

Understand industry trends and engagement across growing pet commodities to identify innovation opportunities, better communicate your product benefits, and drive activations.

INDUSTRY TRENDS



PET OWNERSHIP IS SURGING

Over 11M U.S. households have gotten a new pet during the pandemic.

– American Pet Products Association, Nov 2020

\$103B PET INDUSTRY SALES HIT RECORD HIGH

was spent on U.S. pets in 2020, surpassing \$100B for the first time; projected to increase in 2021.

– American Pet Products Association, Mar 2021

95% PET HUMANIZATION GROWING TREND

of American owners consider pets to be part of the family, driving premiumization and quality focus.

– Packaged Facts, Mar 2021

84.51° INSIGHTS

5% TOTAL PET \$ SALES GROWTH at Kroger vs YA, while total pet \$ Sales on Pickup & Delivery grew 2X vs YA.

DRY DOG FOOD is the largest pet commodity making up 24% of Kroger pet sales, 74% of dry dog food sales in FY20 were from premium brands.

NATURAL & ORGANIC WET PET FOODS

grew 26% for cat and 11% for dog, outpacing 8% total wet pet foods \$ Sales growth in FY20 vs YA.



\$174M SPENT ON DOG TREATS

in FY20, up 11% vs YA. Dog Toy \$ Sales spiked 4.2X in December holiday season relative to average rest of year.

WHY DO PET TRENDS MATTER TO YOUR BUSINESS?

As ownership and spend on pets surge, now is the optimal time to dive into category insights to inform your business strategy and uncover activation opportunities.

“Stay-at-home dynamics have deepened bonds, increasing disposition among pet owners to spend generously on pet care products and services.”

– U.S. Pet Market Outlook, Mar 2021

OPPORTUNITY FOR LEARNING & APPLICATION

- Leverage **Pet Department Consumption Segments** within **84.51° Stratum** to better understand how broadly households shop within the department relative to other Pet Department shoppers.
- Delve into the **Clickstream Scorecard** to learn HOW customers shop online to strategically meet shoppers where purchase decisions are made – view top search terms, understand how customers build their digital basket, and analyze items added to cart prior to your products.
- Dive into the **Modality Scorecard** to understand the increase in e-commerce usage and compare with in-store. Inform strategies to meet customers' evolving needs and keep pace with the competition.
- Participate in **Integrated Pet Campaigns** to drive sales, customer awareness, and digital engagement with your products. Upcoming opportunity: *P10 Pet: Halloween Campaign*, submission deadline 7/21/21.
- Thank, reward, and retain your most loyal shoppers by featuring your pet products in highly targeted **Best Customer Communications** programs, such as the Loyal Customer Mailer and MyMagazine.
- Capitalize on e-commerce growth with **Kroger Precision Marketing**, targeting pet-loving households across Kroger.com and offsite digital media with exciting, thematic content.