



Pet EPPS

April 29, 2018 - May 02, 2018

David Sprinkle
dsprinkle@marketresearch.com
Research Director, Packaged Facts



Packaged
Facts

Trends in the U.S. Pet Market



Trends in the U.S Pet Market

- *Market Snapshot*
- *Towards Transparency in Pet/Food*
- *Wellness Unleashed in Pet Supplies*
- *The Internet as Game-Changer*



Packaged
Facts

U.S. Pet Market Retail Sales, 2013-2017

	2013	2014	2015	2016	2017
Retail Channel Pet Food/Treats	\$28.22	\$28.91	\$30.04	\$31.52	\$33.08
<i>YOY % Chg</i>	5.3%	2.4%	3.9%	4.9%	4.9%
Retail Channel Pet Supplies	\$13.93	\$14.32	\$15.30	\$16.39	\$16.91
<i>YOY % Chg</i>	4.7%	2.8%	6.8%	7.1%	3.2%

Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018)



Packaged
Facts

Level of Agreement with Statement:
"I consider my dogs/cats to be part of the family," 2018
(percent of pet owners)

Level of Agreement	Dog Owners	Cat Owners
Strongly Agree	73%	65%
Somewhat Agree	17%	21%
No Opinion/Not Applicable	8%	11%
Somewhat Disagree	1%	2%
Strongly Disagree	1%	2%

Note: Percentages might not total 100% due to rounding.

Nutrition Philosophy

"Love them like family. Feed them like family."®

What's In Our Food and Why

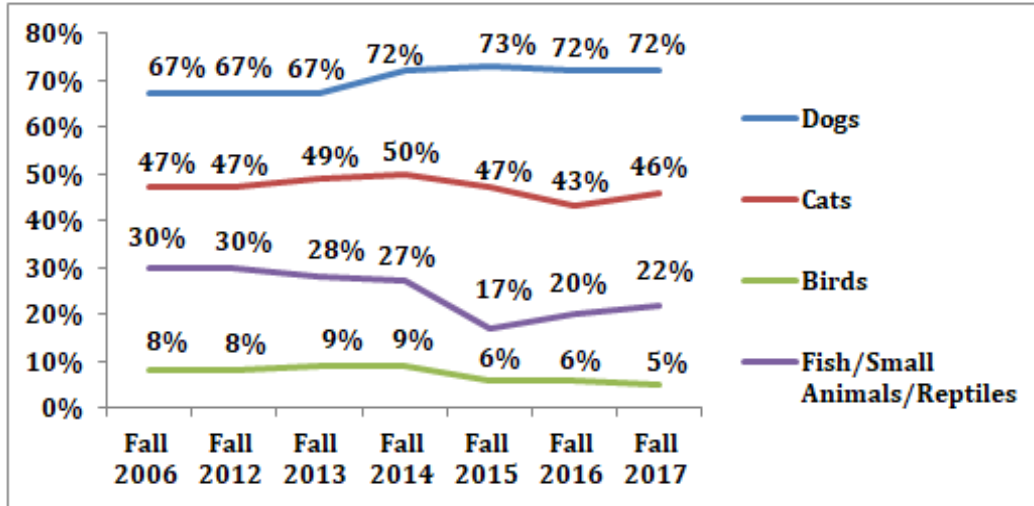


Packaged
Facts

My dog has a positive impact on my physical health	Do Not Agree	7%
	Somewhat agree	39%
	Strongly agree	54%
My dog has a positive impact on my mental health	Do Not Agree	6%
	Somewhat agree	33%
	Strongly agree	61%
My cat has a positive impact on my physical health	Do Not Agree	13%
	Somewhat agree	38%
	Strongly agree	49%
My cat has a positive impact on my mental health	Do Not Agree	9%
	Somewhat agree	31%
	Strongly agree	59%

Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018)

Share of Overall Pet Owners by Selected Classifications, 2006-2017
(percent)



Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018)

**Level of Agreement with Statement:
“I enjoy buying pet products that pamper my dogs/cat,” 2018
(percent of pet product buyers)**

Level of Agreement	Dog Owners	Cat Owners
Strongly Agree	36%	32%
Somewhat Agree	35	36
No Opinion/Not Applicable	22	25
Somewhat Disagree	6	5
Strongly Disagree	2	2

Note: Percentages might not total 100% due to rounding.

Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018)



BLS CES on Share of Total Pet Market Expenditures

	\$70K+ % of Total Spending	< \$70K % of Total Spending
2016	60.3%	39.7%
2015	56.3	43.7
2014	53.7	46.3
2013	52.0	48.0
2012	53.9	46.1
2011	50.4	49.6
2010	51.1	48.9
2009	52.1	47.9
2008	55.6	44.4
2007	55.0	45.0
2006	52.0	48.0
2005	49.2	50.8
2004	47.1	52.9
2003	40.0	60.0



Trends in the U.S Pet Market

- *Market Snapshot*
- *Towards Transparency in Pet/Food*
- *Wellness Unleashed in Pet Supplies*
- *The Internet as Game-Changer*

Nutrition Philosophy

"Love them like family. Feed them like family."®

What's In Our Food and Why



Packaged
Facts

Fresh	74%
Quick to cook/prepare foods	51%
Comfort food	51%
Low price foods	50%
Convenient to eat/drink foods	44%
High protein	40%
No artificial ingredients	40%
All-natural (other than organic)	36%
High fiber	36%
Locally raised/grown	32%
Local flavors/dishes	31%
Organic	30%
High vitamin/mineral	28%
Boldly flavored foods	27%
Indulgent foods	27%
Low carb	26%
International/global flavors	26%
Functional benefits	24%
“Superfoods” or “superfruits”	19%
Artisanal/craft style foods	19%
High probiotic	16%
Novelty foods	13%
With energy ingredients	11%

what do food shoppers want? “especially appealing” food product characteristics, 2018



Packaged
Facts

LifeSource Bits contain a precise blend of vitamins, minerals, and antioxidants selected by holistic vets and animal nutritionists.



