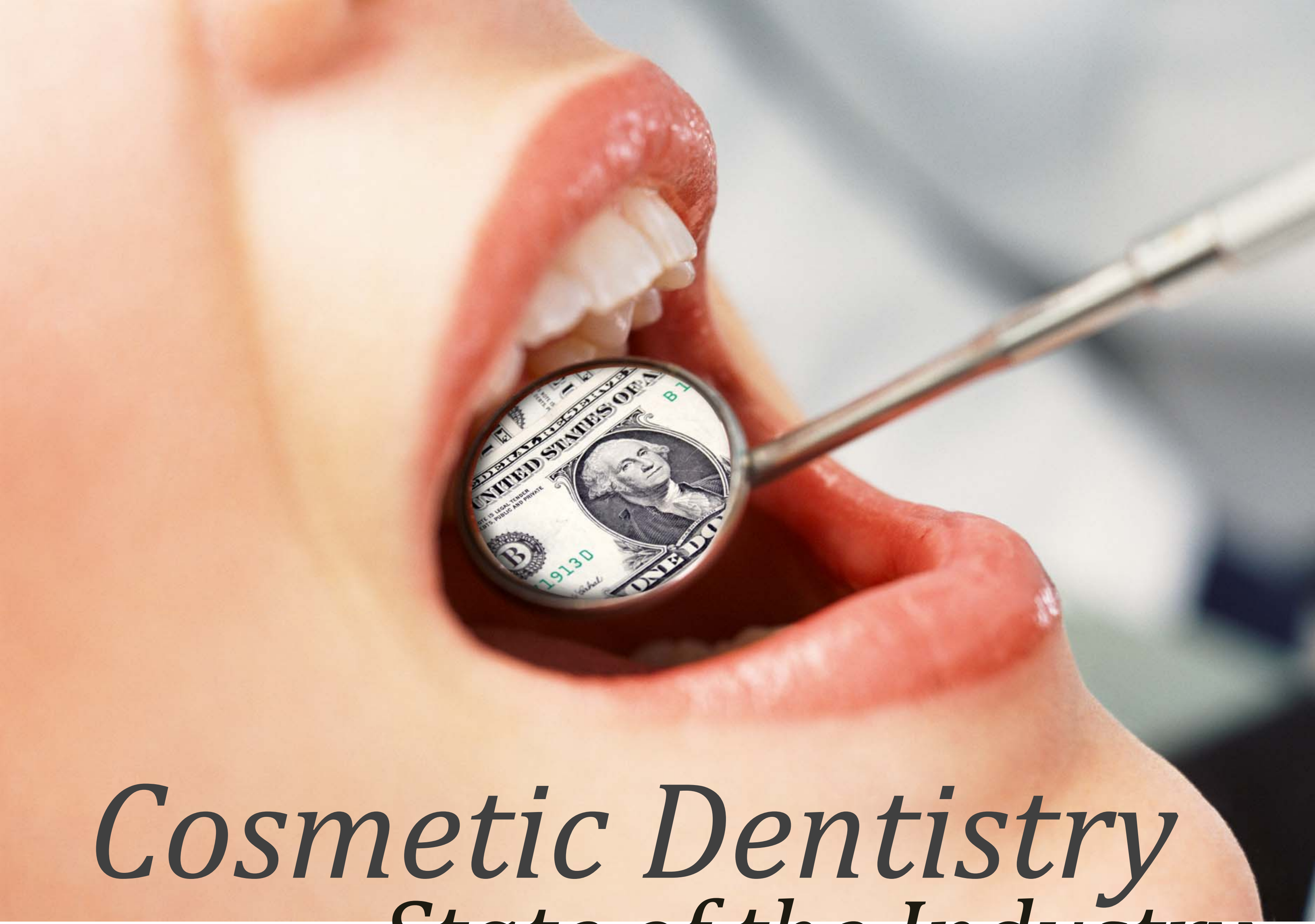

Cosmetic Dentistry
State of the Industry
Survey 2015

American Academy of Cosmetic Dentistry

American Academy of Cosmetic Dentistry
www.AACD.com

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AACD State of the Cosmetic Dentistry Industry 2015

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.

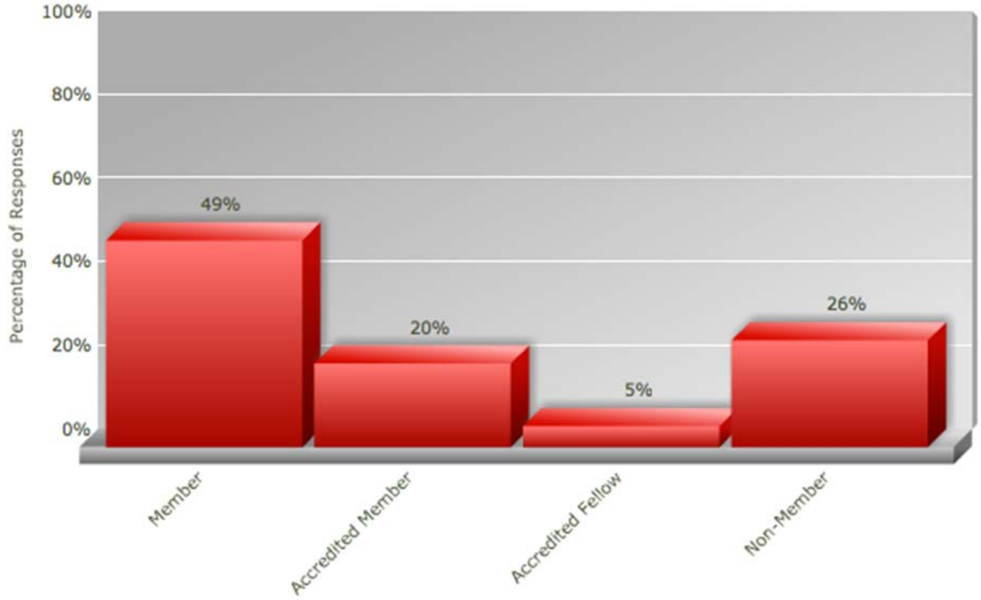
Previous benchmarking surveys were conducted in 2004, 2007, 2011, and 2013 by Levin Group, Inc., Readex Research, and AACD respectively. Data for the 2015 study was collected between September 17 and November 2, 2015. A total of 360 responses were tabulated, with fewer respondents completing the latter 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 and dental media partners to provide an outside-in view of non-member dental practices that derive income from cosmetic procedures.

Respondent Demographics

AACD Member vs. Non-Member

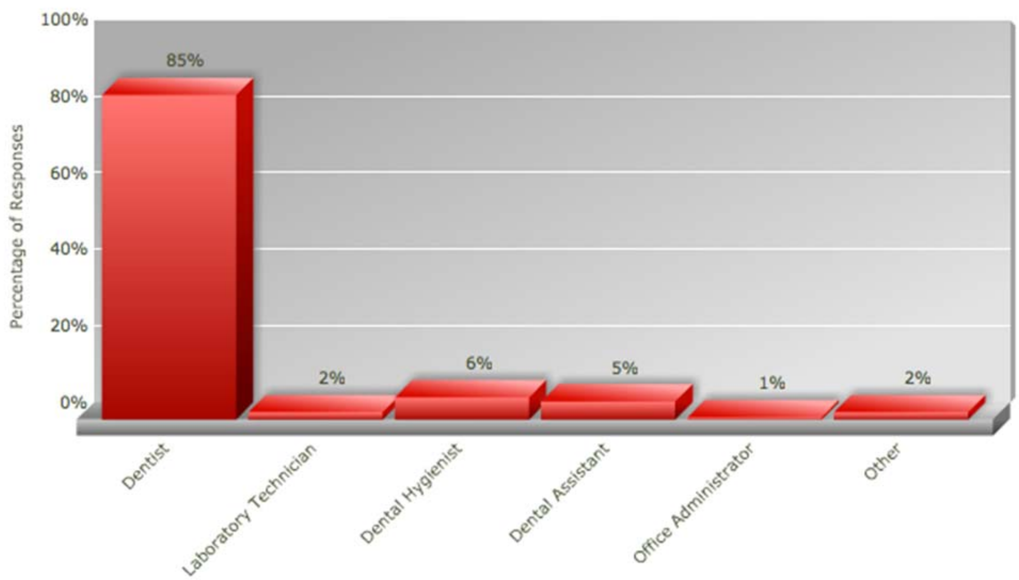
Seventy-four percent of respondents were current AACD members and 26% were non-members. Of AACD members participating in this study, respondents included 49% general members, 20% Accredited Members, and 5% Accredited Fellows.



360 responding

Dentists Dominated

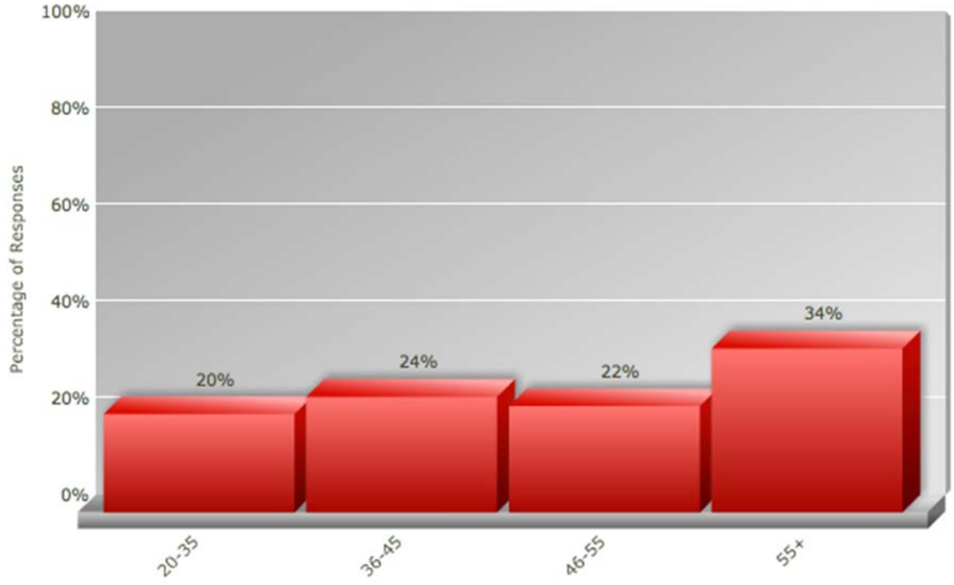
The majority of respondents indicated that they are practicing dentists.



