Cosmetic Dentistry
State of the Industry

Survey 2013

American Academy of Cosmetic Dentistry

American Academy of Cosmetic Dentistry
www.AACD.com

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AACD State of the Cosmetic Dentistry Industry 2013

About This Study

This single-mode survey (email driving to an online instrument) of dental practices was conducted by the American Academy of Cosmetic Dentistry (AACD) to better understand the dynamics of the cosmetic dentistry market and determine the size and impact (in terms of procedures and revenues) and the patient makeup of this market.

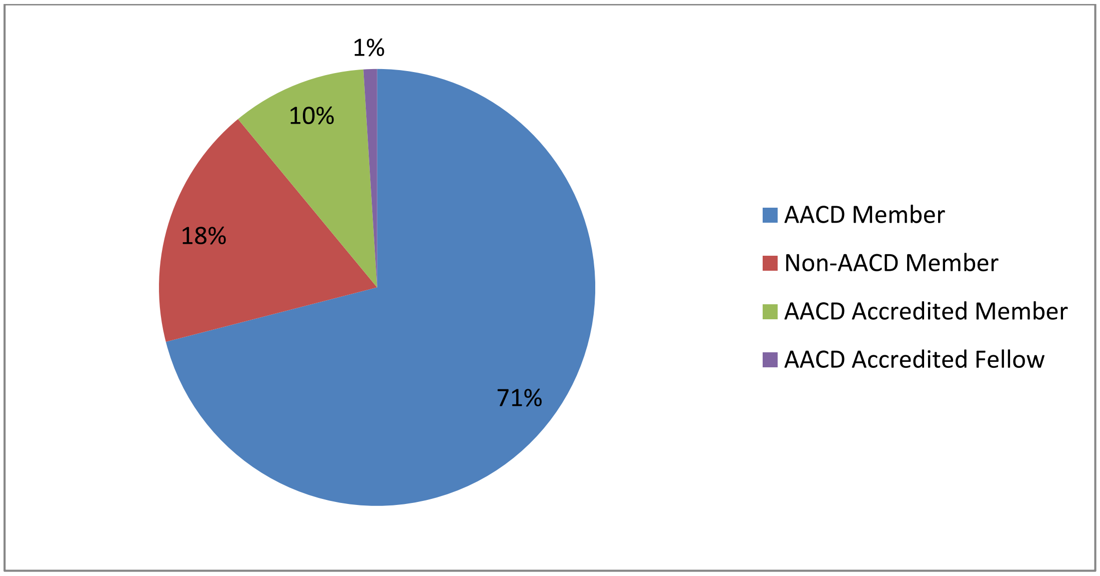
Previous benchmarking surveys were conducted in 2004, 2007, and 2011 by Levin Group, Inc., Readex Research, and AACD respectively. Data for the 2013 study was collected between October 17 and November 18, 2013. A total of 659 responses were tabulated, with fewer respondents completing the latter portion of the survey. *The net number of respondents is noted on each exhibit.*

The invitation to participate was primarily offered via email to the AACD membership at large, but also distributed to non-AACD member dental professionals via social media to provide an outside-in view of non-member dental practices that derive income from cosmetic procedures.

FINDINGS: Respondent Demographics

AACD Member vs. Non-Member

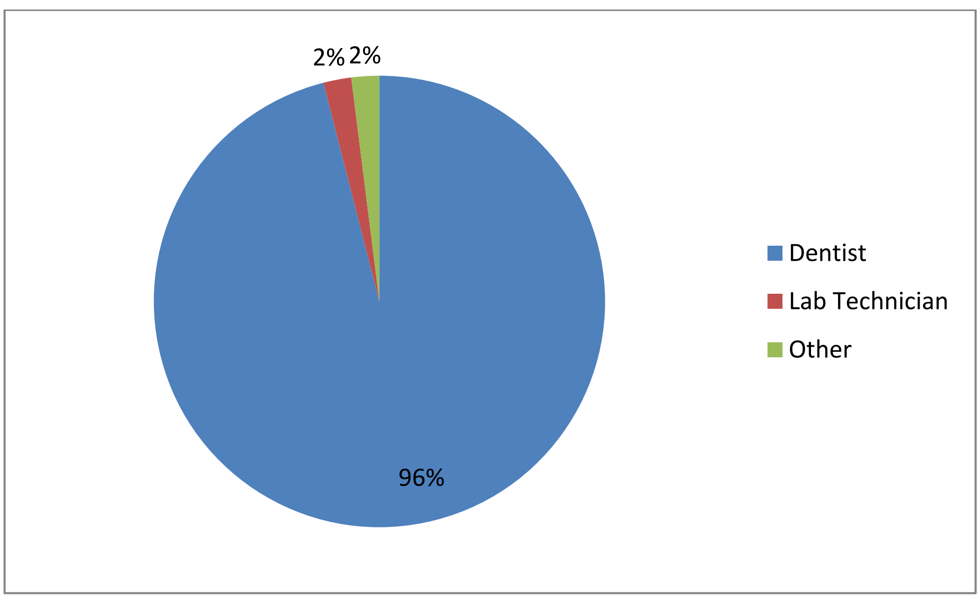
82% of respondents were current AACD members and 18% were non-members. Of AACD members participating in this study, respondents included 71% general members, 10% Accredited Members, and 1% Accredited Fellows, AACD's highest level of clinical achievement.



512 responding

Dentists Dominated

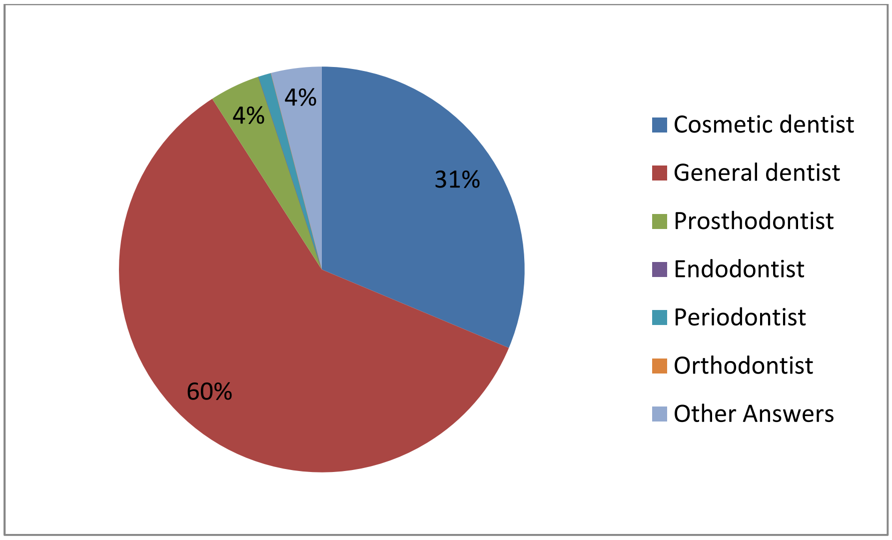
The vast majority of respondents indicated that they are practicing dentists.



507 responding

Community of practice or "specialty" identification

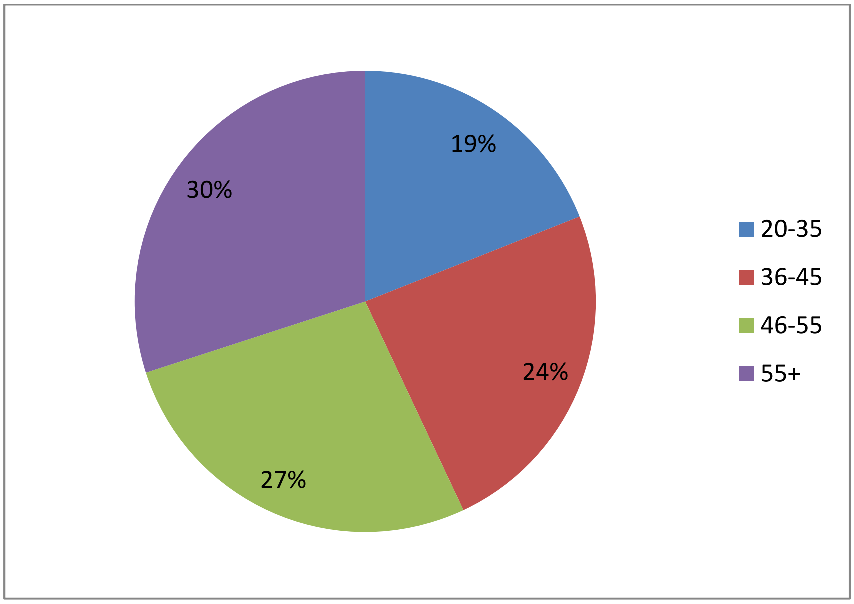
91% of respondents identified themselves as either general or cosmetic dentists.



