Growing CAD/CAM abutment adoption vs increasingly popular discount implants

Opposing pricing trends to influence Asia Pacific dental implant market

Authors: Dr Kamran Zamanian & Celine Mashkoor, Canada

The various countries in the Asia Pacific region are all expected to demonstrate an increasing demand for dental implant treatments as a result of growing consumer awareness, the ageing population, growing accessibility (such as through the National Health Insurance Service coverage in South Korea), as well as greater product availability and other influencing factors. Traditionally, premium implant companies have dominated the dental implant market globally. However, in recent years, discounted implants have become increasingly popular, especially in the Asia Pacific region. The growth of the discount implant segment will emerge at the expense of the premium segment and as a result is set to limit market growth for dental implant fixtures by lowering the market’s overall average selling price (ASP). In contrast, the final abutment market is set to experience an increasing ASP owing to the growing adoption of CAD/CAM abutments in the place of stock abutments. While commoditisation of stock abutments has greatly depressed the ASP of the final abutment market, growing adoption of CAD/CAM abutments is set to stimulate the final abutment market by pulling the ASP upwards. Therefore, the dental implant market is set to grow in all four countries included in the Asia Pacific region in this report, namely Australia, South Korea, Japan and China, despite varying pricing trends.

In the Asia Pacific dental implant market, consumer awareness, cultural tendencies and domestic regulations vary greatly. South Korea represents the most highly developed dental implant market as a result of being home to a number of global leading dental implant companies. This in turn has led to a high level of consumer awareness and early accessibility to a variety of...
dental implant products. However, the dental implant market in South Korea is also highly discount dominant and led by domestic implant producer OSTEEM PLANT and as a result demonstrated the lowest regional dental implant ASP of US$86 in 2014.

In contrast, the Australian market remains highly dominated by leading premium implant companies, which collectively held over 70 per cent of the domestic market. Consequently, Australia demonstrated the highest dental implant fixture ASP in the region at US$345 in 2014. An increasing number of general practitioners are being trained in dental implant procedures in Australia, and general practitioners have been observed to be more cost sensitive relative to specialists. As a result of a growing number of general practitioners in the market, consumer preferences are shifting towards discounted solutions. Discount implant companies from the US and South Korea have recently been gaining market share in Australia. Throughout the forecast period, the premium segment of the market is expected to grow at far lower annual growth rates relative to the discount and value segments in Australia. By 2021, it is expected that discount implants will represent 43 per cent of the overall units in the Australian market.

The Japanese and Chinese markets for dental implants are also dominated by premium companies. In recent years, OSTEEM PLANT has had a significant impact on the Chinese market, however, especially as a result of the training programme offered by the company’s Advanced Dental Implant Research and Education Center. All segments of the dental implant market in China are expected to demonstrate double-digit annual growth. However, the discount market is set to grow far more dramatically throughout the forecast period. By 2021, discount implant fixtures are set to represent over 50% of the overall units in the Chinese dental implant market.

The shift towards discount implants in Japan is expected to be far less dramatic, especially owing to

Fig. 2. China’s dental implant market. The adoption of CAD/CAM final abutments, which are more expensive, and a growing discount implant segment are set to result in the final abutment market representing a larger portion of the dental implant market throughout the forecast period.

Fig. 3. OSTEEM PLANT, a Korean discount dental implant company, led the Asia Pacific market for dental implant fixtures and final abutments in 2014. The company is expected to continue to capitalise on the growing popularity of discount implants.
cultural barriers that limit the success of Korean dental implant companies. The premium implant segment is expected to remain the dominant dental implant market throughout the forecast period. Unit representation of discount implants is expected to increase slightly from 12.5 per cent currently to 14.6 per cent by 2021.

The growing acceptance of discount implants has been driven by Korean companies. The regional market leader, OSSSTEM IMPLANT, held a 21.9 per cent share of the total dental implant market for the Asia Pacific region in 2014. The company has invested significantly in marketing efforts, which has led to the growing popularity of its products. Throughout the forecast period, OSSSTEM IMPLANT and other discount implant companies, such as MegaGen, Dentium and Neobiotech, are expected to capitalise on the growing popularity of discount implants. In contrast, premium implant companies, such as Straumann and Nobel Biocare, are expected to face increasing competitive pressures, especially in China and Australia.

_EmpHASIS ON CADCAM_

In the dental implant market, the final abutment market is undergoing an opposing pricing trend relative to dental implant fixtures. CAD/CAM abutments are being increasingly utilised in the place of cheaply produced stock abutments. CAD/CAM development has been relatively rapid in the Asia Pacific region in recent years. A growing number of CAD/CAM milling centres have emerged to produce CAD/CAM abutments for the dental implant market. The overall region is set to demonstrate significant growth in the CAD/CAM segment for final abutments. In contrast to the dental implant fixture market, where discount products are gaining share, the overall final abutment market is set to demonstrate an increasing ASP. CAD/CAM final abutments are relatively more expensive than stock abutments, which have traditionally dominated the market. The shift towards CAD/CAM abutments is set to be most significant in China. For the overall region, units of CAD/CAM abutments are set to grow at a compound annual growth rate of 22.1 per cent. By 2021, CAD/CAM abutments are forecast to represent 31.6 per cent of the overall abutment units in Asia Pacific.

_CoNCLUSION_

Overall, the dental implant market, including fixtures and abutments, is set to grow at a compound annual growth rate of 11.5 per cent for the Asia Pacific region. The unit growth will far outweigh the ASP effects, and the dental implant market will grow to reach a higher penetration ratio for the overall Asia Pacific region._

/about the authors/

Dr Kamran Zamanian is a market research analyst for iData Research (www.idataresearch.com) in Canada. He can be contacted at info@idataresearch.net

Celine Mashkoor is also a market research analyst at iData Research.