[Hill's® Science Diet® Adult Hairball Control Savory Chicken Entrée Cat Food - canned](#)

Precisely balanced nutrition to help avoid the formation of hairballs with the delicious taste of savory minced chicken

	<i>whose taste my pet likes</i>	<i>w/ natural ingredients</i>	<i>claims backed by scientific research</i>	<i>info provided by my vet</i>
Strongly agree	38%	24%	18%	27%
Somewhat agree	37	33	38	35
Neither agree/disagree	21	29	40	35
Somewhat disagree	3	10	3	2
Strongly disagree	1	5	1	1

Source: Packaged Facts, January/February 2018 Surveys of Pet Owners



Packaged
Facts

what do food shoppers want?

Natural/Whole Food **vs.** Scientific/Functional

Fresh	74%
High protein	40%
No artificial ingredients	40%
All-natural (other than organic)	36%
High fiber	36%
Locally raised/grown	32%
Organic	30%
High vitamin/mineral	28%
Functional benefits	24%
“Superfoods” or “superfruits”	19%
High probiotic	16%
Energy ingredients	11%

WESTIN SLEEP WELL MENU

Eat Smart, Sleep Well

Rest easy with the Westin Sleep Well Menu, a curated selection of sleep-enhancing superfoods developed in partnership with SuperFoodsRx and available through in-room dining.



Packaged
Facts

Innova, Top 10 Trends 2018

#1 Global Trend: Mindful Choices

“Consumers are more conscious than ever about making responsible food choices, and increasingly want to know what is in their food and how it is produced.”



then **vs.** now ...



IRI MULO tracking

2013: RTE popcorn at \$611 million

2018: RTE popcorn at \$1,345 million

DEDICATED TO

clean ingredients



NON-GMO
PROJECT VERIFIED



EVOO
GROWN AND MILLED IN CA



NON-GMO CORN
MIDWEST GROWN

[view nutrition info](#)



three
ingredients

What if we shared where each ingredient was grown? No closed doors, just total transparency.

Farm to Bag



farm-to-bag

BATCH #0215

farm-to-bag

your batch #

60

or

Current Batch

Nutrition Facts
Serving Size: 1 oz (28g/about 4 cups)
Servings Per Container: about 4

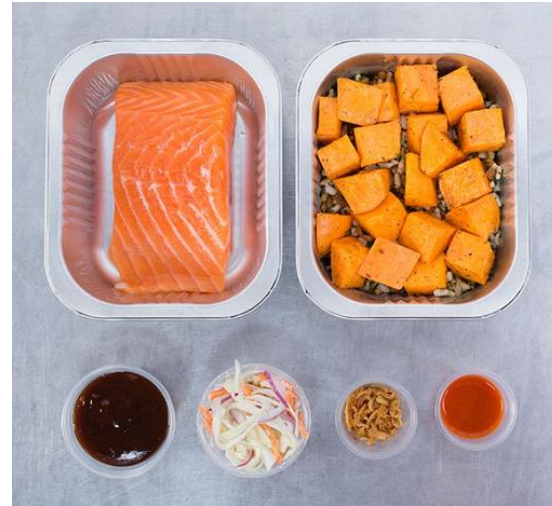


MEET THE FISHPeOPLE



**Sustainable Species.
Wild Caught.
In American waters.
By independent fishermen.
Ethically. Responsibly.
And you [can] follow it all,
in intimate detail, online.**

then **vs.** now ...



SHOP DOGS

SHOP CATS



OUR PHILOSOPHY

SHOP NOW

OUR NUTRO FEED CLEAN™ PHILOSOPHY

There is no greater privilege than being loved by a pet. There is also no greater responsibility. All the 'life' in your pet's life is dependent upon the choices you make, and because a pet's food energizes them from the inside out, no choice is more overwhelming than how to feed them.

"What is the best way to feed dogs and cats? That is the question at the heart of our brand. It's the journey we've been on for nearly a century, and each day the 'NUTRO' brand promises to strive to find a better answer.

Ninety years ago, we pioneered natural pet food. Today and for the future, we are setting a new standard: NUTRO FEED CLEAN™



OUR COMMITMENT TO CLEAN

A pet's food energizes them from the inside out, and NUTRO® clean recipes are simple, purposeful, and trustworthy - made of real, recognizable, non-GMO ingredients™. Each of our Dry Dog Food recipes is clean, and the same is true for our NUTRO® Dry Cat recipes. But we have more work to do on all of our wet, treats and MAWI® Cat products, and we won't rest until choosing any of our products means choosing clean for your pet. NUTRO FEED CLEAN®.



Level of Agreement with Statement: "I am willing to pay more for pet food products that are healthier for my pets," 2017 vs. 2018
(percent of pet product buyers)

Level of Agreement	2017	2018
Strongly Agree	37%	36%
Somewhat Agree	38	39
No Opinion/Not Applicable	17	19
Somewhat Disagree	5	4
Strongly Disagree	3	2

Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018)



Crate&Barrel

Trends in the U.S Pet Market

- *Market Snapshot*
- *Towards Transparency in Pet/Food*
- *Wellness Unleashed in Pet Supplies*
- *The Internet as Game-Changer*