494 responding

A question of age

The age of survey respondents is fairly evenly distributed, with the largest group 55 or older.

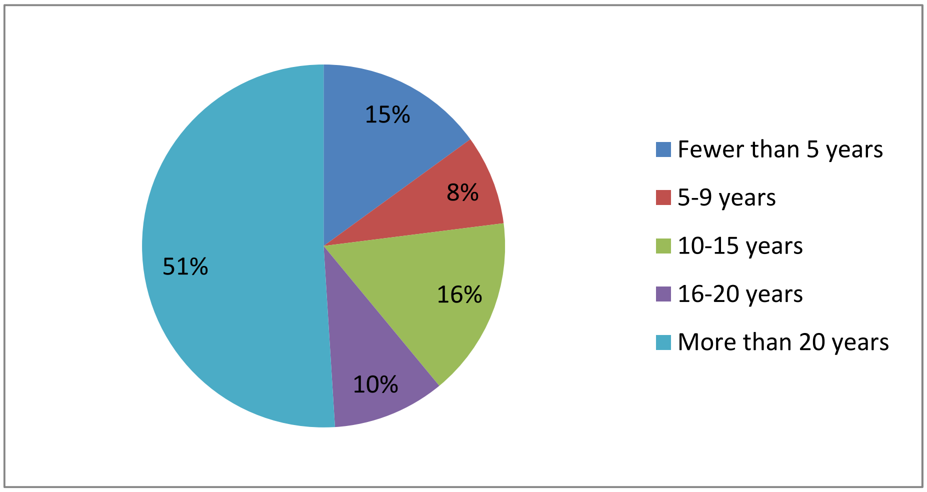


510 responding

FINDINGS: Practice Profile

Staying Power—How many years has your practice been in operation?

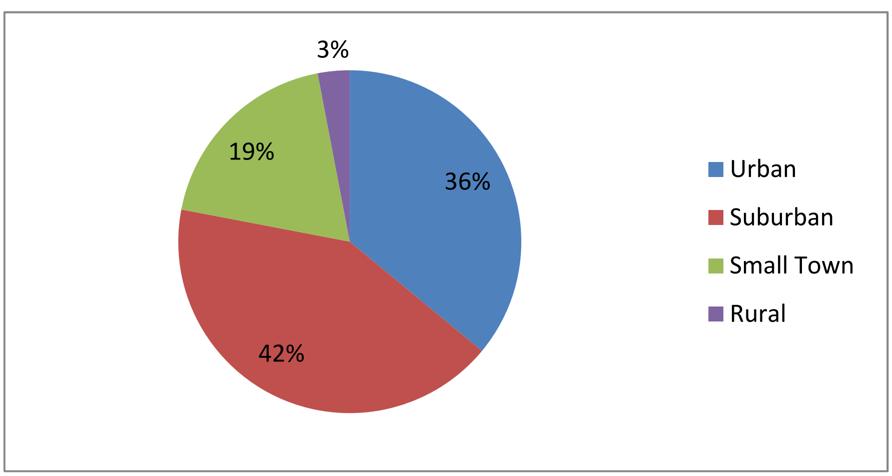
Most cosmetic dentistry practices are well-established within their communities. Slightly more than half (51%) have been in operation for 20 years or more. Newer practices (in operation fewer than 5 years) represent 15% of the total. Compared to the benchmarking survey of 2011, the average age of dental practices has dropped slightly.



498 responding

Cosmetic Dentistry Trending Urban—In what type of community is your practice located?

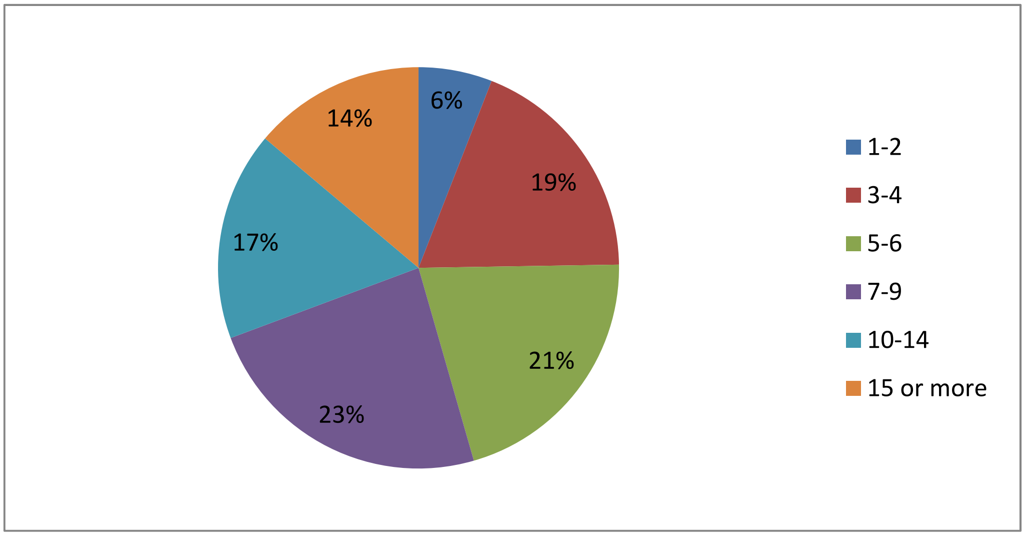
Following a trend toward urban centers first seen in the 2011 benchmarking survey, there continues to be a migration away from suburban and rural settings to more urban environments, a category which has increased 10 percentage points in the past six years. Still, almost half (42%) of cosmetic dentistry practices report the type of community in which they are located as suburban.



495 responding

Head Count—Total number of employees working at your practice

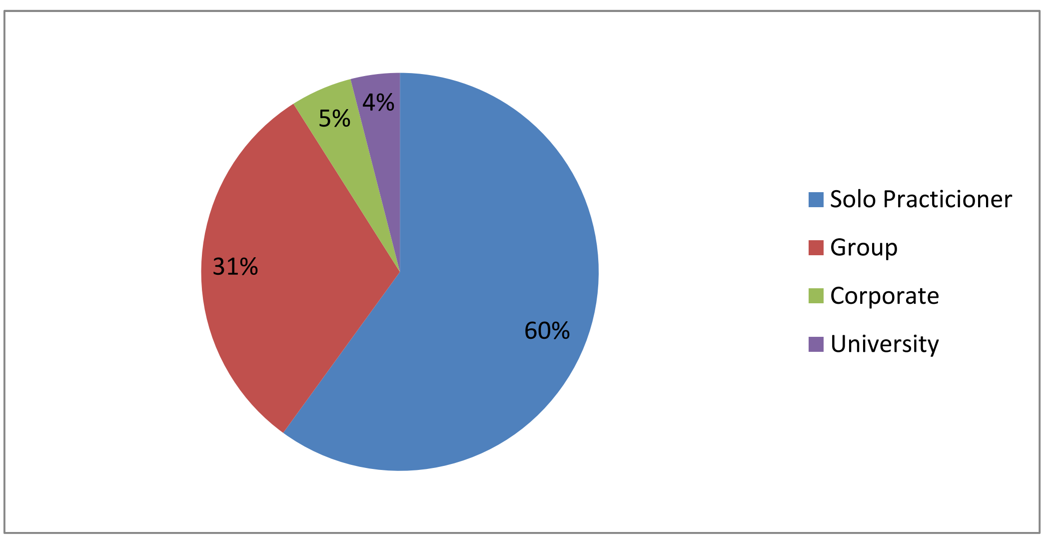
Respondents were asked to indicate how many people, in total (dentists and others), were employed by their practices, both full- and part-time, in 2013. Smaller practices (fewer than 5 employees) represent 25%, a 3-point drop since 2011. And those employing 10 or more individuals make up one-fifth (20%) of practices, indicating 5-point drop since the 2011 survey. Most practices are in the middle, with between 3 and 9 employees.



495 responding

What best describes your practice?

Nearly two-thirds of respondents indicated that they work in a solo practice environment, with another third claiming affiliation with a group practice.

