

Increasing Competition of Heartworm and Flea and Tick Preventatives



Mackenzie Cather
 Animal Medical Center of Frederick County
 681 Aylor Road
 Stephens City, VA 22655

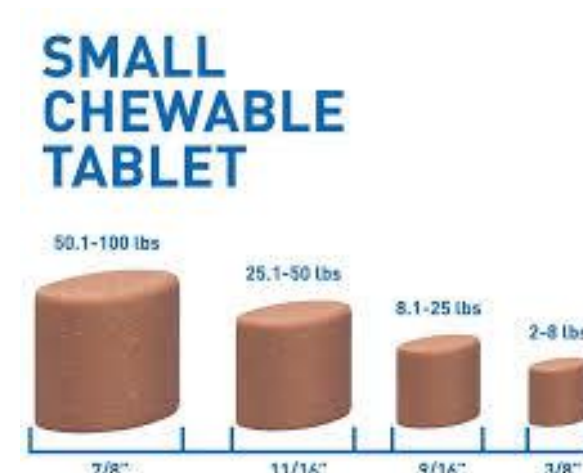
Where it all started!

During the 2022 year, I was able to work as a veterinary assistant at the Animal Medical Center of Frederick County. During this time, I worked alongside Dr. Bruce Welch, a Co-Owner of the hospital, to create a business plan. My goal was to increase competition of heartworm and flea and tick preventatives being sold in the clinic compared to online sales. One of the biggest competitors of this animal hospital is "Chewy.com," where the same preventatives can be ordered by a few clicks from your fingertips. A plan was formed so that competition is increased between sales and long-term profit margins can be favorable.



Canine Heartworm Prevention

The heartworm preventatives that are sold at this animal Hospital for canines are Interceptor Plus. Interceptor Plus is given to a dog once a month in a flavored, chewable tablet and protects against 5 different types of worms. The 5 different worms are heartworms, hookworms, roundworms, whipworms, and tapeworms. The weight range for this chewable tablet is 2 lbs. to 100 lbs.



Canine Flea And Tick Prevention

The Animal Medical Center of Frederick County sells Nexgard as their flea and tick prevention for canines. This is a once-a-month flavored chew that protects pets from flea and tick bites. The weight range for this product is 4 lbs. to 121 lbs.



Increasing Competition

Currently, Chewy.com is dominating the online market for heartworm and flea and tick preventatives. This is causing animal hospitals to have to approve and dispense the preventatives even though they are not purchased from the hospital. My goal was to increase competition for this hospital, which means prices may need to be changed. These are the ways I would increase competition.

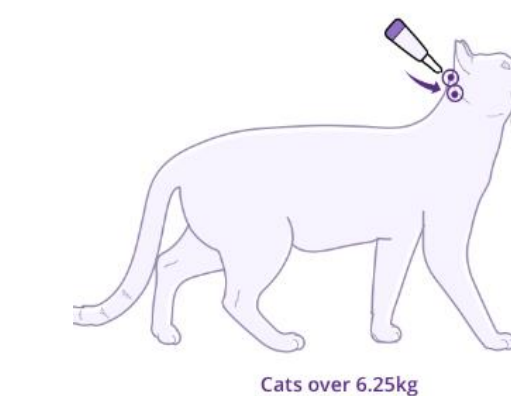
- **Price match with online**
 - This means the hospital will have to lower their prices to try to match the online prices while staying inside the business' profit margins
 - Charge time for veterinarians to write scripts
 - Hospital buys more preventative so that it is cheaper to purchase at one time
- **Price match with different weight categories**
 - Make prices of flea and tick preventatives the same/close even if varying in weight categories
 - Will be selling individual tablets for less, but any gain is better than none
 - Decrease heartworm preventative cost by more than flea and tick preventative since prices are reasonable

What have I gained?

Taking part in this project over the Summer of 2022 was trickier than I thought. However, I was able to learn so much from my mentor Dr. Welch and his employees. I not only worked on the business side of this hospital, but also as a veterinarian assistant. I experienced customers buying these preventatives first-hand, and their reaction to the prices. I was also able to receive insight on Chewy.com customers that assisted me in creating this business plan. This experience opened many doors for me in my future of business and veterinary medicine.