Packaged
Facts

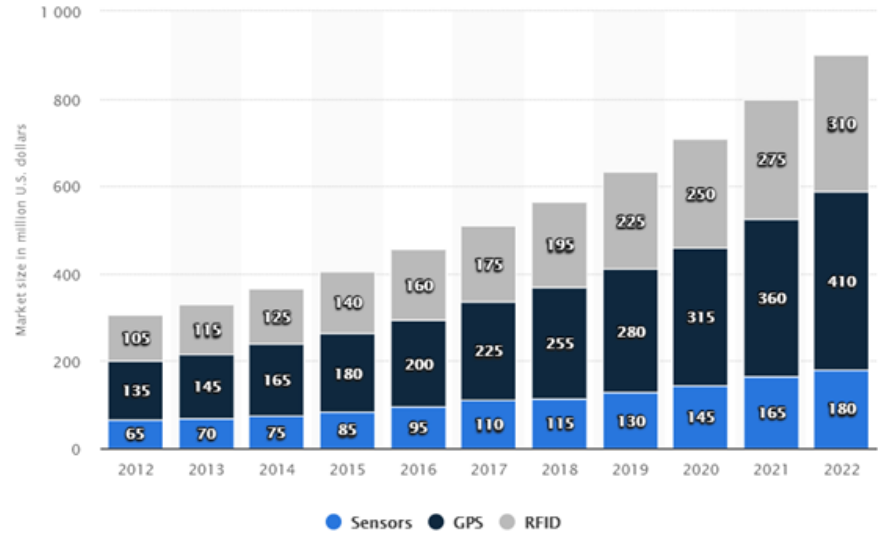


Delivering Peace of Mind to Pet Parents

As pet people ourselves, our dedication to quality for the past 50 years has produced products with pet lovers and their furry (or feathered) friends in mind. We get pets, and whether you are a pet-parent novice or a seasoned veteran, know that what you're getting is up to your pet-parent standards.



Size of the Pet Wearable Market in the United States by Technology from 2012 to 2022
(in millions of U.S. dollars)



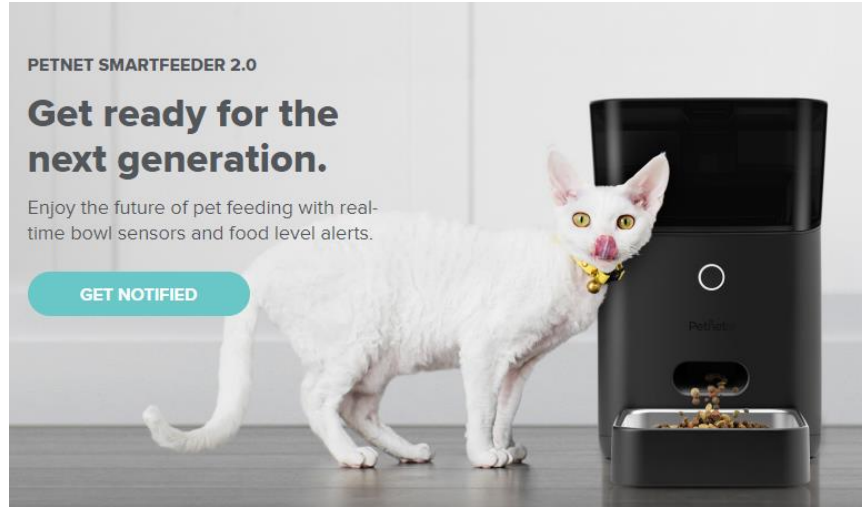
Source: <https://www.statista.com>

PETNET SMARTFEEDER 2.0

Get ready for the next generation.

Enjoy the future of pet feeding with real-time bowl sensors and food level alerts.

GET NOTIFIED

A white cat with a gold bell collar is standing next to a black Petnet Smartfeeder 2.0 automatic feeder. The cat is looking at the feeder, which has a small amount of food in its bowl. The background is a plain, light-colored wall.

We believe that smarter feeding improves your pet's health. Petnet will help you make intelligent decisions when it comes to your pets — bringing you more joy while keeping your pets healthy and happy.



 PET ZONE. We get the joy.™

IQ Treat Ball



I have a dog that sometimes has anxiety/stress issues.	Disagree	52%
	Somewhat agree	31%
	Strongly agree	17%
I have a dog that sometimes has behavioral problems.	Disagree	54%
	Somewhat agree	31%
	Strongly agree	14%
I have a cat that sometimes has anxiety/stress issues.	Disagree	64%
	Somewhat agree	22%
	Strongly agree	14%
I have a cat that sometimes has behavioral problems.	Disagree	58%
	Somewhat agree	30%
	Strongly agree	14%



Packaged
Facts

Comfort Zone Products

January 25, 2016

If you have a dog that barks too much and you're having guests over, try our Comfort Zone **Adaptil** diffuser to help calm your dog's stress.

FOR DOGS & PUPPIES
DIFFUSER KIT
Proven Effective[®]

Comfort Zone
with Veterinarian Recommended
ADAPTIL

HELPS REDUCE WHINING, TREMBLING + DESTRUCTIVE CHEWING

Helps With Puppy Adoption, Socialization and Loud Noises
Drug Free

Helps Reduce Excessive Indoor Barking
Veterinarian Recommended

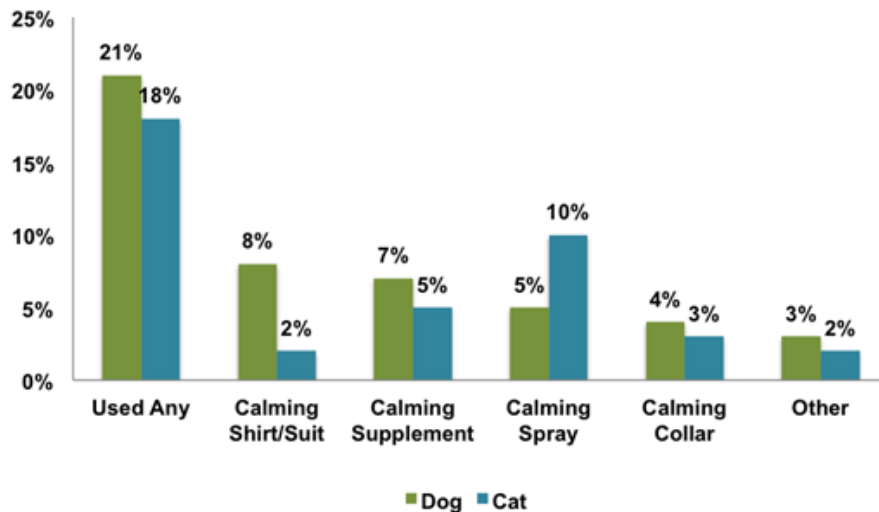
DANGER HARMFUL OR FATAL IF SWALLOWED
Call Physician Immediately

Contains 1 diffuser and 1 - 1.62 fl oz (48 ml) bottle
*Use on flat

Read label and insert prior to use.