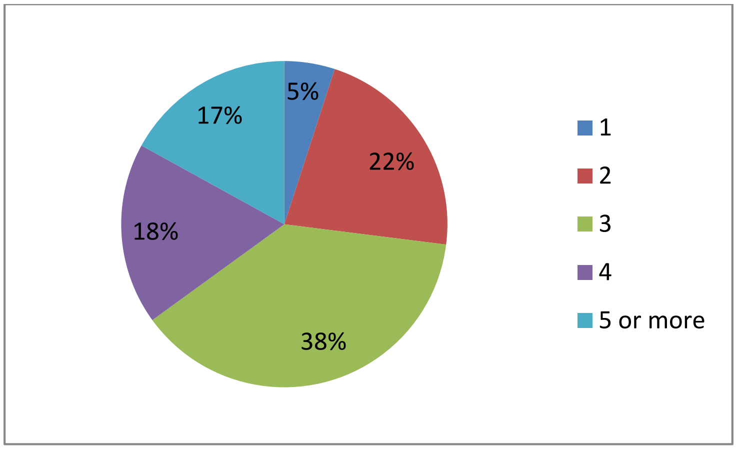


494 responding

FINDINGS: Let's Talk Labs

Laboratory Loyalty—How many different dental labs does your practice patronize?

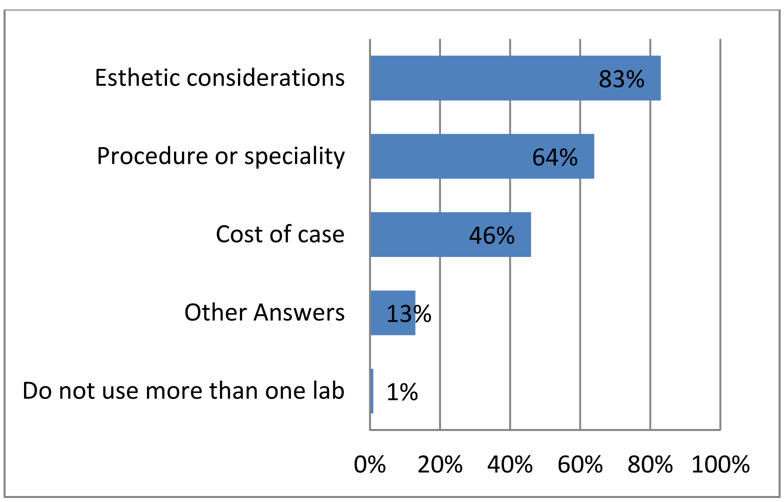
The use of multiple laboratories by cosmetic dentistry practices is common. Only 5% indicated their practices used a single laboratory in 2013, representing a 1-point decrease since 2011. The majority (57%) indicated use of two or three labs, while 35% used four or more laboratories.



493 responding

When deciding which dental laboratory to use, what are your primary considerations?

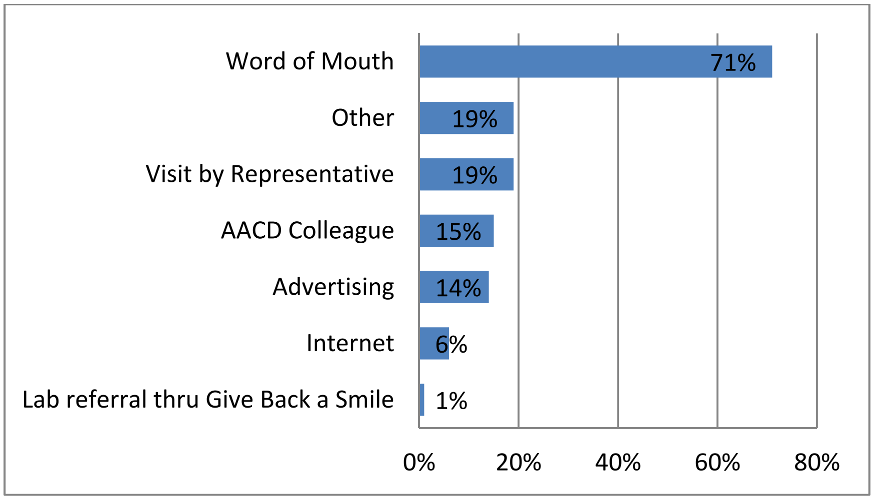
Respondents were able to choose more than one answer indicating their primary considerations for deciding on a laboratory. "Esthetic considerations" was the top mention (83%), a four-point increase since 2011.



494 responding

Locating a Lab—How did you find out about the lab(s) you're working with?

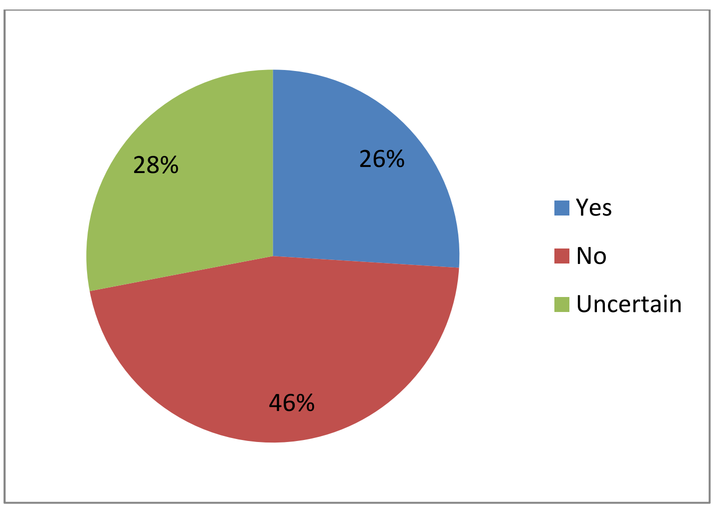
A new question for 2013, word-of-mouth is clearly, and by far, the number one way dentists learn about a lab's reputation for esthetic results.



495 responding

Lab + AACD Affiliation 1—Is your primary laboratory technician an AACD Member?

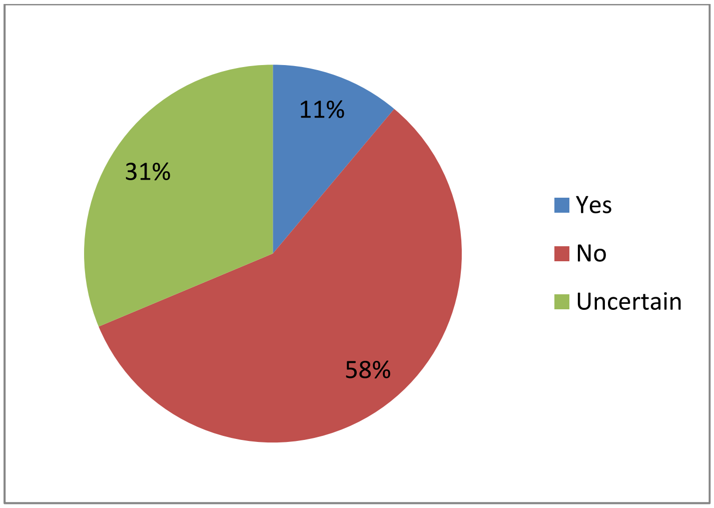
More than one-quarter of respondents patronize laboratory technicians who are members of the Academy, while about that same number are uncertain.



489 responding

Lab + AACD Affiliation 2—Is your primary laboratory technician an AACD Accredited Member?

Eleven percent of respondents said yes, and considering AACD membership is comprised of 4% lab technicians, clearly AACD Accreditation—and the esthetic excellence it represents—are important factors in working with a lab tech.

