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Ready or not, here comes Walmart

A survey reveals how pet owners might respond to the retail giant's veterinary service offerings.

WRITTEN BY KIMBERLY NESS AND KIM CAMERON, PH.D. IN JUNE 2020



Walmart is getting into the business of basic veterinary care, not unlike the approach it takes to human vision care.

Mass marketers see potential in pet care and are getting into the game. They're adding and expanding product lines, introducing their own brands, and customizing products and marketing to appeal to pet owners. Not seeing it? Thrive veterinary clinics partnered with Petco. Amazon launched a brand of pet food. Subaru ads show dogs driving. That's just three examples.

Walmart, in particular, is leaning into past successes in the pet products arena and dreaming about a bigger piece of the pie. Last year, the company added Hill's Science Diet, Blue Buffalo, Greenies and more than 100 other brands to its online store.

At the same time, Walmart introduced [WalmartPetRx.com](https://www.walmart.com/petrx), which offers low-cost prescriptions for dogs, cats, horses and livestock. And the retailer stocked all its brick-and-mortar pharmacies with the top 30 most-requested pet medications so that customers can get common drugs immediately in-store.

On top of all that, the company is getting into the business of basic veterinary care, not unlike the approach it takes to human vision care. Some 100 veterinary locations are expected to be open across 23 states by June 2020.

It's a New World

No matter what you think of Walmart, you have to acknowledge its successful penetration across the United States. More than 75% of pet owners live within 10 miles of a Walmart Supercenter, and 81% of veterinary clinics lie within that radius.

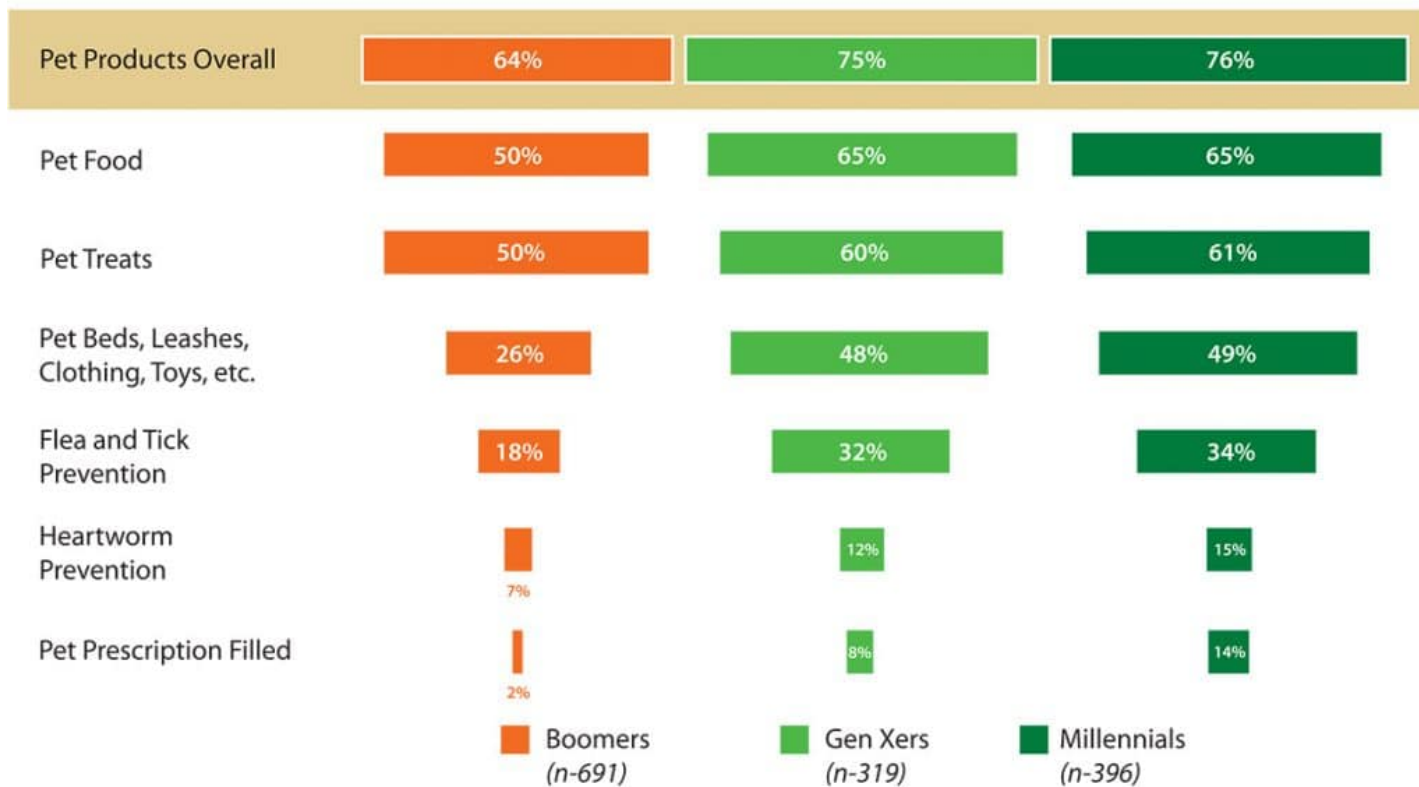
And, of course, people shop at Walmart. According to our Diggo research, nine out of 10 pet owners say they visited Walmart within the past 12 months, and half shop at Walmart at least twice a month. Almost 80% of pet owners buy people food at Walmart, making groceries the top-shopped category. Pet products claim second place among the most-shopped categories, outpacing health and beauty, home, clothing and electronics. The younger the pet owner, the more likely the person buys pet products at Walmart.