Like Comment Share

Pet Calming Product Usage, 2017 (percent of dog owners vs. cat owners)



Source: American Pet Products Association 2017-2018 National Pet Owner Survey. Used with permission.





Litter-Robot III Open Air

Price: \$449.00 ★★★★★ 2603 Reviews

Estimated Processing Time: 5-7 Business Days

Freedom from scooping has never been more convenient, thanks to the Litter-Robot III *Open Air*—the automatic self-cleaning litter box that really works! The litter is automatically sifted after each use and waste is deposited into an easily accessible drawer, all while using less litter and reducing spilling. Say hello to the last litter box you will ever buy!

- Spacious litter chamber great for cats big and small (5 lbs and up)
- Self-cleans after each use
- Reduces litter box odor
- Great for multiple cats
- Waste drawer full indication
- 90-Day Money-Back Guarantee and 18-Month Full Warranty
- Power Supply and user resources located in Welcome Kit



Snoozer[®]
FOR DOG PEOPLE. BY DOG PEOPLE.




sleepypod[®]

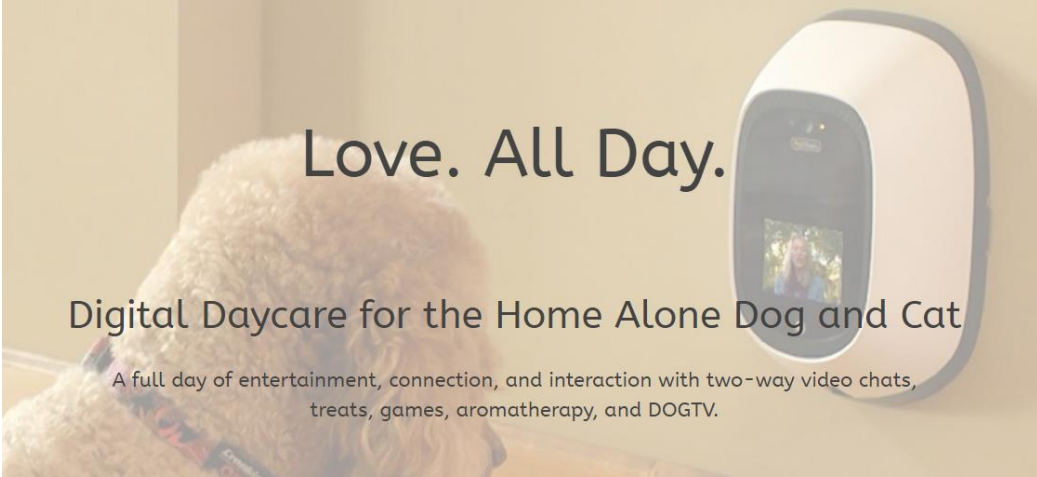




Love. All Day.

Digital Daycare for the Home Alone Dog and Cat

A full day of entertainment, connection, and interaction with two-way video chats, treats, games, aromatherapy, and DOGTV.

A promotional graphic for a smart pet device. It features a close-up of a dog's head on the left, looking towards a white, oval-shaped smart pet device mounted on a wall on the right. The device has a small screen displaying a person's face. The background is a soft, out-of-focus indoor setting.

Pet Owner Population by Locale, 2004-2017

Households (000)	Fall 2004	Fall 2017	% Chg
Total	110,169	122,745	11%
Top 25 DMAs	54,811	64,774	18%
Top 26-100 DMAs	38,333	42,698	11%
not Top 100 DMAs	17,025	15,272	-10%

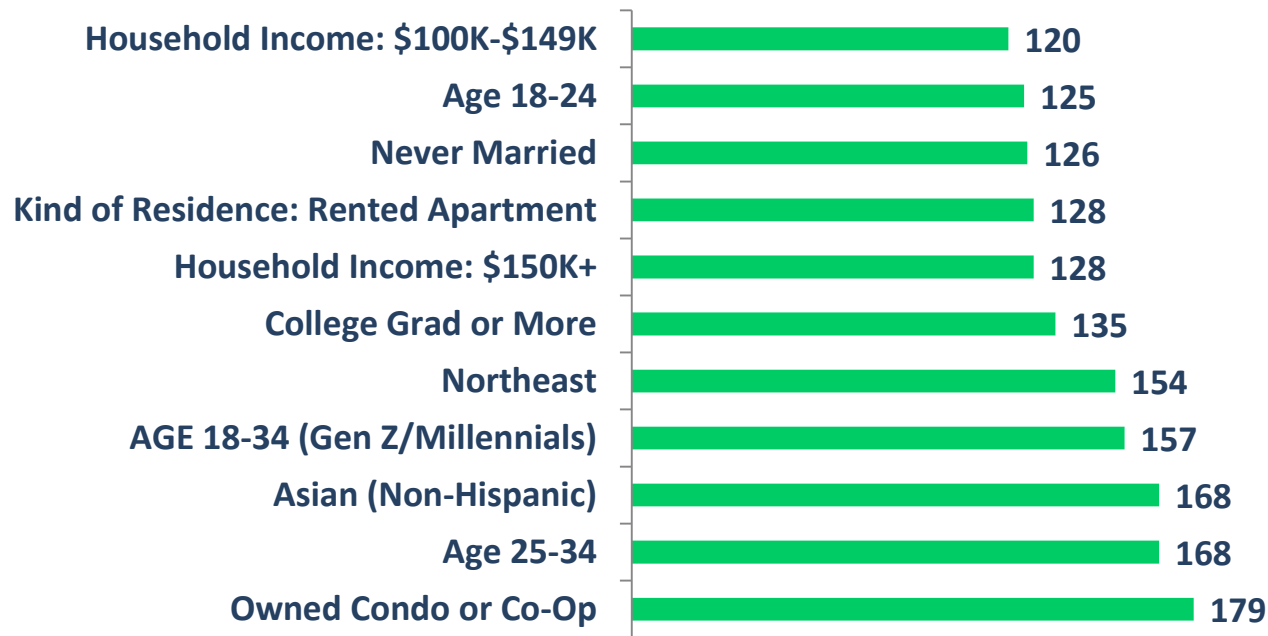
Simmons Market Research National Consumer Surveys. Copyright: 2018