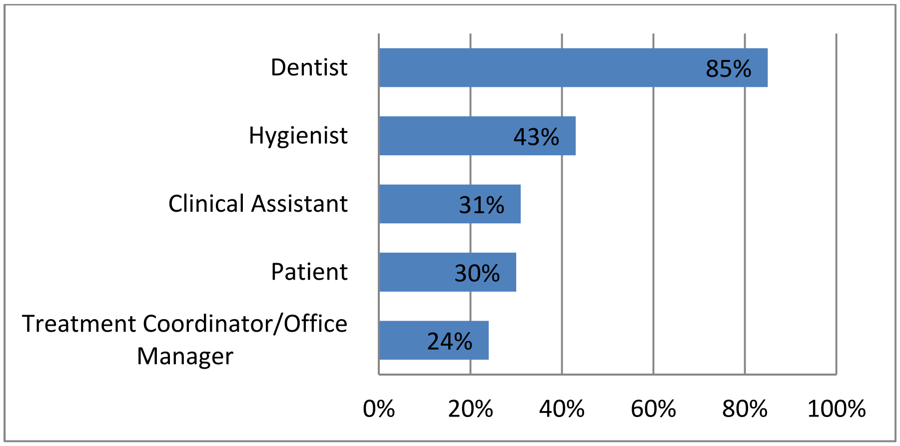


489 responding

FINDINGS: Comprehensive Cosmetic Dentistry

A Team Effort—Primary individual initiating dialog about cosmetic dental procedures

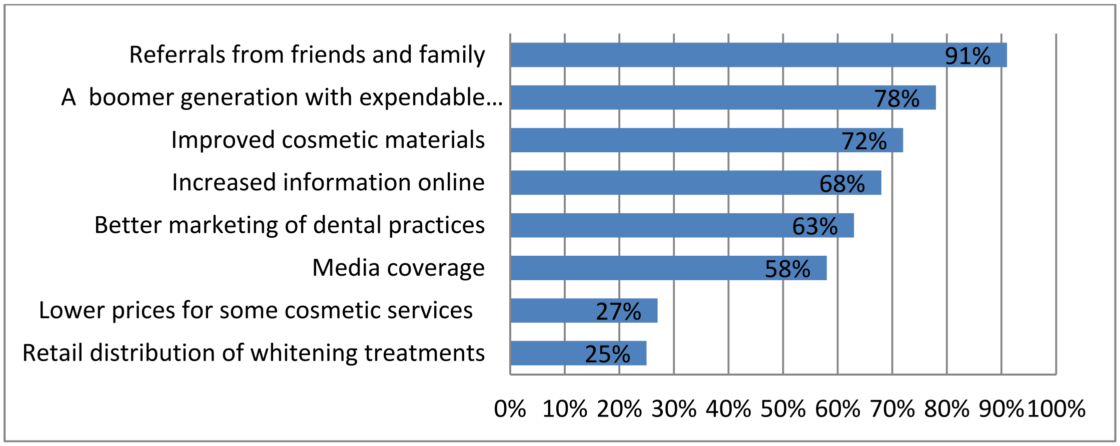
Respondents were able to choose more than one answer. Instigation of new business is overwhelmingly driven by the dentist. The big swing from the 2011 was the role of the hygienist in getting the dialog started, jumping from 26% in 2011 to 43% in 2013. However, it's clear that the entire dental team is involved in recommending procedures in their practices, while 30% of respondents indicated that patients also initiate dialogue regarding treatment options.



385 responding

Referrals Rule—Importance of factors in driving cosmetic dentistry demands

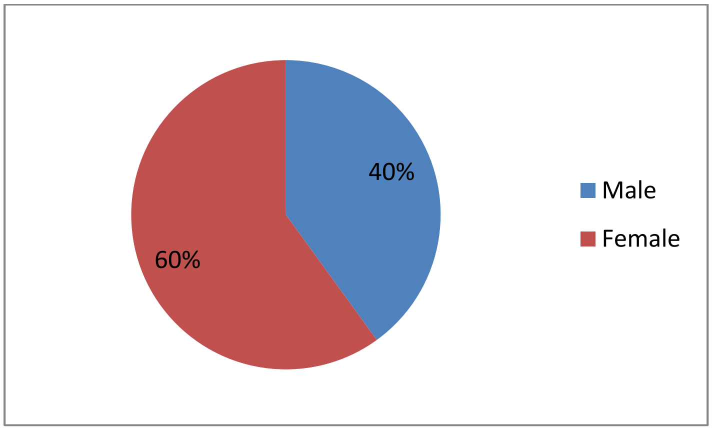
Using a 5-point scale, where 5 = extremely important and 1 = not important, respondents were asked to indicate the importance of various factors in driving demand at their practices. Respondents believe the continued demand for cosmetic dentistry is primarily driven by referrals from others who have had a positive experience (91%).



385 responding

Who are we treating?—Gender of cosmetic dentistry patients

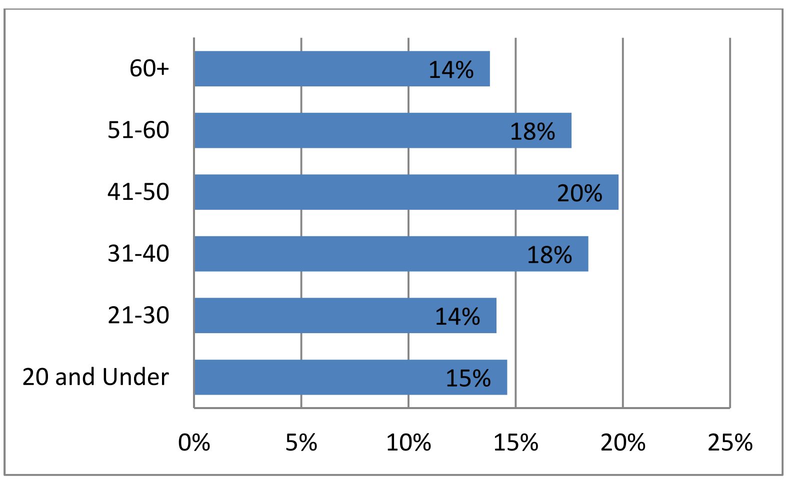
Respondents were asked to indicate the percentage of their patients in 2013 by gender. Three-fifths of cosmetic dentistry patients were female (60%), and two-fifths were male (40%), identical to the results of the 2011 benchmarking survey.



375 responding

Who are we treating?—Age range of cosmetic dentistry patients

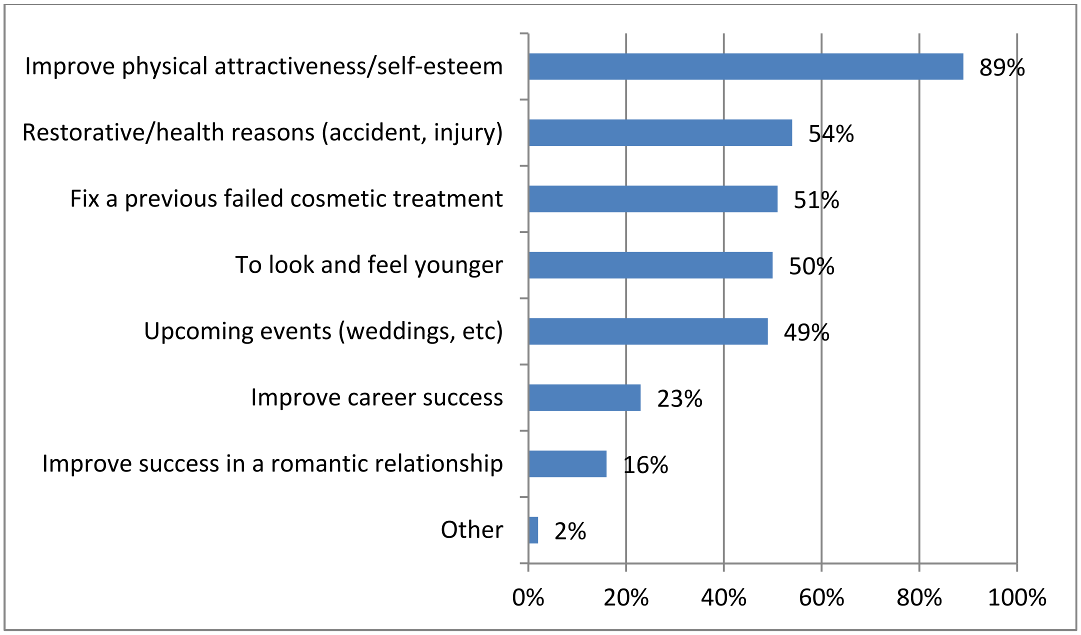
Regarding the age of cosmetic dentistry patients, the distribution is fairly even across all age ranges with nearly 56% of patients falling between the ages of 31 and 60. However, there was virtually no change in this data reported from the benchmarking survey of 2011.



355 responding

To look and feel better, of course!—What reasons do your patients cite for wanting cosmetic dentistry treatments?