360 responding

A Question of Age

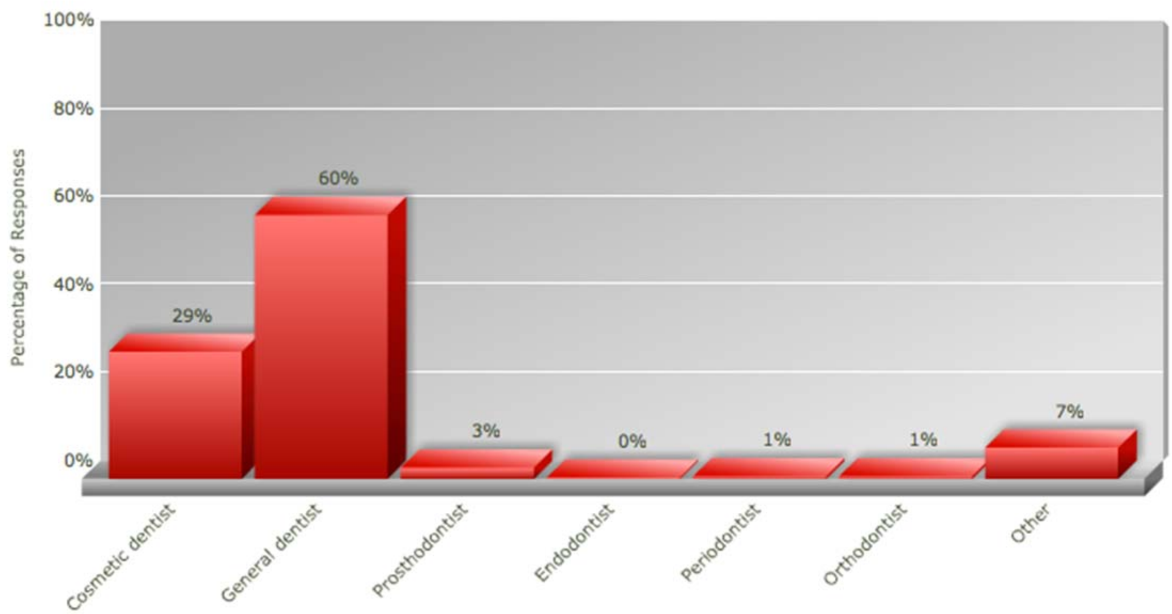
The age of survey respondents is fairly evenly distributed, with the largest group consisting of those 55 or older.



360 responding

Community of Practice

Eighty-nine percent of respondents identified themselves as either general or cosmetic dentists.



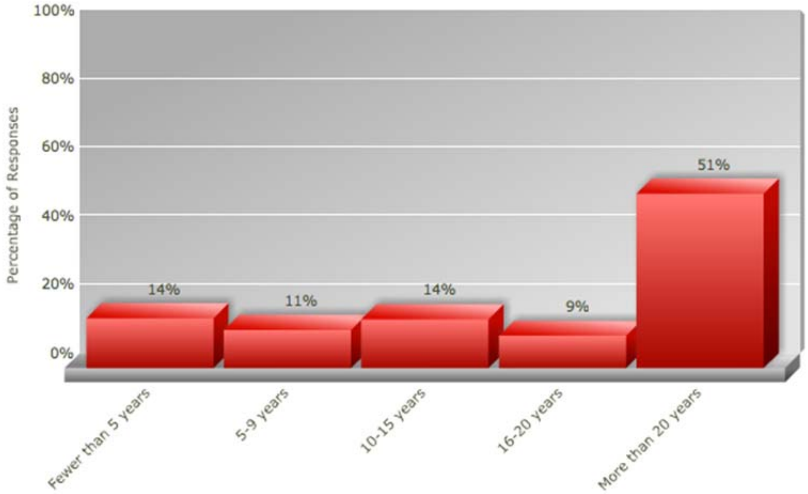
353 responding

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, while newer practices (in operation fewer than five years) represent 14% of the total.

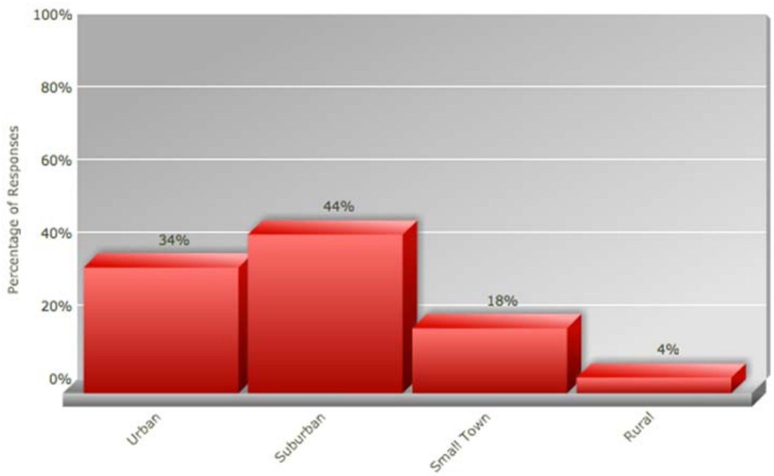


352 responding

Cosmetic Dentistry Location

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 nine percentage points in the past eight years. Still, 44% of cosmetic dentistry practices report the type of community in which they are located as suburban.

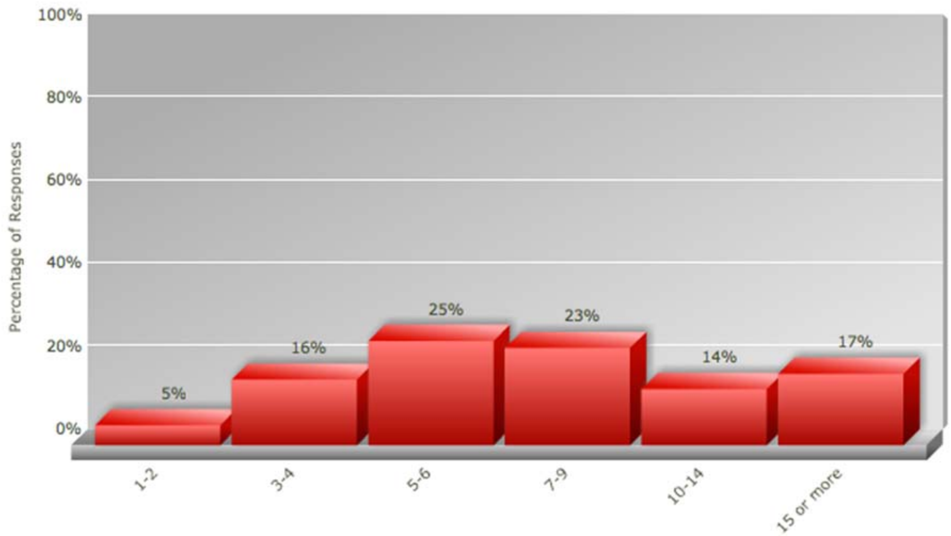


354 responding

Head Count

What is the 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 2015. Smaller practices (fewer than five employees) represent 21%, a four-point drop since 2013. And those employing ten or more individuals make up nearly a third (31%) of practices, indicating return to levels not seen since the 2011 survey. The majority of reporting practices are in the middle, with between three and nine employees.

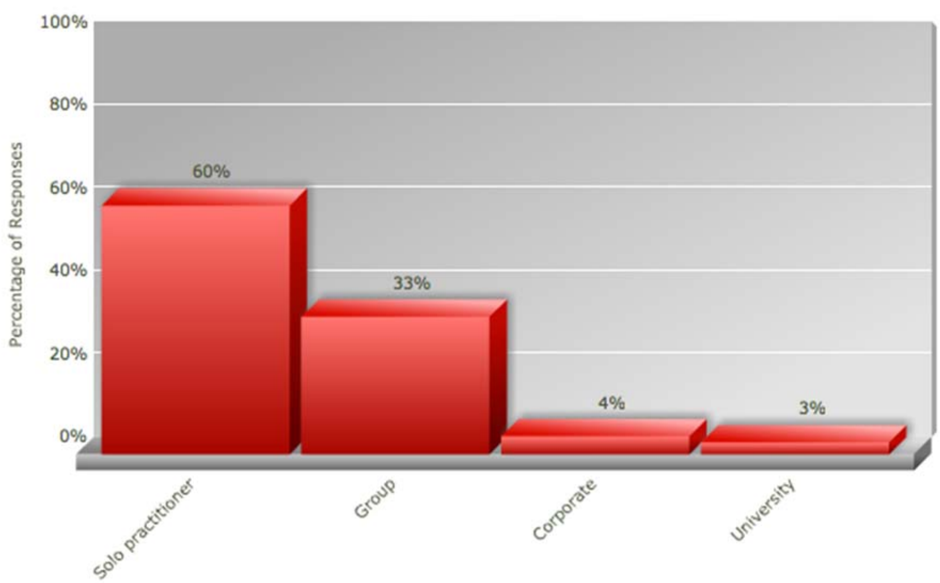


354 responding

Going It Alone

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.