Feline Flea and Tick Prevention

The hospital sells flea and tick preventatives for cats! The brand they sell is Bravecto, and this is a topical solution that is applied to felines upper neck. This preventative can be placed on cats that are 6 months or older and ranges from 6.3 lbs. to 13.8 lbs. This topical preventative is used to kill adult fleas and infestations, as well as control tick infestations. One dosage can last for 12 weeks.



Current Prices & Profit

This graph depicts the price at which the animal hospital purchases and sells Interceptor Plus at. The dosages are all bought and sold at different prices depending on the size of the canine. It is noticeable that the heavier the canine, the more expensive heartworm preventative will be. However, the profit for the heavier dosages is larger.

Interceptor Plus Per Tablet (Dogs)	2-8 lbs.	8-25 lbs.	25-50 lbs.	50-100 lbs.
Bought at:	\$3.76	\$3.94	\$4.82	\$5.98
Sold at:	\$9.30	\$9.40	\$11.90	\$14.25
Profit:	\$5.54	\$5.46	\$7.08	\$8.27

Nexgard Per Tablet (Dogs)	4-10 lbs.	10-24 lbs.	24-60 lbs.	60-121 lbs.
Bought at:	\$14.67	\$14.81	\$14.95	\$15.11
Sold at:	\$30.00	\$30.00	\$30.00	\$30.25
Profit:	\$15.33	\$15.19	\$15.05	\$15.14

Similar to the graph for Interceptor Plus, this is a graph of the price at which Nexgard is bought and sold. This is noticeably more expensive than the Interceptor Plus but varies less in price difference between different weight categories. More profit is made by the Nexgard tablets than Interceptor Plus tablets.

Further Development

There are also many ways to increase competition that are different from changing prices of certain products.

The hospital could:

- Create a benefit for customers who buy preventatives in-store that is within profit margin
- Advertise locally and online to allow others to become aware of prices and price changes that occur
- Remind potential customers that no shipping will need to be paid if purchased directly from hospital



Contact Information

Mackenzie Cather
 Virginia Tech
 Animal & Poultry Sciences
cmackenzie@vt.edu
 (540)-398-1110



Citations

Pet Food, products, supplies at low prices - free shipping. Pet Food, Products, Supplies at Low Prices - Free Shipping | Chewy.com. (n.d.). Retrieved from <https://www.chewy.com/>

Comparing Prices!

In order to create a business plan suitable for this animal hospital, prices need to be compared between in-store and online sales. Below are 2 graphs that include prices from The Animal Medical Center (Hosp.) and Chewy.com. The graph above is for canines and comparing the cost of Nexgard and Interceptor Plus between the hospital and online. These are the prices of buying 1 chewable tablet of either preventative. The graph below is for the feline flea and tick preventative, Bravecto. This graph compares prices between one treatment of Bravecto from the hospital and from online.

As seen in both graphs, the prices from Chewy.com are cheaper than any product sold in the hospital. The smallest difference in price being from the Interceptor Plus for canines of \$1.41, and the largest difference in price being from the Bravecto for felines of \$8.01.

Dogs	Nexgard (1 Chew)	Interceptor Plus (1 Chew)
Chewy	\$26.99 \$25.64 (autoship)	\$7.89-\$11.43
Hosp.	\$30.00 - \$30.25	\$9.30-\$14.25

Cats	Bravecto 6.3-13.8 lbs
Chewy	\$63.99
Hosp.	\$72.00

Factors to Consider

When creating a business plan for a business that has been established for many years, you may reach a few bumps in the road, or it may be difficult to create an idea that already hasn't been done. So, below are some factors I had to consider before finalizing the plan:

- Heartworm tests have to be done on canines every 6 months in order to purchase Interceptor Plus (whether purchased online or from hospital)
- Each veterinarian originally making 20-22% of each preventative they sold at the hospital
- Online orders can cause veterinarians to spend extra time finding the amount of preventative to dispense and approving/denying the request, as well as writing the script
- Purchasing preventatives directly from the hospital allows customers to receive what they paid for immediately and questions for doctors and staff can be answered immediately
- Animal Medical Center of Frederick County provides an injectable heartworm preventative for canines that lasts for 6 months and is done with one injection