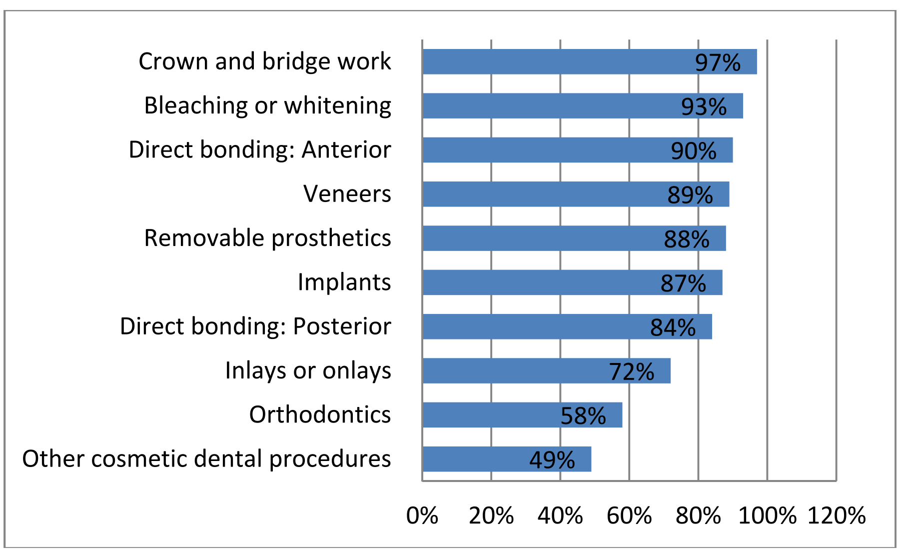
Respondents could check all that applied, but overwhelmingly, the top answer was to improve physical attractiveness and self-esteem (89%).



494 responding

Procedures Participated In

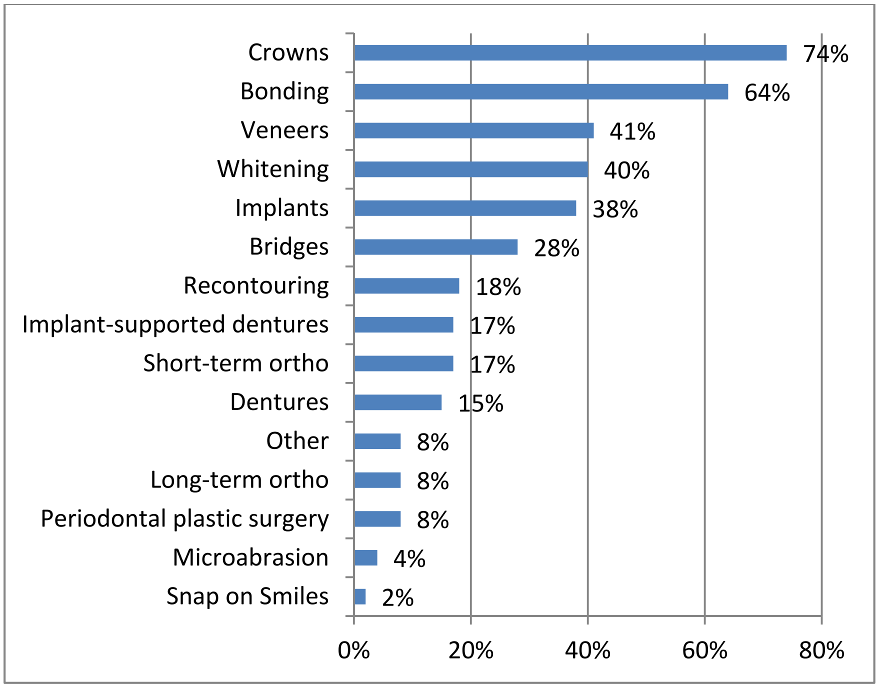
While the smallest in terms of specific procedures performed in the past year, orthodontics continues to show a positive shift (4% more than data collected in 2011, and 14% more than data collected in 2007), and implants are also up 4% over the 2011 study.



495 responding

Is there a particular procedure/treatment that you complete more frequently than others?

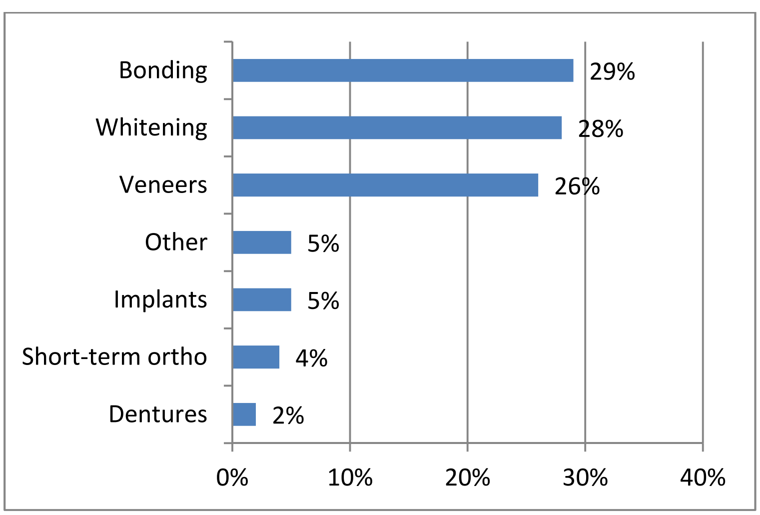
Respondents could check as many as applicable. Crowns, bonding, veneers, whitening, implants, and bridges make up the bulk of cosmetic treatments being performed in the esthetic dentist's chair.



485 responding

What is the most popular cosmetic procedure at your practice?

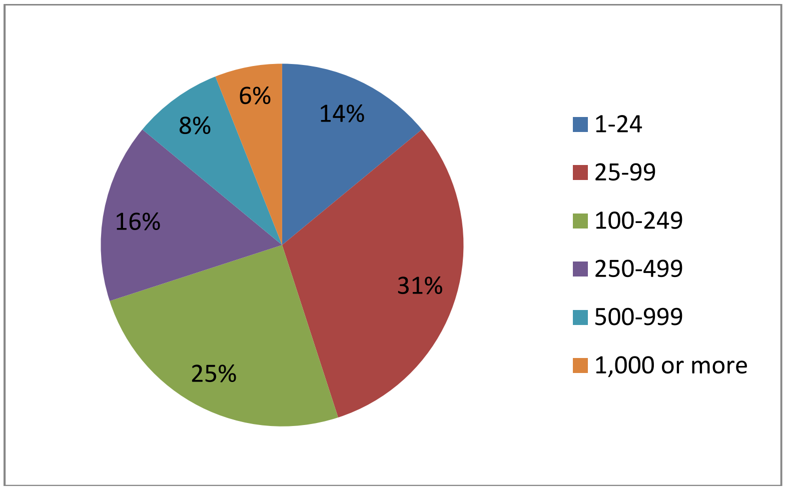
Checking only one option (so the total is 100%), respondents were asked to identify the most popular treatments performed at their office. Bonding, whitening, and veneers made up 83% of the responses.



493 responding

The Doctor Will See You Now—Number of patients seen by your practice for cosmetic dentistry procedures in the previous year

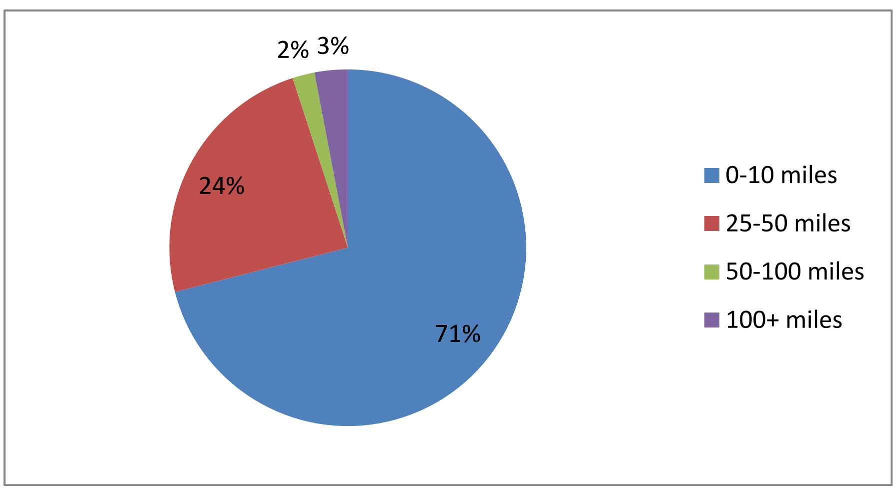
Respondents were asked to indicate the number of patients their practices had for cosmetic dentistry procedures in 2013 (counting multiple visits by the same patients as one visit). At the bottom end of the spectrum, 14% had fewer than 25 patients. However, at the top end of the distribution, 6% of practices had 1,000 or more patients—an increase of two points since the 2011 survey.