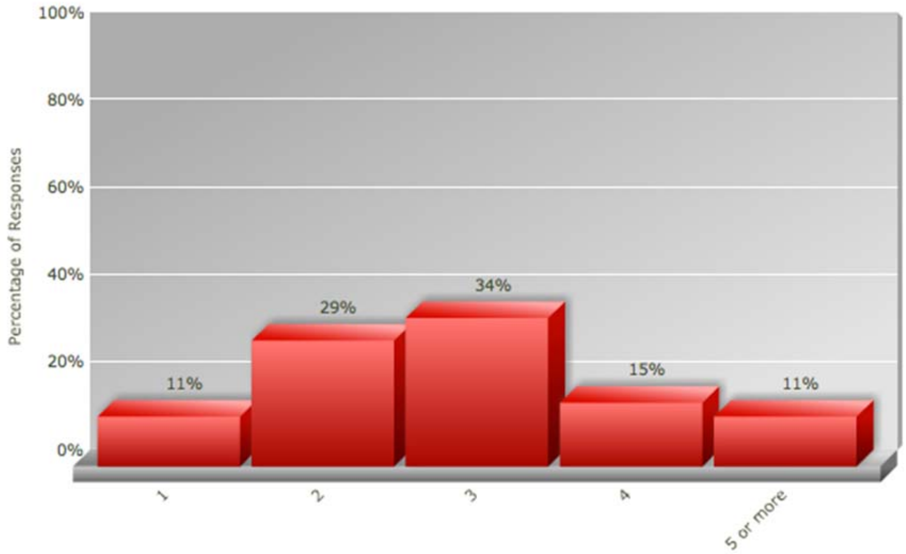
351 responding

Let's Talk Labs

Lab Loyalty

How many different dental labs does your practice patronize?

The use of multiple laboratories by cosmetic dentistry practices is common. However, 11% indicated their practices used a single laboratory in 2015, representing a six-point increase since 2013. The majority (63%) indicated use of two or three labs, while 26% used four or more laboratories.

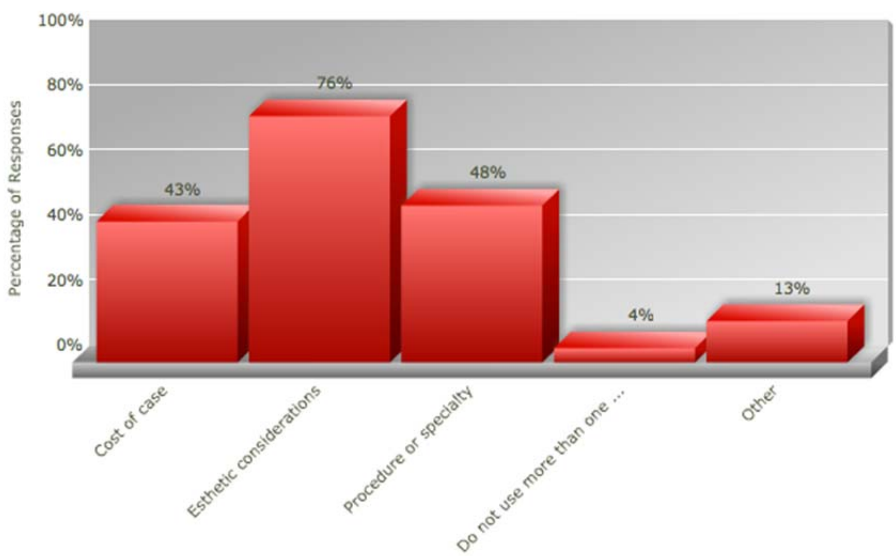


351 responding

Decisions, Decisions

When deciding which lab 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 (76%), while the procedure or specialty and the cost of the case trail behind.

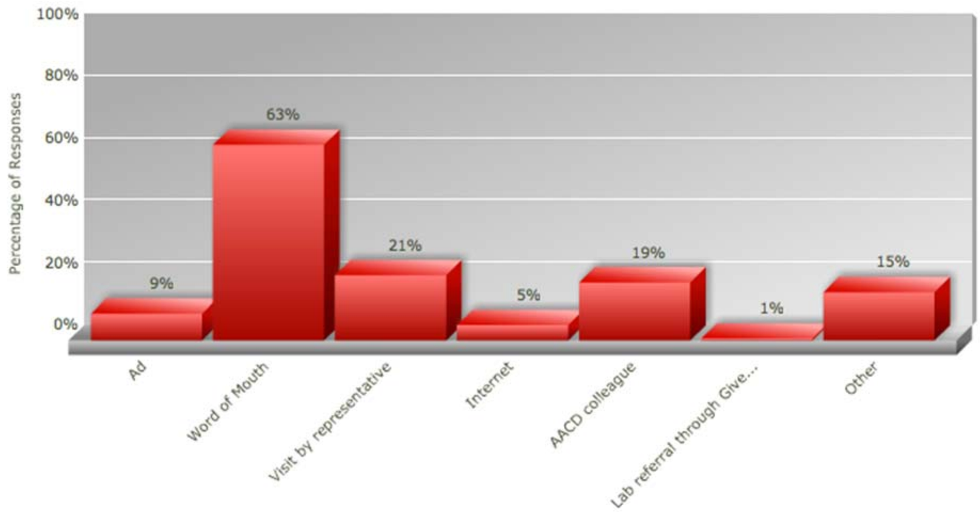


347 responding

Locating a Lab

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

Word-of-mouth is clearly, and by far, the primary way dentists learn about a lab's reputation for esthetic results. Hearing about a lab from an AACD colleague has increased four points since 2013.

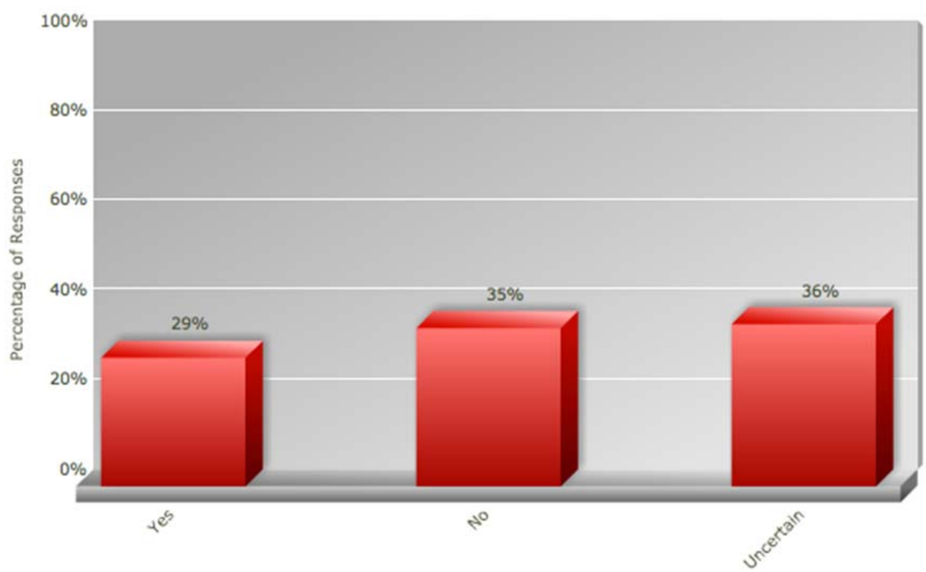


349 responding

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, a three-point increase since 2013.

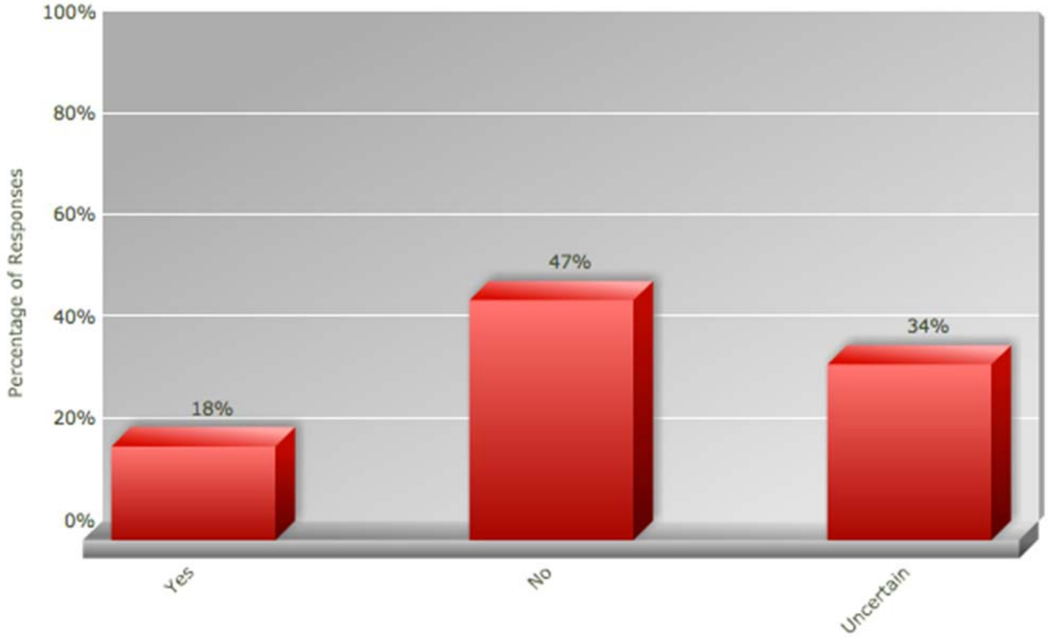


346 responding

Lab + AACD Affiliation 2

Is your primary laboratory technician an AACD Accredited Member?

Eighteen percent of respondents said yes—a seven-point increase since 2013. 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.