Trends in the U.S Pet Market

- *Market Snapshot*
- *Towards Transparency in Pet/Food*
- *Wellness Unleashed in Pet Supplies*
- *The Internet as Game-Changer*



Packaged
Facts



*who shops for
pet products
online*

Source: Simmons Market Research National Consumer Survey, Fall 2017. Copyright: 2018

“I am buying pet products online more than I used to”

Packaged Facts National Pet Owner Surveys

	2012	2013	2014	2015	2016	2017	2018
Strongly Agree	6%	8%	11%	15%	18%	20%	24%
Somewhat Agree	12	14	14	18	19	20	16
No Opinion/ Not Applicable	19	23	25	20	20	19	27
Somewhat Disagree	20	18	15	17	14	13	20
Strongly Disagree	43	38	35	29	29	27	12



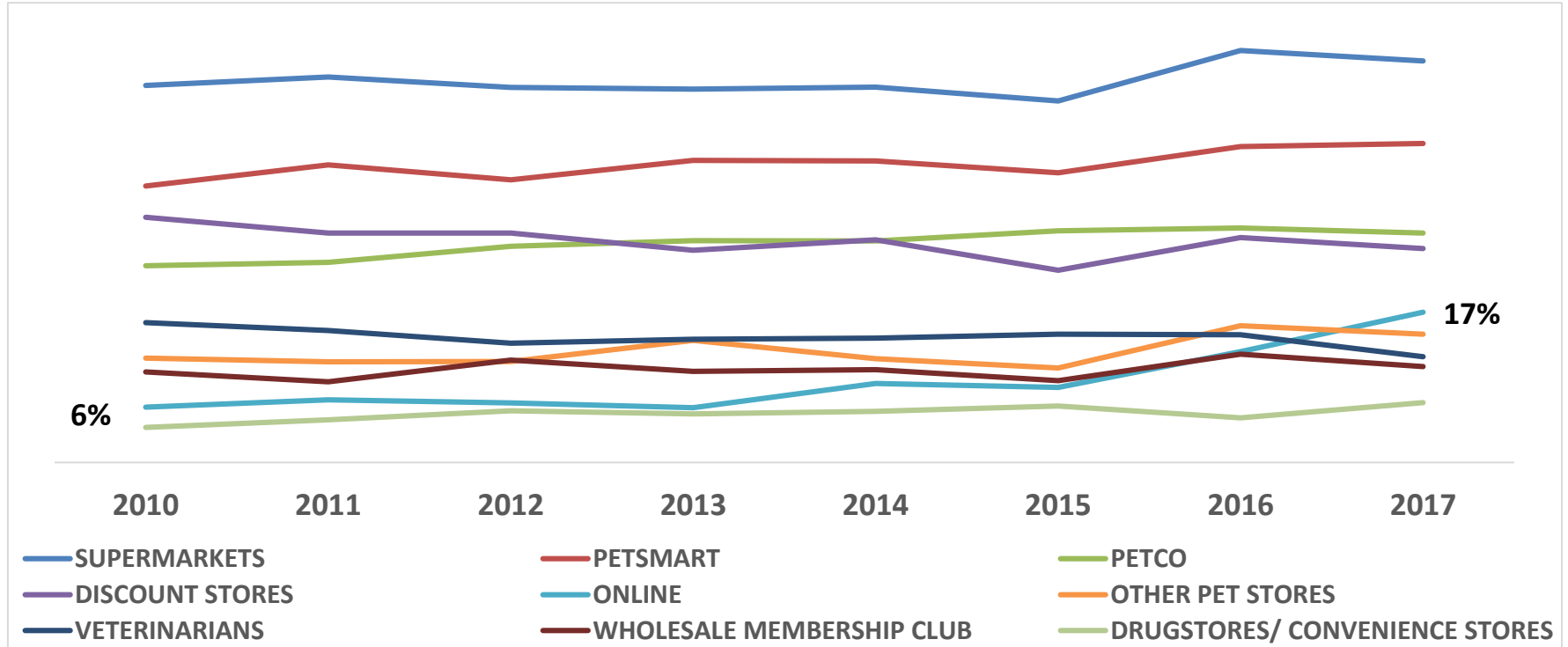
Packaged
Facts

Dog/Cat-Owning HH Customer Base for Pet Product Shopping

Retail Classification	2013		2017	
	Total (000)	% Dog/Cat Households	Total (000)	% Dog/Cat Households
Core Mass Market	37,293	66%	42,355	66%
Pet Superstores/Stores	32,303	57%	33,686	53%
Online	3,523	6%	10,951	17%
Veterinarians	8,843	16%	7,705	12%