385 responding

Location or Expertise? How far, on average, do patients travel to get to your practice?

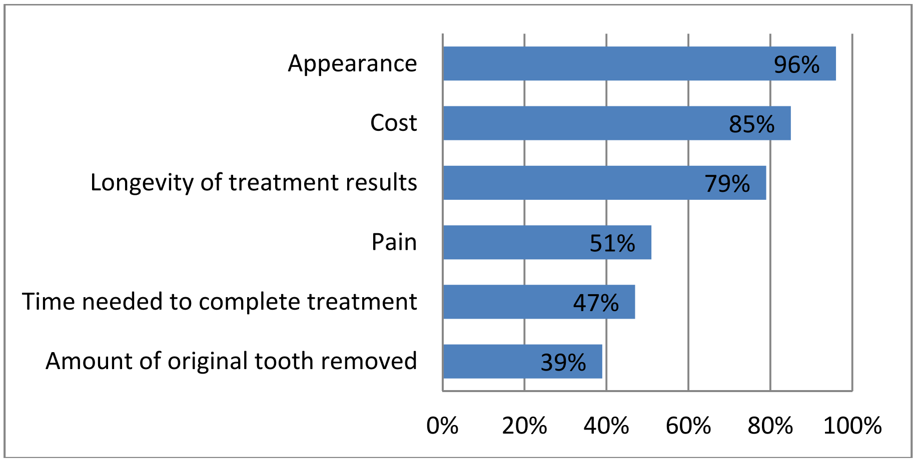
While nearly three-quarters of respondents report that patients generally come from within 10 miles of their practice, 29% will drive 25 miles, or much more, to patronize a specific dentist.



490 responding

What Patients REALLY Care About—Issues of primary concern

Using a 5-point scale, where 5 = great concern and 1 = not a concern, respondents were asked to rate the degree of concern patients had about various issues when considering a cosmetic dentistry procedure. Defining ratings of 4 or 5 as a true concern, at the top of the list is appearance, indicated by 96%. Indicated by fewer, but still substantial majorities, are cost (85%) and longevity of treatment results (79%). This data is virtually identical to 2011 findings.

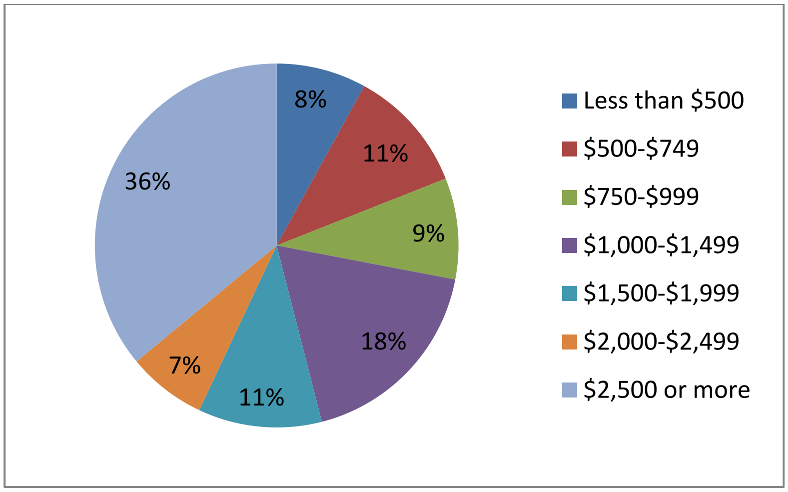


368 responding

FINDINGS: Dollars and Sense

Show Me the Money I—Average production per cosmetic patient *per visit*

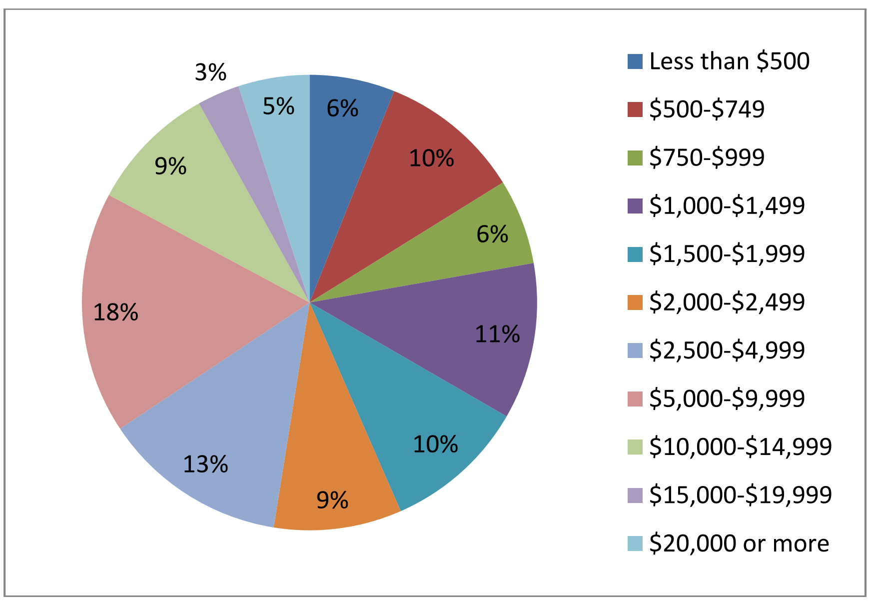
Respondents were asked to indicate their practice's average production *per scheduled cosmetic dentistry patient visit* in the past year. The highest category available on the survey, $2,500 or more, was selected by 36% of respondents, an 11 point jump in two years!



360 responding

Average spent per patient on cosmetic dentistry services *per year*

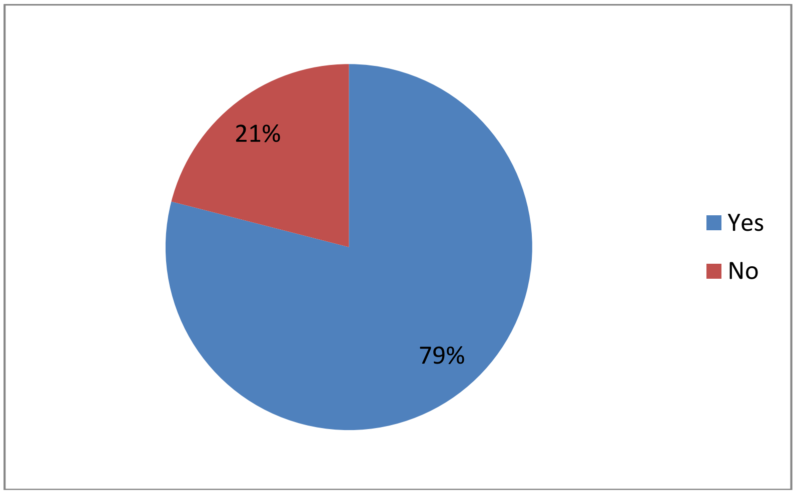
Respondents were asked to indicate how much the average cosmetic dentistry patient spent on services *in the past year* at their practices. When evaluating the top tiers, $2,500 to $20,000 or more, the combined result is 48%, up three points since 2011 and indicating a comeback for cosmetic treatments.



355 responding

Financial Assistance—Did your practice offer third-party financing options?

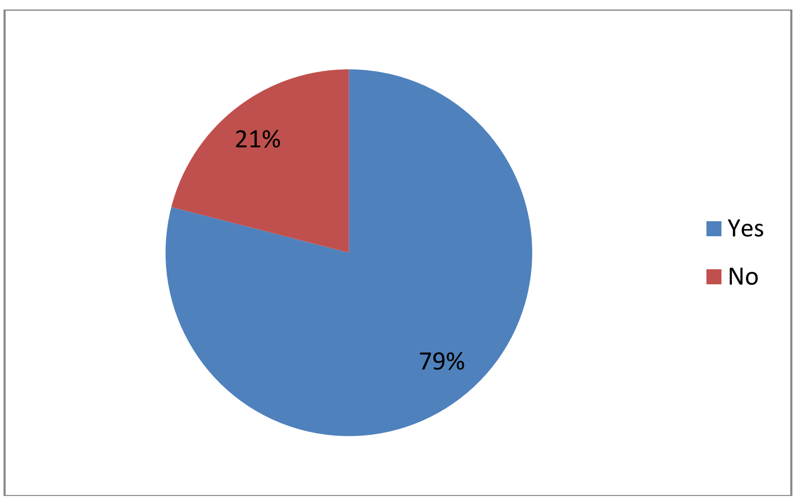
79% of practices indicated they offered their cosmetic dentistry patients third-party external financing services in the past year, an uptick of 2 points since the 2011 survey.