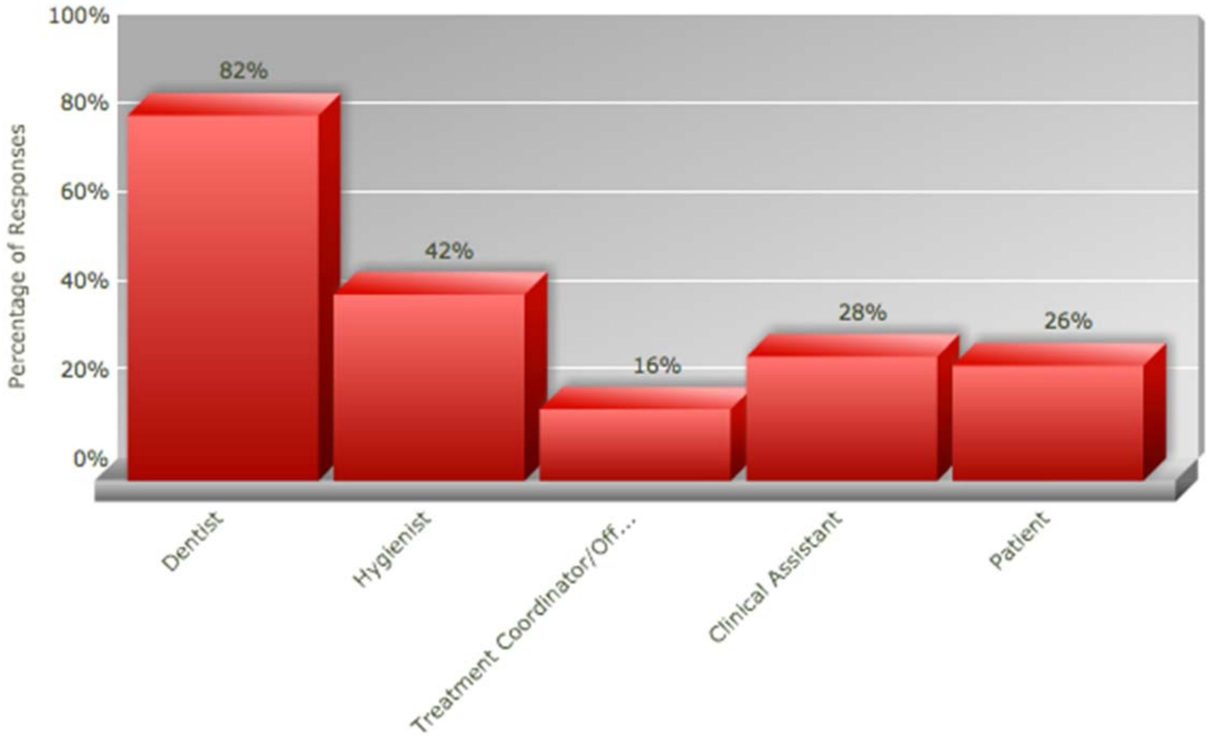
348 responding

Comprehensive Cosmetic Dentistry

A Team Effort

Who is the primary individual initiating dialog about cosmetic dental treatments?

Respondents were able to choose more than one answer. The dentist overwhelmingly drives instigation of new business. However, it's clear the entire dental team is involved in recommending procedures in their practices. Twenty-six percent of respondents indicated that patients also initiate dialogue regarding treatment options, a four-point decrease since 2013.

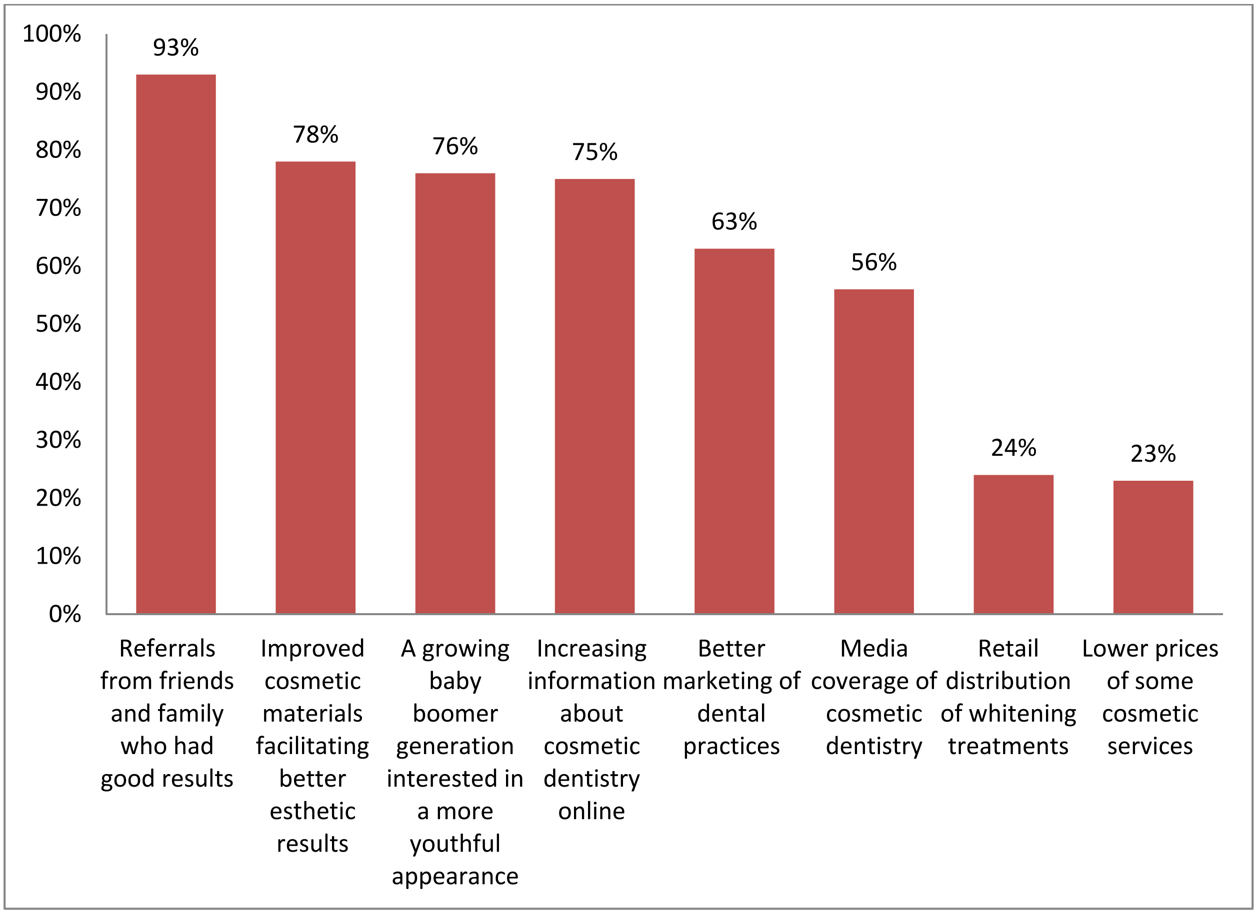


243 responding

Referrals Rule

What factors are important 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.

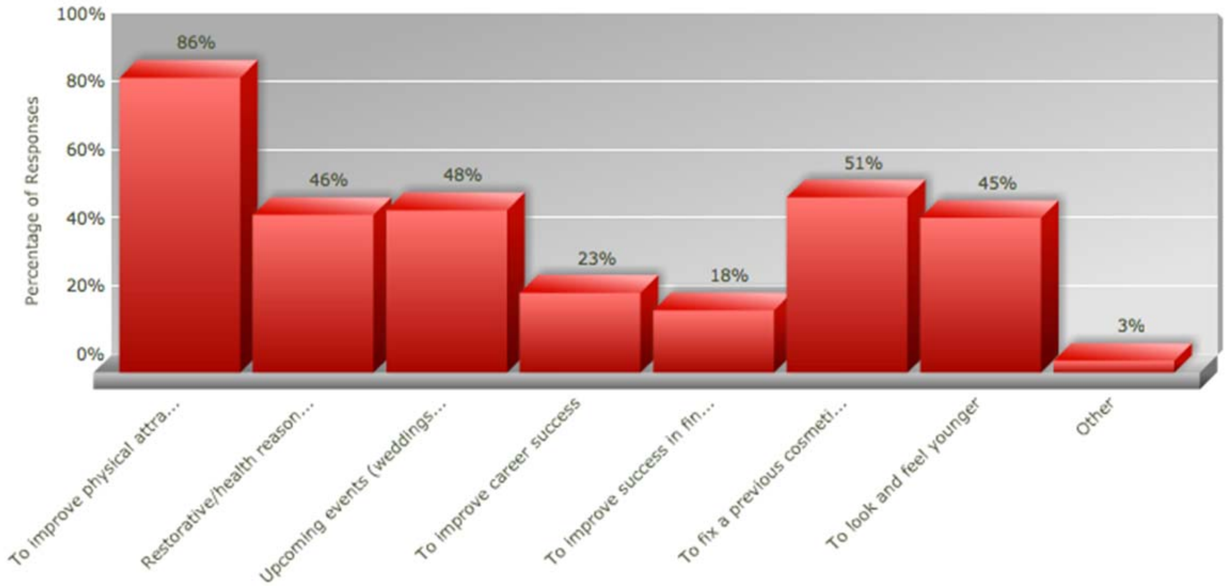


239 responding

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 (86%).