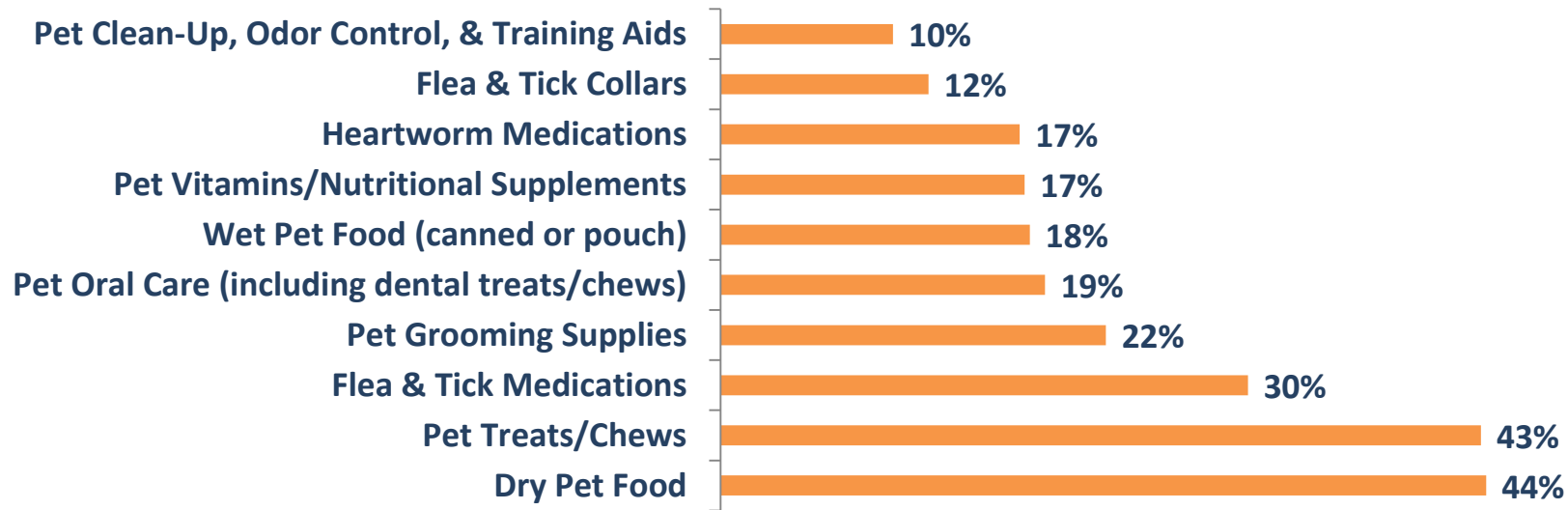
Source: Simmons Market Research National Consumer Survey, Fall 2013 & Fall 2017. Copyright: 2018

Retail Shopping Channels for Pet Products, 2010-2017 (% of dog/cat product owners)



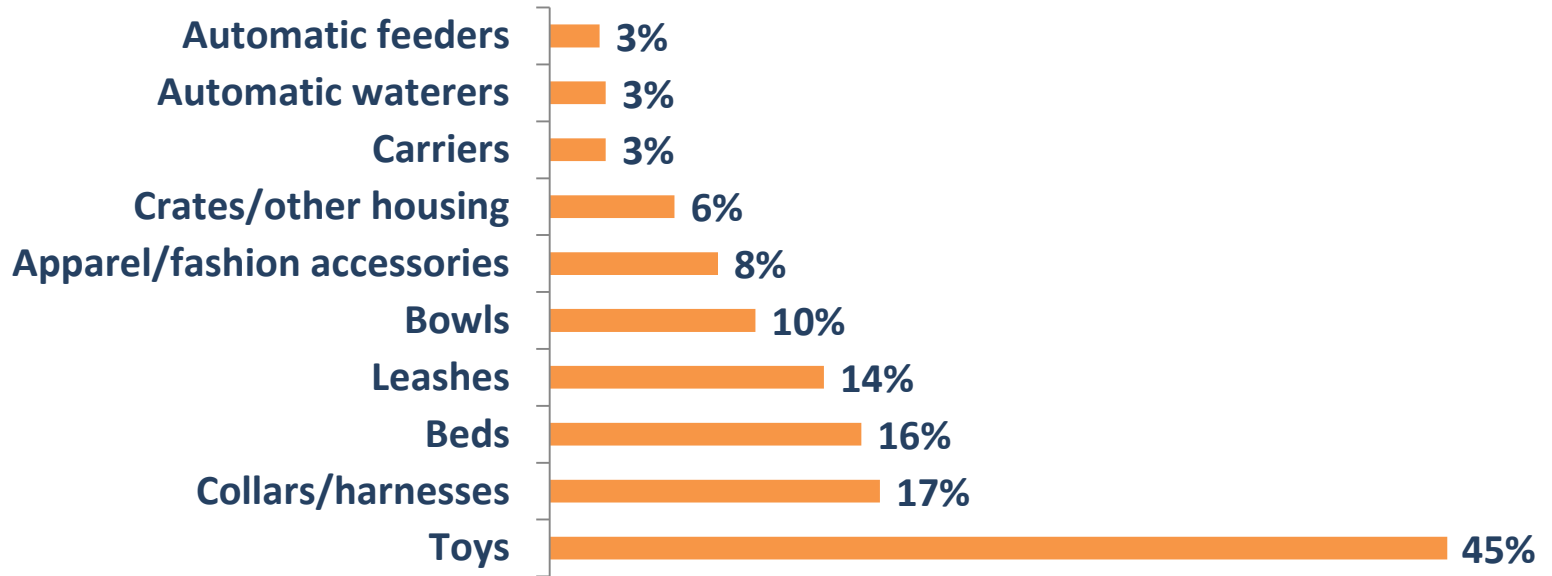
Source: Packaged Facts, *U.S. Pet Market Outlook, 2018-2019* (March 2018);
Simmons Market Research National Consumer Surveys. Copyright: 2018