While food and treats top the list of pet products purchased at Walmart, one-third of [millennials and Gen Xers](#) bought flea and tick preventives and 14% of millennials filled pet prescriptions there.

A One-Stop Shop

Interestingly, almost 60% of pet owners purchased at least one human service at Walmart over the previous 12 months, with pharmacy topping the list. (See the graphic below.) Walmart health care clinics are offered in only three states, but those states make up 15% of the U.S. population. The fact that 8% of pet owners responding to the survey used Walmart for their own health care indicates that pet owners might choose the location for their pets, too, especially given that Walmart veterinary clinics will be widely available.

WHAT BOOMERS, GEN XERS AND MILLENNIALS BUY AT WALMART



Source: Exclusive data from The Diggo Brief: "The Threat of Walmart," 2020

PET OWNERS USE WALMART SERVICES



Source: Exclusive data from The Diggo Brief: "The Threat of Walmart," 2020

Furthermore, younger shoppers are more likely to use Walmart services than older generations do, so the trend is likely to grow. In fact, exclusive data from Diggo shows that up to 25% of your clients might be at high risk of defecting to Walmart for basic veterinary care.

We're trying to break it to you gently, but that's significant.

Are You Really So Different?

It's easy to think that the trend is just about lower-income younger generations wanting to save a buck. While millennials are more likely to give Walmart veterinary services a try, two out of 10

baby boomers are at high risk of defecting. And higher-income clients are just as likely as lower-income clients to be interested in such services.

You might think that your clients and community are special and that pet owners understand what makes your team and your services better than what a Walmart veterinarian offers. We ask you to suspend your assumptions and do a little digging.

For starters, more than one-third of the veterinarians we surveyed weren't sure whether their local Walmart housed or planned to open a veterinary clinic. Drive by and find out. You might learn of a clinic before it opens. And when it does, try one of its services. Check out the online pet pharmacy. Get first-hand information.

And then, ask your clients. You won't get honest answers if the person thinks you'll become upset or judgmental. If you ask the right way, you can get valuable information from clients of all ages and backgrounds regarding the Walmart services they use. That's key to predicting how they might use veterinary services.

In the End, It's Veterinary Care

Veterinarians have told us they fear that the quality of pet care will be lower at a Walmart clinic. You might believe that pet owners will receive lower-quality care and come back to you. Maybe some will, but what if they don't? Your risk of losing 100% of business from a given pet owner is low, but the risk of losing annual or biannual touch points is high.

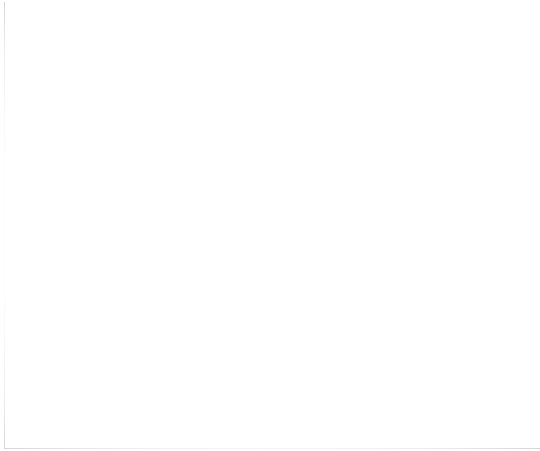
Pet owners wouldn't turn to Walmart only for nail trims and rabies vaccines. We found that 44% of them would consider getting annual adult wellness examinations with bloodwork from Walmart. Given that only 12% of veterinarians believe their clients would do so, the risk is higher than you think.

Remember that the veterinarians working at Walmart, Meijer and other mass-market locations earned a legitimate degree and have student debt to pay off. Where they work makes them no less qualified or compassionate.

The fact is, 71% of pet owners expect the quality of Walmart veterinary care to be the same or better than their current provider's.

When Walmart opens a veterinary clinic in your neighborhood, you might not win on price, but it's not all about the cost of care. Diversify your service offerings and solidify client relationships. Shore up the loyalty, because our research indicates that pet owners who experienced veterinary care at a Walmart location were highly satisfied.

Take steps to ensure that your clients are comfortable talking with you about all the veterinary care they might receive at alternative locations, such as a Walmart clinic. If you alienate these clients, you will lose them.



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Diggo is a quarterly research brief powered by Trone Research and Consulting that provides actionable market insights for veterinarians seeking to better serve today's pet owners. For more information, visit www.dig-go.com. Kimberly Ness is senior vice president of insights and marketing for Trone Research and Consulting. Dr. Kim Cameron is director of research.

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