Very poor		0.5%
27. Did you see value in the veterinary care that you received?		Aggregate Results
Answer Options		Response Percent
Yes		95.3%
No		4.7%
28. How many times has your [Q2] required veterinary care since its very FIRST veterinary clinic visit?		Aggregate Results
Answer Options		Response Percent
I have not seen the veterinarian since my first visit		36.8%
1		25.8%
2		17.8%
3		10.0%
4		6.0%
More than 4		3.6%
29. Did you take your [Q2] to the same veterinary clinic for subsequent care? (after your first visit)		Aggregate Results
Answer Options		Response Percent
Yes		85.9%
No		14.1%
30. Why did you decide to stay with the veterinary clinic?		Aggregate Results
Answer Options		Response Percent
It was recommended by the adopting organization		47.7%
Happy with the quality and care my pet received		36.9%
Convenience		8.4%
Cost of services		4.0%
Hours of operation		2.0%
Previous or existing client of this clinic		0.9%

31. Please tell us why you changed veterinary clinics? (more than one answer can apply)	Aggregate Results
Answer Options	Response Percent
Quality of service	30.9%
Cost	28.7%
Moved (no longer convenient)	26.6%
Required emergency care	19.3%
Hours of operation	13.3%
Word of mouth/ recommendation	11.5%
32. Have you purchased any pet medication SINCE your very FIRST veterinary clinic visit?	Aggregate Results
Answer Options	Response Percent
Yes	67.9%
No	32.1%
33. Please tell us what type of medication you purchased for your [Q2]? (select all that apply)	Aggregate Results
Answer Options	Response Percent
Non - prescription medication (e.g. flea & tick)	80.4%
Prescription medication (e.g. heartworm, pain relief)	45.0%
Homeopathic medication	3.8%
34. Where do you primarily purchase your pets medication from?	Aggregate Results
Answer Options	Response Percent
Veterinary Clinic	84.1%
Retail Store	8.2%
Online store	7.6%
35. Please tell us which RETAILER you mostly purchase your pet medication(s) from?	Aggregate Results
Answer Options	Response Percent
PetValu	28.5%
Costco	22.8%
PetSmart	12.8%
Pet Supplies Plus	10.1%
Walmart	6.4%
Petco	6.0%
Tractor Supply Co.	4.0%
CVS	3.4%
Walgreens	2.7%
Rite Aid	2.0%
Grocery store/ supermarket	0.7%
Local pharmacy	0.7%
Other (please specify)	0.0%

Aggregate Results

36. Please tell us which ONLINE store you mostly purchase your pet medication(s) from?	Aggregate Results
Answer Options	Response Percent
Walmart.com	40.3%
Costco.com	35.6%
PetSmart.com	7.9%
ThePetangoStore.com	7.2%
PetcareRx.com	1.8%
Tractorsupply.com	1.4%
Petco.com	1.1%
Wags.com	1.1%
Petfooddirect.com	1.1%
Petflow.com	0.7%
1800PetMeds.com	0.7%
Vetrxdirect.com	0.4%
Pet360.com (National Pet Pharmacy)	0.4%
VetDepot.com	0.4%
Other (Please specify)	0.0%

37. How often do you buy pet medication? (i.e. non-prescribed and prescribed medication)	Aggregate Results
Answer Options	Response Percent
Monthly	39.8%
Every few months	34.3%
Once a year	20.4%
Only when required	5.1%
Never	0.4%

38. Approximately how much do you spend on pet medication in the last 12 months?	Aggregate Results
Answer Options	Response Percent
\$ 0 - 99	33.6%
\$ 100 - 199	23.3%
\$ 200 - 299	21.1%
\$ 300 - 399	9.7%
\$ 400 - 499	4.6%
\$ 500 - 599	2.9%
\$ 600 - 699	2.7%
\$ 700 - 799	1.2%
More than \$ 800	0.7%

39. Did the veterinarian or clinical staff, at any of the clinics you visited, discuss pet insurance for your pet?	Aggregate Results
Answer Options	Response Percent
Yes	76.1%
No	23.9%