369 responding

Case Acceptance Boosted—Did offering external financing help with treatment acceptance?

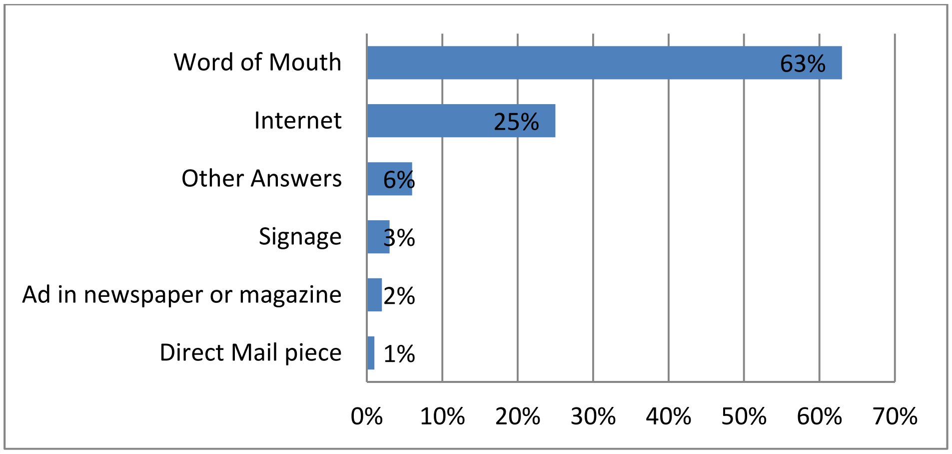
Coincidentally, of those 79% of respondents offering financing, 79% of them reported that third-party financing options helped patients get to a “yes” decision.



322 responding

What's the Buzz?—How do most of your patients find you?

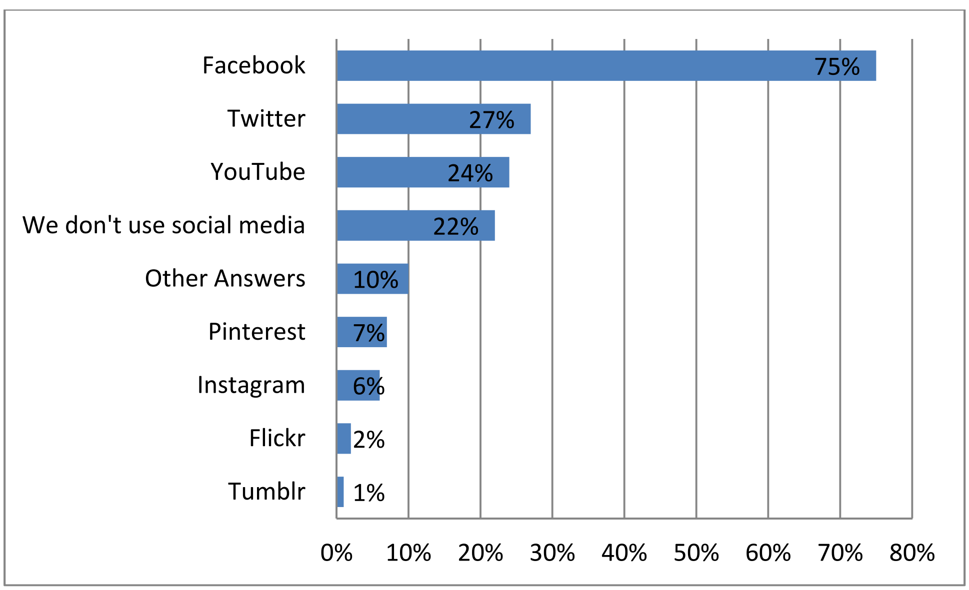
Respondents say that 88% of patients find them via word of mouth and Internet search, with word of mouth leading the way by a wide margin.



306 responding

Getting Social—Do you or your practice use social media to reach prospective and current patients? Which outlets do you use?

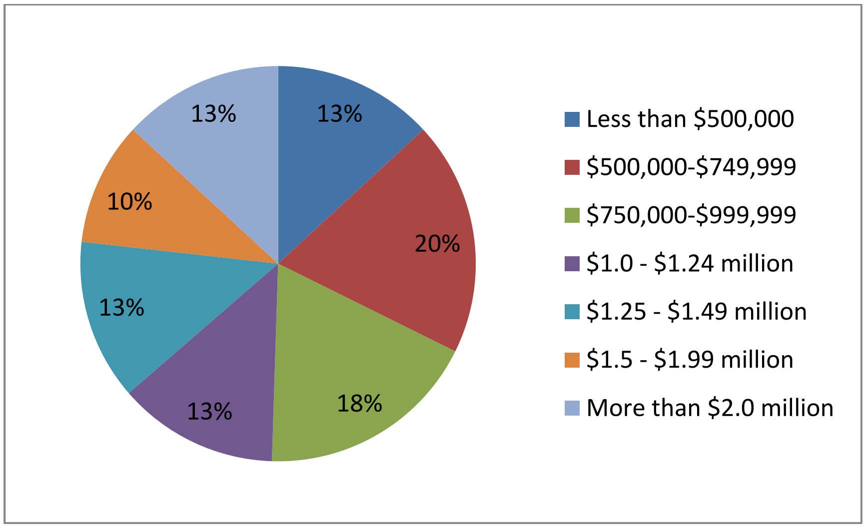
Facebook dominates the social scene for dental practices, with Twitter and YouTube coming in behind. Dentists experiment with other social platforms, too, while a surprising 22% do not indulge at all.



304 responding

Show Me the Money II—Total revenues for ALL dentistry procedures (cosmetic and non-cosmetic)

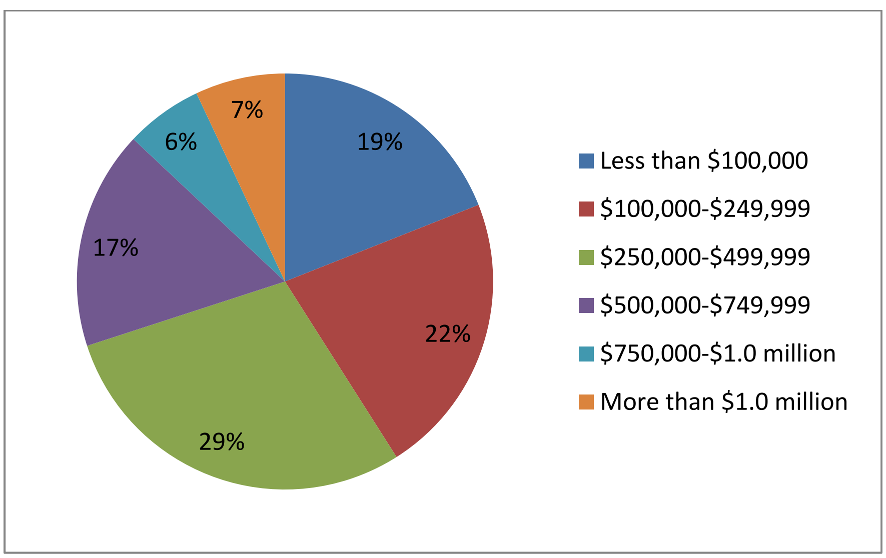
These results address practice activity in total revenues. Providing further evidence of a comeback out of the morass of a weak economy, the top level of the survey, more than $2 million, has expanded 5 percentage points since 2011 to 13%. Additionally, the lowest level of the survey, less than $500,000 has shrunk 5 points since 2011 to 13%, positive news on both the top and bottoms ends of the spectrum.



366 responding

Total revenues for cosmetic dentistry procedures

The top three selections, $500,000 to More than $1 million, collectively represent a 3 point positive swing from the 2011 survey, further indicating a comeback for cosmetic dentistry.