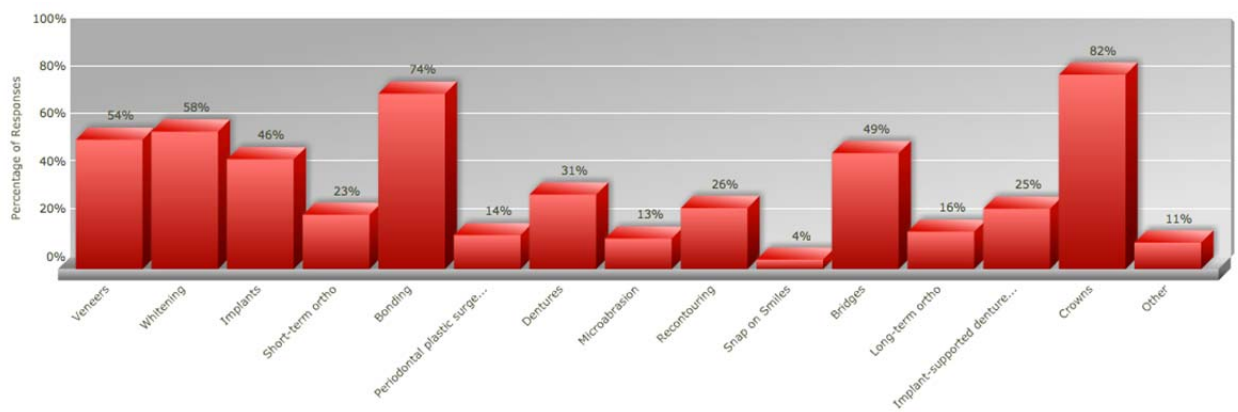


351 responding

Treatment Frequency

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.

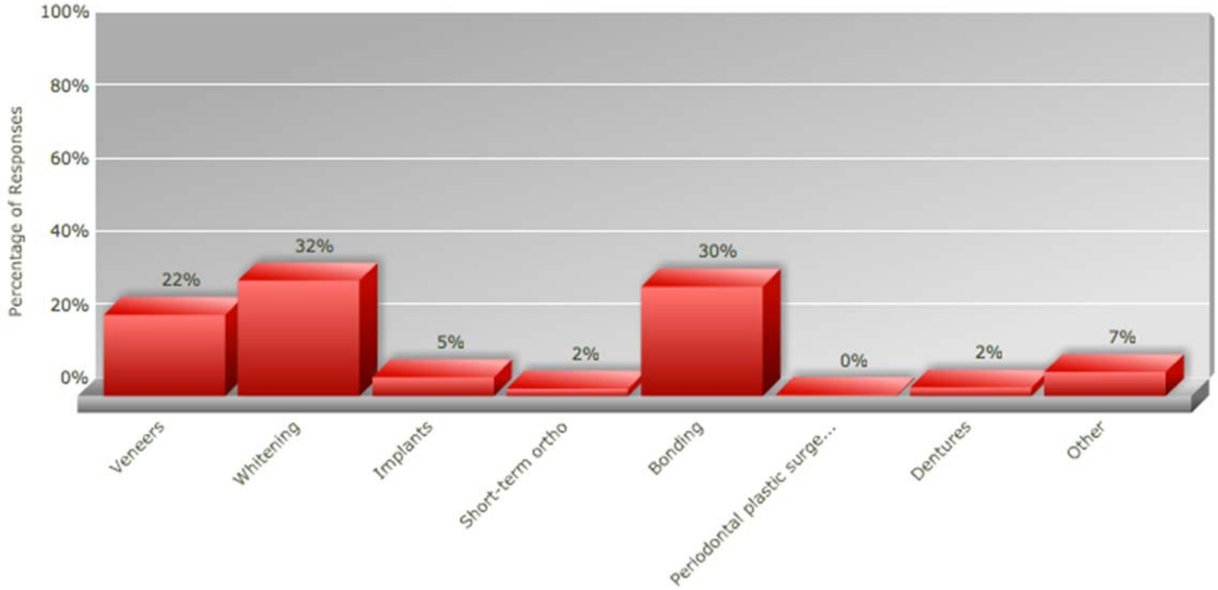


352 responding

In High Demand

What is the most popular cosmetic procedure at your practice?

With the ability to check only one option, respondents were asked to identify the most popular treatments performed at their office. Bonding, whitening, and veneers made up 84% of the responses.

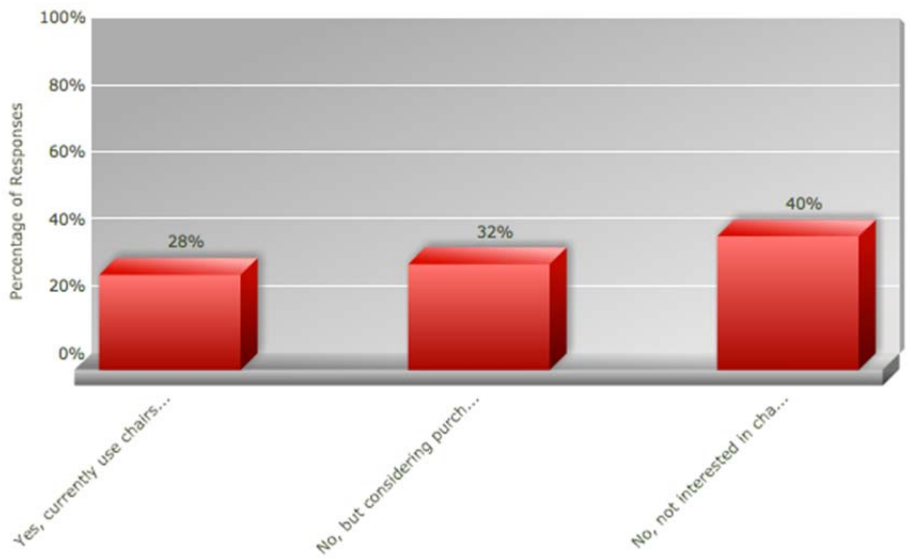


351 responding

In-Office Technology

Does your practice use a chairside CAD/CAM system?

A new question for 2015, 28% of respondents currently use a CAD/CAM system in their practice, while another 32% are considering the purchase of one.

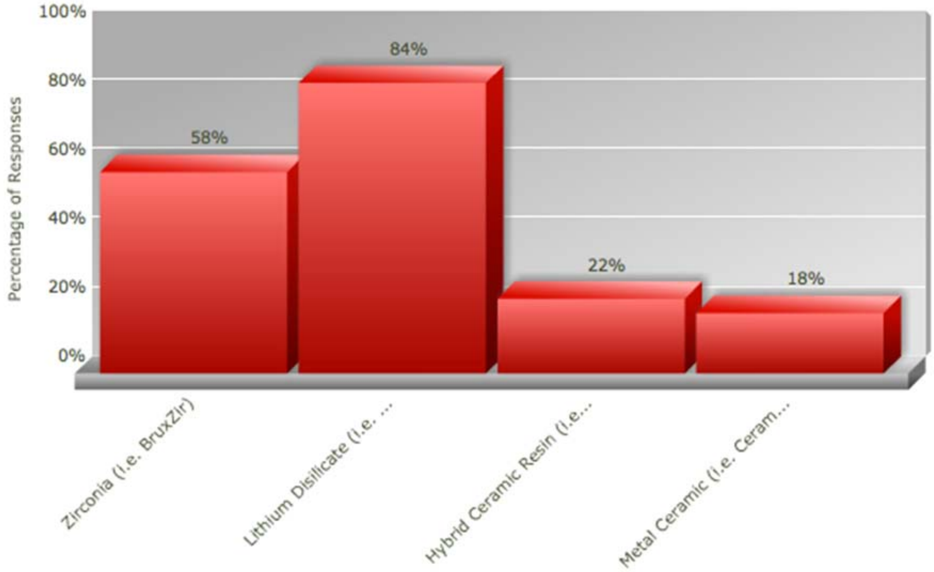


348 responding

Materials

*What would you put in **your** mouth?*

A new question for 2015, AACD asked: Which restoration material would you use in your own mouth? The clear choice at 84% is Lithium Disilicate (i.e. IPS e.max) with Zirconia trailing.

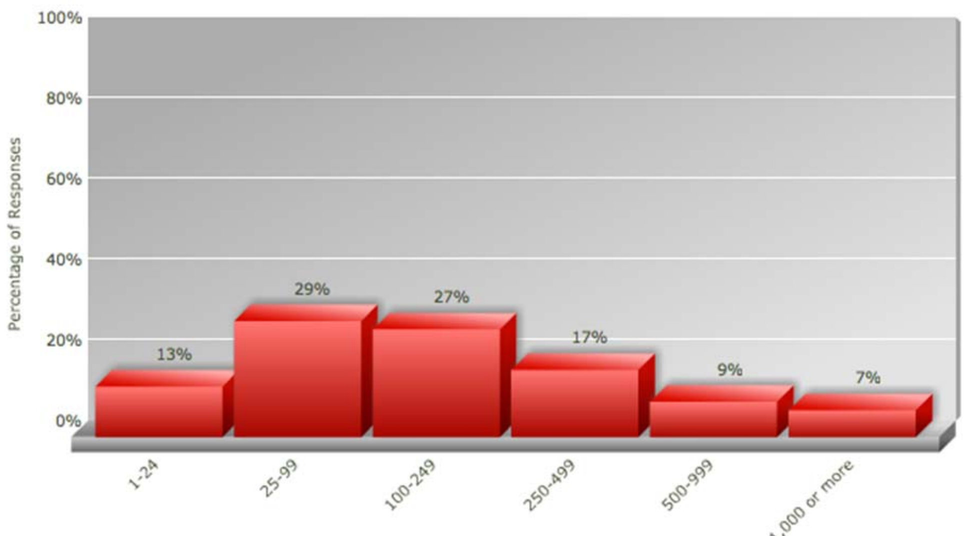


240 responding

The Doctor Will See You Now

How many patients did you see 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 2015 (counting multiple visits by the same patients as one visit). At the low end of the spectrum, 13% had fewer than 25 patients. Most respondents (56%) reported seeing between 25 and 250 patients. However, at the high end of the distribution, 7% of practices saw 1,000 or more patients—an increase of one point since the 2013 survey.

