U.S. Pet Market Outlook, 2013-2014

Description: While the country has not yet completely emerged from its economic funk, the pet industry continues to chug along. Pet product shoppers were not immune to the Recession’s effects, but the most recent Packaged Facts’ proprietary Pet Owners Survey shows that they are becoming less price sensitive than in years past. And this trend is borne out in the sales data. Sales in mass channels such as grocery stores have been relatively flat, but pet owners have continued to migrate to pet specialty channels, which focus more on the high-end market. Another trend continuing to gain steam has been the pet industry’s emphasis on natural products, as seen in M&A activity (e.g., Merrick acquiring Castor & Pollux and Del Monte acquiring Natural Balance) and the embrace by industry heavy hitters from Purina to Hill's Science Diet to Walmart.

Pet health has proven to be a particularly attractive category. As the pet population has aged, the interest by big players such as Bayer and Perrigo has increased. One deal that received considerable investor attention was Pfizer’s spinoff of its animal health division, which it renamed Zoetis.

The industry has embarked on a number of initiatives to spur growth in pet ownership and some of those are beginning to pay dividends. These include programs such as the Human Animal Bond Research Initiative and the Pets in the Classroom initiative, which is introducing pet ownership to youth to encourage future ownership. Indeed, pet ownership among Gen Y jumped to its highest level in years in 2012.

The humanization of pets continues as a strong trend, with manufacturers and retailers introducing everything from human-style food to pet temporary tattoos. And the media is feeding the frenzy, giving pets their own TV channel and focusing on the outlandish things pet parents will do for them.

Combining Packaged Facts' extensive monitoring of the pet market with a proprietary Pet Owner Survey hot off the presses—U.S. Pet Market Outlook 2013-2014 is the go-to source for a complete understanding of U.S. pet industry. In its 5th edition, the report evaluates current trends and future directions for marketing and retailing, along with consumer patterns across the full spectrum of the market, including veterinary services, pet food, nonfood pet supplies, and non-medical pet services (grooming, boarding, training, etc.). Building on the market tracking, forecasting, and position-taking of previous editions, the report forecasts market size and growth for each category; examines new product activity; surveys retail channel trends including cross-channel shopping vs. shopper loyalty; and analyzes trends and shifts in the needs of today’s pet parents. The report tabulates pet product sales channel by channel, using data from sources including SymphonyIRI Group, whose InfoScan Review data tracks sales in supermarkets, drugstores, and mass merchandisers other than Walmart; and SPINS, Inc., whose SPINsScan service tracks sales in the natural supermarket channel and in the specialty gourmet supermarket channel. Supplementing Packaged Facts’ exclusive Pet Owner Survey is an extensive analysis of Simmons’ Fall 2012 National Consumer Study, which is based on 25,564 adult respondents surveyed from October 2011 through November 2012, as well as previous-year Simmons surveys. The report contains dozens of numerical tables and charts, as well as numerous photographs of new products and in-store promotional and merchandising initiatives across key channels.

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