Growing CAD/CAM abutment adoption vs increasingly popular discount implants

Opposing pricing trends to influence Asia Pacific dental implant market

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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 growing acceptance of discount implants has been driven by the growing adoption of CAD/CAM abutments in the place of stock abutments. While commoditization 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 brands. The Japanese and Chinese markets for dental implants are also dominated by premium companies. In recent years, OSTEIM 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 cultural barriers that limit the success of Korean dental implant companies. The premium segment is expected to remain dominant throughout the forecast period. Unit representation of discount implants is expected to increase slightly from 12.5% currently to 14.6% by 2021.

The growing acceptance of discount implants has been driven by Korean companies. The regional market leader, OSTEIM PLANT, held a 21.9% 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, OSTEIM PLANT and other discount implant companies, such as Megagen, Dentium and Neobiotec, are expected to capitalize on the growing popularity of discount implants. In contrast, premium implant companies such as Straumann and Nobel Biocare, are expected to face increased competitive pressures, especially in China and Australia.

Emphasis on CAD/CAM

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%. By 2021, CAD/CAM abutments are forecast to represent 51.6% of the overall unit market 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% 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 rate for the overall Asia Pacific region.

Fig. 1: Unit analysis of dental implant fixtures for Australia. By 2021, units of premium implants are expected to dominate 90% of the overall dental implant fixtures in the country. (Source: iData Research Inc.)

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 a flat abutment market with a slightly larger portion of the dental implant market throughout the forecast period.

Fig. 3: OSTEIM 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.