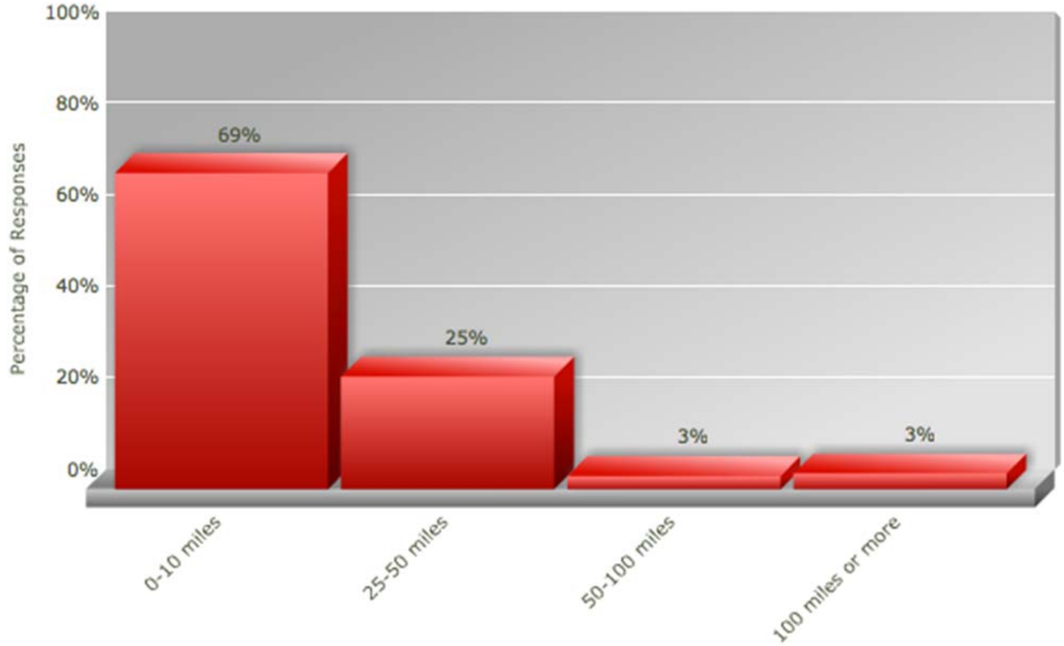


240 responding

Location or Expertise?

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

While more than two-thirds of respondents report that patients generally come from within 10 miles of their practice, 31% will drive 25 miles or much more to patronize a specific dentist—a six-point increase since 2013.

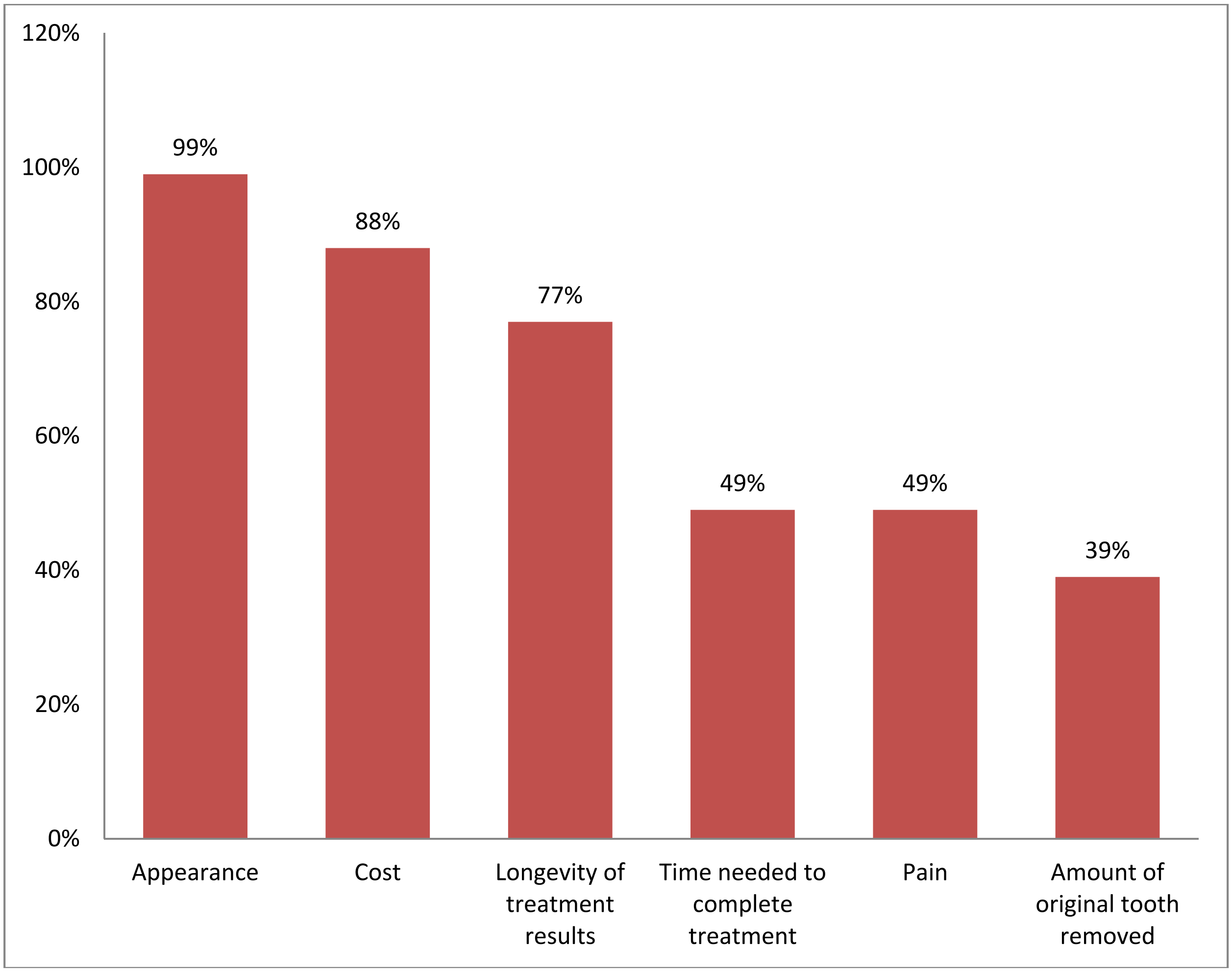


346 responding

What Patients REALLY Care About

What issues are of primary concern for your patients?

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 99%. Indicated by fewer, but still substantial majorities, are cost (85%) and longevity of treatment results (79%).



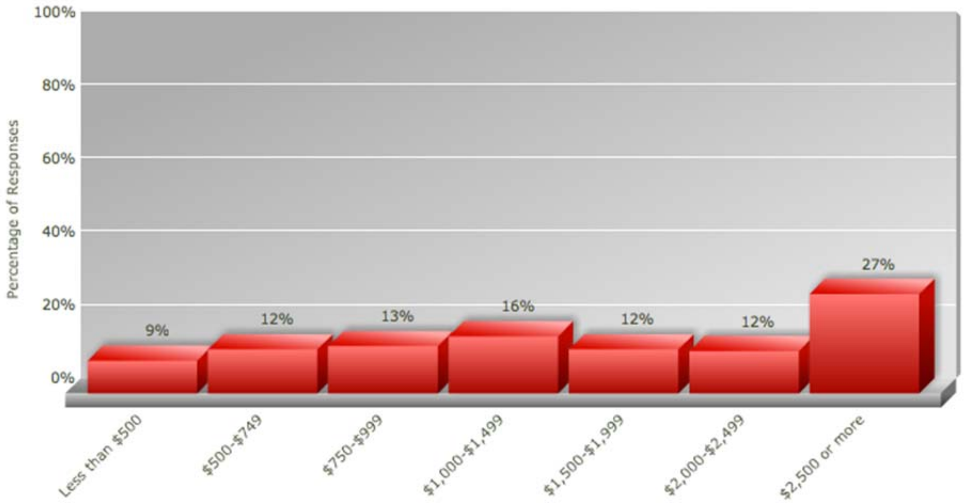
234 responding

Dollars and Sense

Show Me the Money I

*What is your 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 27% of respondents, a seven-point decrease since 2013, however, those seven points are reflected in a rise in the next two ranges ($2,000 - $2,499 and $1,500 - $1,999).

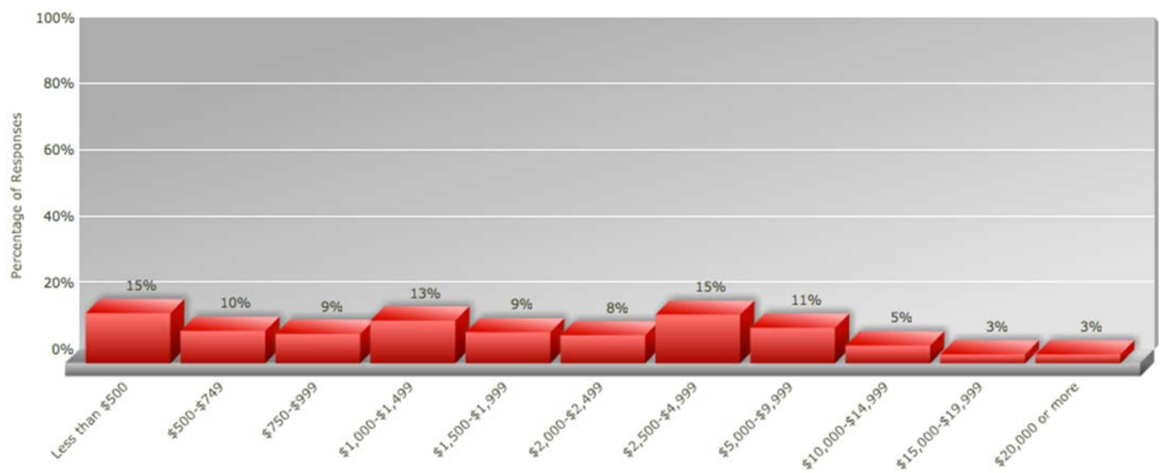


225 responding

Big Spenders

*What was the 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 37%, down six points since 2013.