Online Purchasing of Dog Consumable Products Within Last 12 Months, 2018 (among dog owners who buy pet products online)



Packaged Facts National Pet Owner Survey, February/March 2018

Online Purchasing of Dog Durable Products Within Last 12 Months, 2018 (among dog owners who buy pet products online)

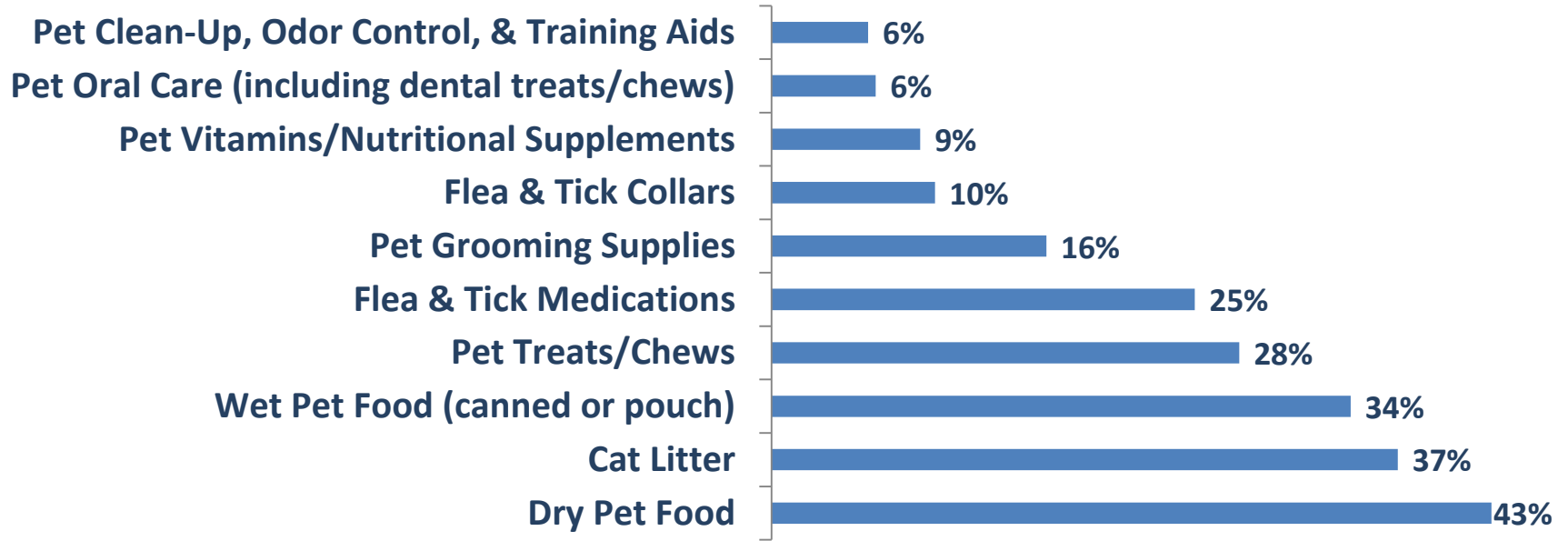


Packaged Facts National Pet Owner Survey, February/March 2018



Packaged
Facts

Online Purchasing of Cat Consumable Products Within Last 12 Months, 2018 (among cat owners who buy pet products online)

