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Thought Leadership
US Companion Animal Health Market

Ensuring Launch Success In An Increasingly Competitive Landscape

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Background

The US companion animal health industry has consistently grown in volume and sales over the last decade. Companion animal products now represent 60% of the total US Animal Health market. Increasing rates of pet ownership, greater willingness to spend by owners, higher drug treatment rates and longer life expectancy for companion animals are collectively driving and sustaining sales growth.

The commercial environment for companion animals is rapidly evolving, due in large part to a changing distribution landscape. Though many pet owners continue to purchase their pet medications directly from clinics, this traditional distribution model has been challenged by the entry and expansion of online and big-box retail businesses.

It is expected that corporate owned veterinary clinics will continue to expand their footprint in the US market, and there will be increasing differentiation and diversification among veterinary clinics overall.

Launch Success & Failure

The process of product launch is the single greatest moment of value creation or destruction in the natural history of a brand. Many animal health brands struggle to reach the commercial potential implied by their clinical profile. Only a minority of brand teams find the deep customer insights required to optimize the unique value proposition that every product inherently possesses.

In order to compete in the US companion animal market, future brands will need to be thoughtfully differentiated or first-in-class products, supplanting current standard of care, changing treatment algorithms, or entering a new therapeutic area with significant unmet need. Zoetis' Apoquel and Boehringer Ingelheim's NexGard are examples of launches that fit these characteristics.

Parasiticides: A Study in Launch Success

Parasiticides (products that prevent and treat fleas and ticks in companion animals) represent the largest therapeutic area.