365 responding

Revenue Change for Top Cosmetic Procedures

Please report the approximate number of **bleaching/whitening procedures** your practice performed in the previous year: **Avg. 93.8**

What is the average cost of a whitening procedure in your practice? **Avg. $380.71**

Compared to the **bleaching/whitening procedures** in the year previous, this year was	
305 responding	
an increase	25 %
a decrease	23 %
about the same	52 %
Do you expect **bleaching/whitening procedures** in the coming year to	
306 responding	
increase	33 %
decrease	7 %
stay about the same	60 %

Please report the approximate number of **crown and bridge work procedures** your practice performed in the previous year: **Avg. 472.5**

Compared to the crown and bridge work procedures in the year previous, this year was	
302 responding	
an increase	39 %
a decrease	18 %
about the same	43 %
Do you expect crown and bridge work procedures in the coming year to	
298 responding	
increase	48 %
decrease	6 %
stay about the same	47 %

Please report the approximate number of **direct bonding procedures** your practice performed in the previous year: **Avg. 568.8**

What is the average cost of a **direct bonding procedure** (per tooth) in your practice? **Avg. $358.77**

Compared to the **direct bonding procedures** in the year previous, this year was	
294 responding	
an increase	41 %
a decrease	9 %
about the same	50 %

Do you expect **direct bonding procedures** in the coming year to	
295 responding	
increase	42 %
decrease	4 %
stay about the same	54 %

Please report the approximate number of **implant procedures** your practice performed in the previous year: **Avg. 92.3**

What is the average cost of an **implant procedure** in your practice? **Avg. $2,371.41**

Compared to the **implant procedures** in the year previous, this year was	
292 responding	
an increase	44 %
a decrease	13 %
about the same	42 %
Do you expect **implant procedures** in the coming year to	
291 responding	
increase	60 %
decrease	4 %
stay about the same	36 %

On average, how many **implants** do your patients opt to receive?

Answer	Percentage
1	53 %
2	35 %
3	6 %
4 or more	6 %

285 responding

Please report the approximate number of **inlay or onlay procedures** your practice performed in the previous year: **Avg. 150.2**

What is the average cost of an **inlay/onlay procedure** in your practice? **Avg. $980.88**

Compared to the **inlay or onlay procedures** in the year previous, this year was	
291 responding	
an increase	24 %
a decrease	19 %
about the same	57 %

Do you expect **inlay or onlay procedures** in the coming year to	
289 responding	
increase	32 %
decrease	7 %
stay about the same	61 %

Please report the approximate number of **veneer procedures** your practice performed in the previous year: **Avg. 117.3**

What is the average cost of a **veneer** in your practice? **Avg. $1,253.54**

Compared to the **veneer procedures** in the year previous, this year was	
291 responding	
an increase	29 %
a decrease	24 %
about the same	47 %
Do you expect **veneer procedures** in the coming year to	
292 responding	
increase	47 %
decrease	6 %
stay about the same	47 %

On average, how many **veneers** do patients receive at once?

Answer	Percentage
1-2	16 %
4 or more	64 %
The entire smile zone	20 %

Please report the number of **other cosmetic procedures** your practice performed in the previous year: **Avg. 289.6**

Compared to the **other cosmetic procedures** in the year previous, this year was	
279 responding	
an increase	34 %
a decrease	10 %
about the same	56 %
Do you expect **other cosmetic procedures** in the coming year to	
283 responding	
increase	45 %
decrease	3 %
stay about the same	52 %

FINDINGS: Executive Summary

General

- A total of 659 responses were tabulated, with fewer respondents completing the latter portion of the survey. Eighty-two percent of respondents were American Academy of Cosmetic Dentistry (AACD) members.
- Previous benchmarking surveys were conducted in 2004, 2007, and 2011.

Cosmetic Dental Practice Demographics

- Ninety-one percent of respondents identified themselves as either a general or cosmetic dentist. (See page 6)
- More than half of the practices reporting (51%) have been in operation for 20 years or more. Since 2007, there's been a migration away from suburban and rural settings to more urban environments, which increased 10 percentage points in the past six years. Still, 42% of cosmetic dentistry practices report the type of community in which they are located as suburban. (See page 7)
- Sixty-three percent of reporting practices have between 3 and 9 employees. (See page 8)
- Nearly a third of respondents indicate that they work in a solo practice environment, with another third claiming affiliation with a group practice. (See page 8)
- The average number of dental laboratories used is 3.19, an indication of lab loyalty consistent with 2011 survey results. "Esthetic considerations" was the top concern (83%) in selecting which dental laboratory to use—a 4-point increase since 2011—with procedure or specialty at 64%. (See page 9)
- Finding a lab to work with is overwhelmingly driven by word of mouth, with 71% reporting this as the top way to learn of lab reputation. And more than 25% report that their primary lab technician is an AACD member while 11% patronize an AACD Accredited lab technician. (See pages 10 & 11)

Cosmetic Dentistry Patients

- While it's clear that the entire dental team is involved in initiating dialogue about cosmetic dentistry and recommending procedures, the instigation of new business is overwhelmingly driven by the dentist (85%) while the hygienist seems to be playing a larger role in treatment conversations, jumping 17 points since 2011. (See page 12)
- Respondents indicated that demand for cosmetic dentistry procedures was primarily driven by referrals from others who have had a positive experience (91%) followed by a big boomer generation with expendable income (78%). (See page 12)
- Three-fifths of cosmetic dentistry patients were female (60%), two-fifths were male (40%), the same ratio as the 2011 survey. (See page 13)
- More than half of patients (56%), on average, are between the ages of 31 and 60. (See page 13)
- Eighty-nine percent of patients elect cosmetic treatments to improve physical attractiveness and self-esteem. Other reasons cited: 54% said for restorative or health reasons (like accident or injury); to fix a previous failed cosmetic treatment (51%); and to look and feel younger (50%).

Upcoming events, like a wedding, also cause patients to seek cosmetic treatments (49%). (See page 14)

- Implants and orthodontics—while not the most common of cosmetic procedures—continue to show the largest increases over previous surveys. Still, crowns and bridgework, bonding, veneers, and whitening continue to be the top procedures offered by cosmetic dentists. (See pages 14 & 15)
- When asked to indicate the number of patients their practices had for cosmetic dentistry procedures in 2013 (counting multiple visits by the same patients as one visit), 6% of practices reporting having 1,000 or more patients—a two-point increase since 2011. (See page 16)
- While nearly three-quarters of respondents report that patients generally come from within 10 miles of their practice, 29% will drive 25 miles, or much more, to patronize a specific dentist. (See page 16)
- Respondents were asked to rate how much of a concern various issues are to patients when they consider a cosmetic dentistry procedure. Defining ratings of 4 or 5 as a true concern, at the top of the list is appearance, indicated by 96%. Indicated by fewer, but still substantial majorities, are cost (85%) and longevity of treatment results (79%). (See page 17)

Cosmetic Dentistry in Dollars and Cents

- When asked to indicate their practice's average production per scheduled cosmetic dentistry patient visit in the past year, more than one-third of respondents (36%) indicated the highest category available on the survey: $2,500 or more, an 11-point jump in since 2011. (See page 18)
- When asked to indicate how much the average cosmetic dentistry patient spent on services at their practices *in the past year*, a combined 48% selected the top five tiers available in the survey ($2,500 to $20,000+) up three points since 2011. (See page 18)
- Seventy-nine percent of practices indicated they offered their cosmetic dentistry patients third-party external financing services in the past year, an increase of two points since the 2011 survey. And of those offering financing, 79% of respondents reported that third-party financing options helped patients get to a "yes" decision. (See page 19)
- When asked how most patients find them, 88% of respondents report that patients find them via word of mouth and Internet search, with WOM leading the way by a wide margin (63%). And, while 22% of practices do not engage in any form of social media, 75% use Facebook and 27% are on Twitter. (See page 20)
- When asked about total revenues for all dentistry procedures (cosmetic and non-cosmetic) in 2013, 13% of respondents reported more than $2 million, a five-point increase since 2011. Additionally, the lowest level of the survey (less than $500,000) shrunk by five percentage points indicating positive news on both ends of the spectrum compared to the results of the 2011 survey. (See page 21)
- When focusing just on cosmetic dentistry procedures, the top three tiers of the survey ($500,000 to more than $1 million) showed a three-point increase since 2011. (See page 21)
- When looking at specific cosmetic dentistry procedures, survey participants overwhelmingly believe that revenues generated from all procedure types have either increased or stayed the same year over year, and the expectation is that revenues will continue to increase or stay the

same into next year. Implants saw the largest positive shift with 44% reporting that implants have increased over the previous year and 60% anticipating an increase in implant procedures next year. (See pages 22-24)