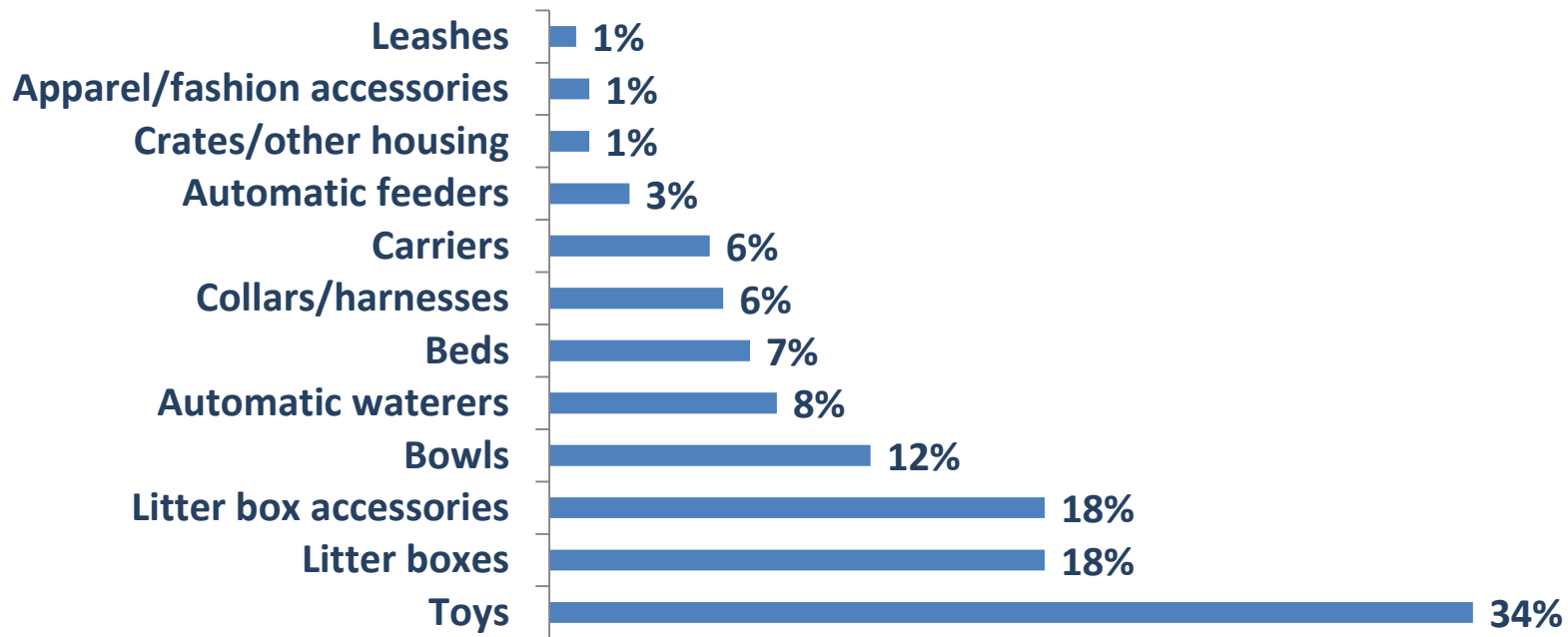


Packaged Facts National Pet Owner Survey, February/March 2018



Packaged
Facts

Online Purchasing of Cat Durable Products Within Last 12 Months, 2018 (among cat owners who buy pet products online)

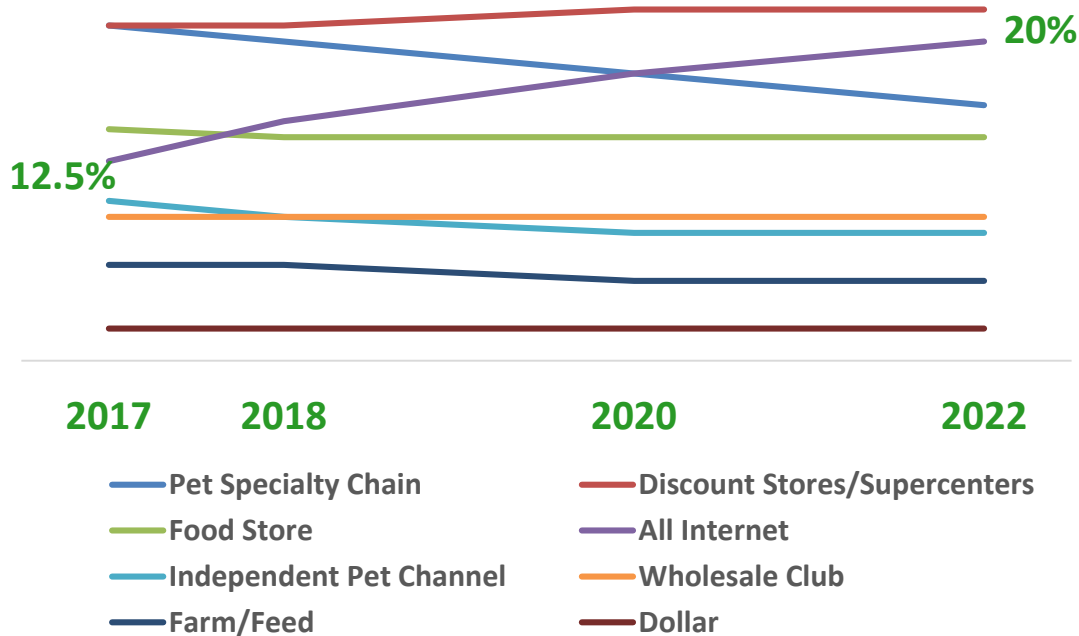


Packaged Facts National Pet Owner Survey, February/March 2018



Packaged
Facts

U.S. Retail Sales of Pet Products: Current and Projected Share, 2017-2022P



Note: Internet includes online sales of omnichannel players.

Source: Packaged Facts, *U.S. Pet Market Outlook 2018-2019* (March 2018)

Online growth will benefit from:

- growing role of e-commerce/home delivery in consumer shopping overall
- heavy Internet shoppers in/aging into prime pet ownership years
- strength of Amazon and Chewy
- omni-channel strategies of B&M retailers and specialty brands
- "endless shelf" brand & SKU selections in age of product customization
- unlimited company/brand info in age of "transparency"
- convenience and loyalty retention from home delivery & auto-ship



Packaged
Facts



PetInsuranceQuotes.com is America's No. 1 pet insurance marketplace.
 Petco acquired PetInsuranceQuotes.com in December 2017 to help you find the perfect coverage for your furry family member!

Best Seller

AmazonBasics
 by AmazonBasics
 \$27.99
 ✓prime |
 Get it by **Tomorrow**
 FREE One-Day Shipping

Dogs can't talk, but their DNA can.™

Talia, Tested December 2015
 Breeds Detected: Golden Retriever,
 Labrador Retriever, Standard Poodle

Wisdom Panel 2.5
 Canine DNA Test

Grow and Expand Services

Growing existing services and exploring new services to drive traffic, sales and GURA

- Providing pet services
- Opportunistic expansion of pet washing stations
- Driving convenience through delivery offerings

PETVET CLINIC

Walmart.com

Shop smart with our app

Check wellness off the list

Showing 1/20 of 16 results

Nutro Wholesome Essentials Small Breed Senior Dry Dog Food, Farm-Raised Chicken, Brown Rice & Sweet Potato Recipe, 5 Lb
 \$10.96 (\$2.19/lb)





Pet EPPS

April 29, 2018 - May 02, 2018

Trends in the U.S. Pet Market

Questions?

David Sprinkle
dsprinkle@marketresearch.com
Research Director, Packaged Facts



Packaged
Facts

For more information on Packaged Facts' research reports on the U.S. market for pet products call 800.298.5294 or go to www.packagedfacts.com/pet-products-services-c124/