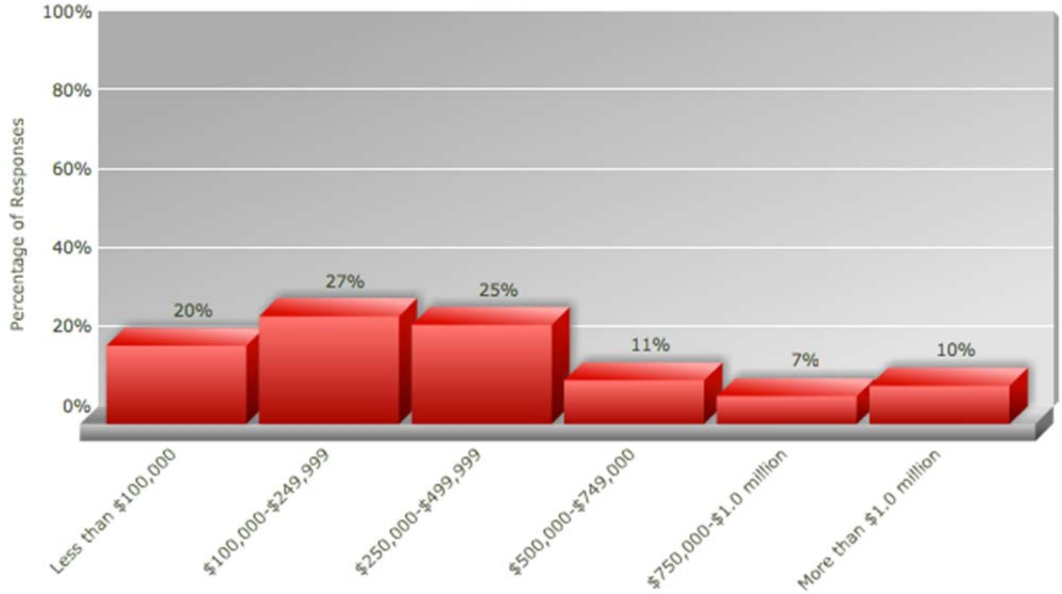


226 responding

Show Me the Money II

What were your total revenues for cosmetic dentistry procedures?

The top two selections, $750,000 to more than $1 million, collectively represent a four-point positive swing from the 2013 survey, potentially indicating a strengthening of the economy.

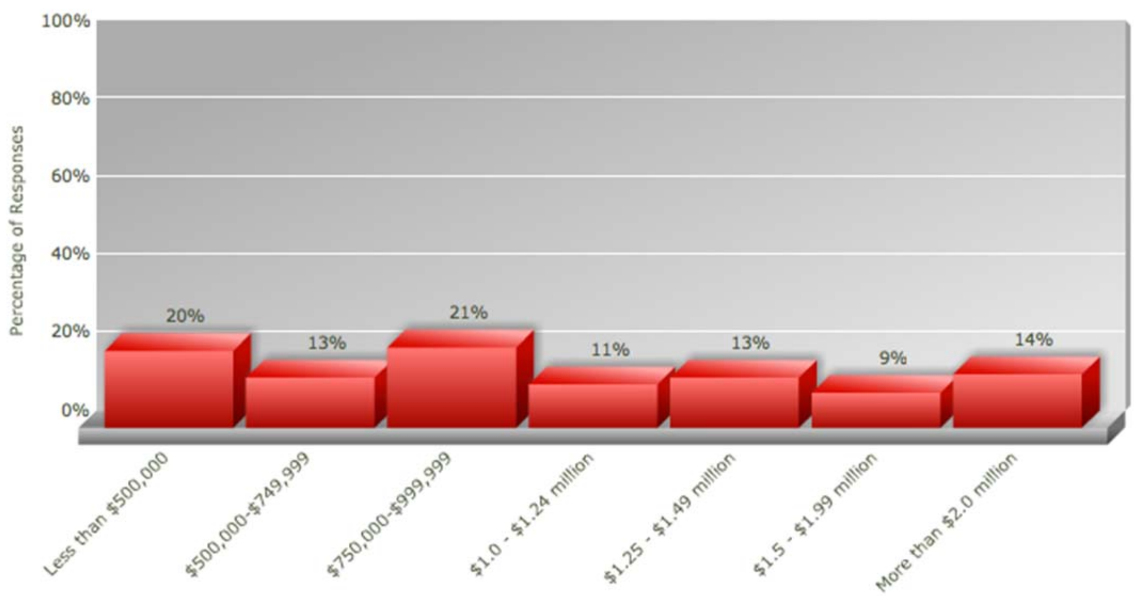


227 responding

Doing the Math

What were your total revenues for ALL dentistry procedures (cosmetic and non-cosmetic)?

These results address practice activity in total revenues. Data suggests similar results to those seen in the 2013 survey.

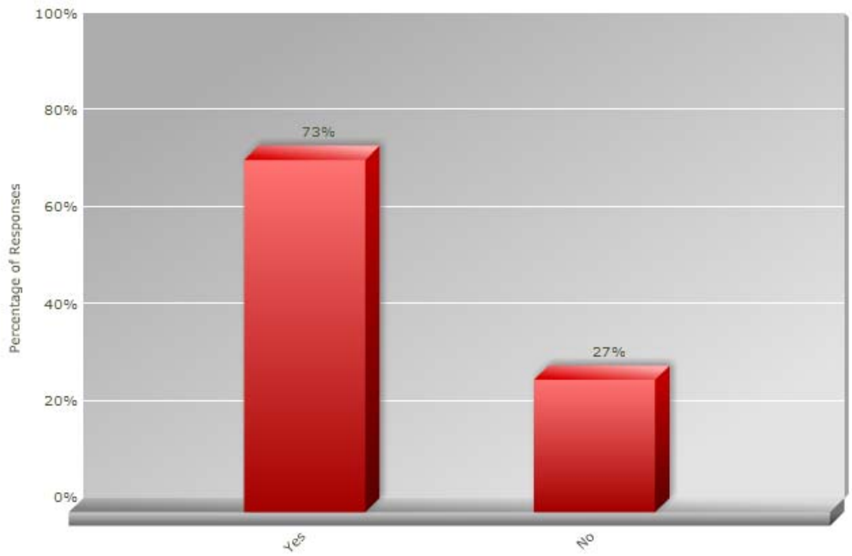


233 responding

Financial Assistance

Did your practice offer third-party financing options?

Seventy-three percent of practices indicated they offered their cosmetic dentistry patients third-party external financing services in the past year, a decrease of six points since the 2013 survey.

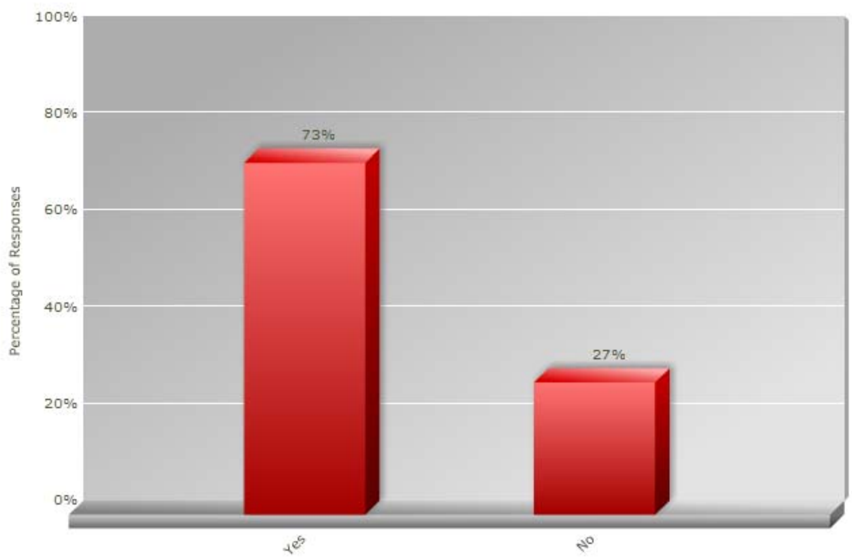


236 responding

Case Acceptance Boosted

Did offering external financing help with treatment acceptance?

Coincidentally, of those 73% of respondents offering financing, 73% of respondents reported that third-party financing options helped patients get to a "yes" decision.

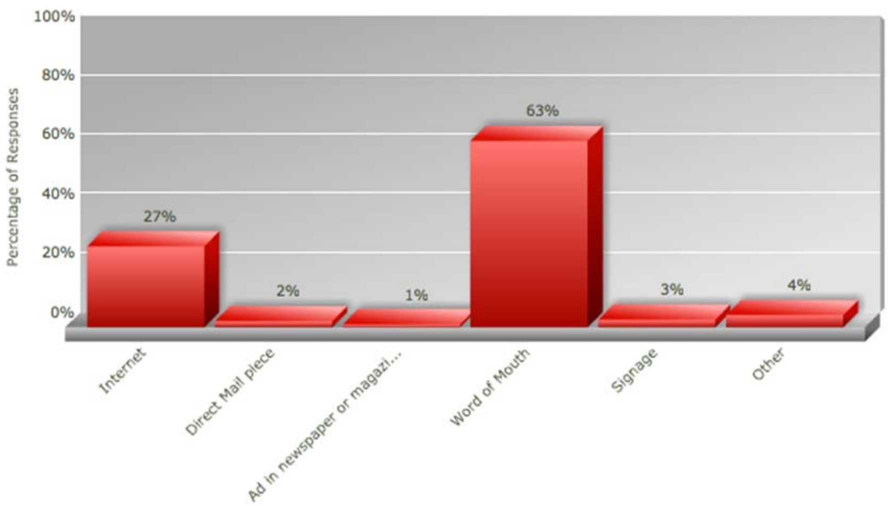


208 responding

If You Build It, Will They Come?