40. What type of pet insurance coverage was discussed?	Aggregate Results
Answer Options	Response Percent
Accident only	64.8%
Comprehensive (Accident & Illness Coverage)	17.0%
Comprehensive (Accident & Illness Coverage) including wellness coverage	15.2%
All of the above	3.0%

41. Did your veterinarian or clinical staff recommend one of these pet insurance programs over ALL OTHERS?		Aggregate Results
Answer Options		Response Percent
VPI		53.8%
Trupanion		19.9%
24PetWatch		12.0%
Embrace		6.6%
Pets Best		2.9%
ASPCA		2.2%
PetPlan		1.2%
Healthy Paws		0.9%
All or some of the above were recommended equally		0.3%
I do not remember		0.3%
42. Have you purchased pet insurance for your [Q2]?		Aggregate Results
Answer Options		Response Percent
Yes		83.7%
No		16.3%
43. Which brand of pet insurance did you purchase?		Aggregate Results
Answer Options		Response Percent
VPI		75.0%
Trupanion		6.4%
24PetWatch		5.3%
Embrace		4.4%
Pets Best		3.5%
ASPCA		3.2%
Petplan		0.9%
Healthy Paws		0.8%
Other (please specify)		0.6%
44. Who had the greatest influence in your decision to buy pet insurance and which insurance company to buy from?		Aggregate Results
Answer Options		Response Percent
Adoption organization (shelter, rescue)		45.8%
Clinic/Veterinarian		44.5%
Neither		9.7%
45. What was the PRIMARY reason you chose [Q43]?		Aggregate Results
Answer Options		Response Percent
Online reviews and/or reputation		41.7%
Cost of coverage		22.5%
Choice of coverage options		10.3%
Deductible options		7.3%
Claims limits		6.9%
Recommended by adopting organization		3.8%
Recommended by the veterinary clinic		3.3%
Previous/other pet(s) with the same company		2.0%
Word of mouth		1.3%
Strong advertising		0.9%

Aggregate Results

46. Is your pet insurance policy still active?		Aggregate Results
Answer Options		Response Percent
Yes		91.0%
No		9.0%

47. When purchasing a pet insurance policy, please rate in order of importance, the following factors that would influence your decision to purchase. 1 being the most important to 5 being the least important.		Aggregate Results
Answer Options		Rating Average
Coverage limits		3.57
Monthly premium (payment) levels		3.54
Deductible		3.15
Co-pay		2.82
Wellness coverage		1.92

48. If the most important factor was not listed in the previous question, please specify.		Aggregate Results
Answer Options		Response Count
		943

49. What do you think is a reasonable monthly insurance premium for pet insurance coverage?		Aggregate Results
Answer Options		Response Percent
Less than \$ 25		80.5%
\$ 25 - 34		16.3%
\$ 35 - 44		2.2%
\$ 45 - 54		0.7%
\$ 55 - 65		0.3%

50. What is your gender?		Aggregate Results
Answer Options		Response Percent
Female		77.6%
Male		22.4%

51. What is your age?	Aggregate Results
Answer Options	Response Percent
20 or younger	26.4%
21 - 29	18.3%
30 - 39	17.2%
40 - 49	17.2%
50 - 59	17.1%
60 - older	3.8%

52. What is the highest level of education you have completed?	Aggregate Results
Answer Options	Response Percent
Less than high school diploma	36.4%
High school diploma or equivalent	31.5%
Some college but no degree	19.1%
Bachelor degree	12.1%
Graduate degree	0.9%

53. Which of the following categories best describes your employment status?	Aggregate Results
Answer Options	Response Percent
Employed	69.9%
Unemployed	13.0%
Student	6.8%
Retired	5.5%
Disabled; unable to work	4.8%

54. What is your current annual household income?	Aggregate Results
Answer Options	Response Percent
\$ 35,000 - or less	33.7%
\$ 35,001 - 60,000	28.0%
\$ 60,001 - 80,000	15.1%
\$ 80,000 - 100,000	9.9%
\$ 100,001 - 150,000	9.0%
\$ 150,001 or more	4.3%