How do most of your patients find you?

The only two answers with a significant response were word of mouth and Internet search. The combined total of these two methodologies is 90%—a 2-point increase since 2013—with word of mouth leading the way by a wide margin.

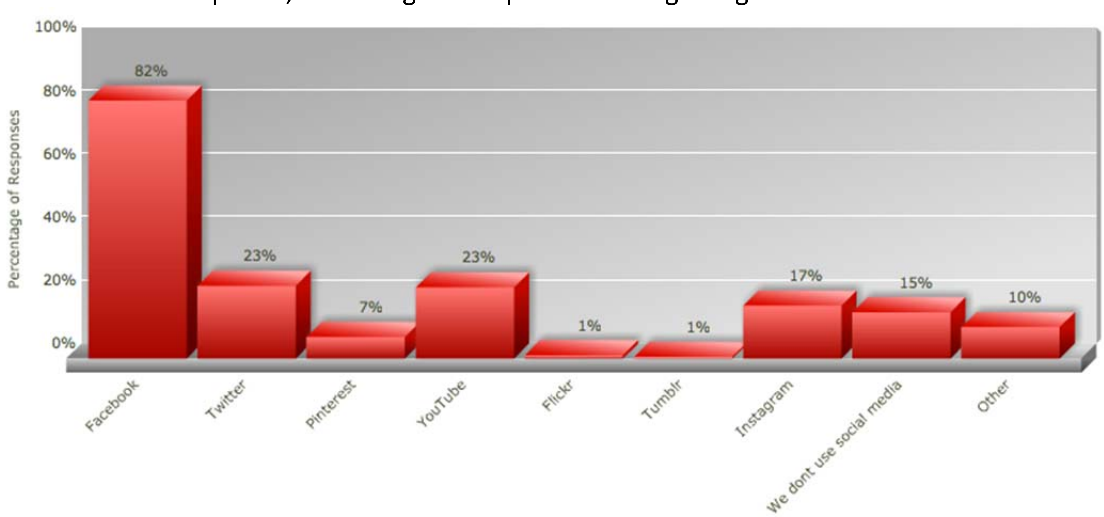


194 responding

Getting Social

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

Facebook continues to dominate the social scene for dental practices, with Twitter and YouTube trailing. Dentists experiment with other social platforms too. Though 15% do not participate at all, this is a decrease of seven points, indicating dental practices are getting more comfortable with social media.



191 responding

Revenue Change for Top Cosmetic Procedures

Respondents were asked to report the approximate number of **bleaching/whitening procedures** their practice performed in the previous year: **Avg. 109**

The average cost of a whitening procedure in their practice: **Avg. $357.33**

Compared to the bleaching/whitening procedures in the year previous, this year was	
189 responding	
an increase	29 %
a decrease	19 %
about the same	52 %
Respondents expect bleaching/whitening procedures in the coming year to	
192 responding	
increase	35 %
decrease	4 %
stay about the same	61 %

Respondents were asked to report the approximate number of **crown and bridge work procedures** their practice performed in the previous year: **Avg. 495.2**

Compared to the crown and bridge work procedures in the year previous, this year was	
185 responding	
an increase	38 %
a decrease	17 %
about the same	44 %
Respondents expect crown and bridge work procedures in the coming year to	
185 responding	
increase	43 %
decrease	6 %
stay about the same	50 %

Respondents were asked to report the approximate number of **direct bonding procedures** their practice performed in the previous year: **Avg. 663.3**

The average cost of a **direct bonding procedure** (per tooth) in their practice: **Avg. $358.83**

Compared to the direct bonding procedures in the year previous, this year was	
183 responding	
an increase	40 %
a decrease	4 %
about the same	56 %

Respondents expect direct bonding procedures in the coming year to	
184 responding	
increase	40 %
decrease	5 %
stay about the same	55 %

Respondents were asked to report the approximate number of **implant procedures** their practice performed in the previous year: **Avg. 95.1**

The average cost of an **implant procedure** in their practice: **Avg. $2,240.74**

Compared to the implant procedures in the year previous, this year was	
183 responding	
an increase	45 %
a decrease	10 %
about the same	45 %
Respondents expect implant procedures in the coming year to	
183 responding	
increase	64 %
decrease	2 %
stay about the same	34 %

Respondents were asked to report the approximate number of **inlay or onlay procedures** their practice performed in the previous year: **Avg. 95.2**

The average cost of an **inlay/onlay procedure** in their practice: **Avg. $917.82**

Compared to the inlay or onlay procedures in the year previous, this year was	
184 responding	
an increase	21 %
a decrease	15 %
about the same	64 %
Respondents expect inlay or onlay procedures in the coming year to	
185 responding	
increase	25 %
decrease	8 %
stay about the same	67 %

Respondents were asked to report the approximate number of **veneer procedures** their practice performed in the previous year: **Avg. 138.6**

The average cost of a **veneer** in their practice: **Avg. $1,171.92**

Compared to the veneer procedures in the year previous, this year was	
185 responding	
an increase	27 %
a decrease	20 %
about the same	53 %
Respondents expect veneer procedures in the coming year to	
186 responding	
increase	42 %
decrease	7 %
stay about the same	51 %

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

Answer	Percentage
1-2	17 %
4 or more	65 %
The entire smile zone	18 %

Executive Summary

General

- A total of 360 responses were tabulated, with fewer respondents completing the latter portion of the survey. Seventy-four percent of respondents were American Academy of Cosmetic Dentistry (AACD) members.
- Previous benchmarking surveys were conducted in 2004, 2007, 2011 and 2013.

Cosmetic Dental Practice Demographics

- Eighty-nine percent of respondents identified themselves as either a general or cosmetic dentist. (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 9 percentage points in the past eight years. Still, 44% of cosmetic dentistry practices report the type of community in which they are located as suburban. (page 7)
- Sixty-four percent of reporting practices have between 3 and 9 employees. (page 8)
- Nearly two-thirds of respondents indicate that they work in a solo practice environment, with another third claiming affiliation with a group practice. (page 8)
- Most respondents indicate patronage of two or three labs. "Esthetic considerations" was the top concern (76%) in selecting which dental laboratory to use. (page 9)
- Finding a lab to work with is overwhelmingly driven by word of mouth, with 63% reporting this as the top way to learn of lab reputation. And 29% of respondents report that their primary lab technician is an AACD member while 18% patronize an AACD Accredited lab technician—a seven-point increase since 2013. (pages 10 & 11)

Cosmetic Dentistry Patients

- While the entire dental team is involved in initiating dialogue about cosmetic dentistry and recommending procedures, dentists instigate the large majority of new business (82%), but hygienists seem to be playing a large role in treatment conversations as well. (page 12)
- Respondents indicated that demand for cosmetic dentistry procedures was primarily driven by referrals from others who have had a positive experience (93%) followed by improved esthetic results and a baby boomer generation with expendable income. (page 13)
- Eighty-six percent of patients elect cosmetic treatments to improve physical attractiveness and self-esteem. Other reasons cited: to fix a previously failed cosmetic treatment (51%); upcoming events like a wedding (48%); restorative or health reasons (like accident or injury) (46%); and to look and feel younger (45%). (page 14)
- Crowns and bridgework, bonding, veneers, and whitening continue to be the top procedures offered by cosmetic dentists. (pages 14 & 15)
- Twenty-eight percent of practices report using a chairside CAD/CAM system, while 32% are considering purchasing one. (page 15)

- When asked what restoration material the respondent would put in their mouth, the leading answer was Lithium Disilicate (i.e. IPS e.max) at 84% with Zirconia (i.e. BruxZir) coming in second. (page 16)
- Seven percent of practices report having 1,000 or more patients—a one-point increase since 2013. (page 16)
- While nearly three-quarters of respondents report that patients generally come from within 10 miles of their practice, 31% will drive 25 miles or much more to patronize a specific dentist. (page 17)
- 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 99% of respondents. Indicated by fewer, but still substantial majorities, are cost and longevity of treatment results. (page 18)

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, 27% indicated the highest category available on the survey: $2,500 or more. However, this represents a seven-point decrease since 2013. (page 19)
- The amount the average cosmetic dentistry patient spent on services at respondents' practices *in the past year* has decreased, with only a combined 37% of respondents selecting the top five tiers available in the survey ($2,500 to $20,000+), down six points since 2013. (page 19)
- Seventy-three percent of practices indicated they offered their cosmetic dentistry patients third-party external financing services in the past year. And of those offering financing, 73% of respondents reported that third-party financing options helped patients get to a "yes" decision. (page 20)
- Ninety percent of respondents report that patients find them via word of mouth (WOM) and Internet search, with WOM leading the way by a wide margin (63%). And, while 15% of practices do not engage in any form of social media, 82% use Facebook and 23% are on Twitter. (page 21)
- Revenue from cosmetic dentistry procedures showed a four-point increase in the top three tiers of the survey ($500,000 to more than $1 million) since 2013. (page 22)
- When asked about total revenues for all dentistry procedures (cosmetic and non-cosmetic) in 2015, 14% of respondents reported more than $2 million, a four-point increase since 2013, indicating positive news. (page 22)
- Regarding 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 continue to see the most positive change. (pages 23-25)

# # #