

The Full View of the Pet Industry:

A comprehensive analysis of consumers and product trends

Sam Smith, Andrea Binder, Hannah Polk



Housekeeping Notes



**This webinar is
being recorded!**



**Slides will be emailed
out after the webinar!**

Meet your speakers today



**Sam
Smith**

ACD, Pet Manufacturing & CPG



Andrea Binder

VP, North America Retail – Pet



**Hannah
Polk**

ASD, Health & Wellness Attribution

NIQ provides the *Full View*™ of the total pet market

The only holistic view of pet available in the industry



Complete pet channel measurement

The only complete pet channel measurement available in the industry *across the total store* including pet food, treats, consumables, hardlines, and supplies.



Expansive omnichannel pet coverage

A *true omnichannel view* with brick & mortar, e-commerce, and omni breaks. Expansive specialty pet, conventional, and online retail coverage with rich POS data and the industry's best omni panel data for a complete view of the market.



Unmatched pet attribution & item database

The *most extensive pet item database*, robust product attribution data, and custom pet characteristics for critical granularity into complete market truth.



Pet industry leaders

We are the primary provider to the vast majority of pet manufacturers and pet retailers of all sizes - and a *strategic partner to APPA, WPA, and IndiePet*.



Agenda



A Global Purr-spective



Pet parents and the U.S. Omni marketplace



Tik Tok-ing about Pet Online



Trends we can wag about for 2025



Fur-tastic ingredients for our Pets

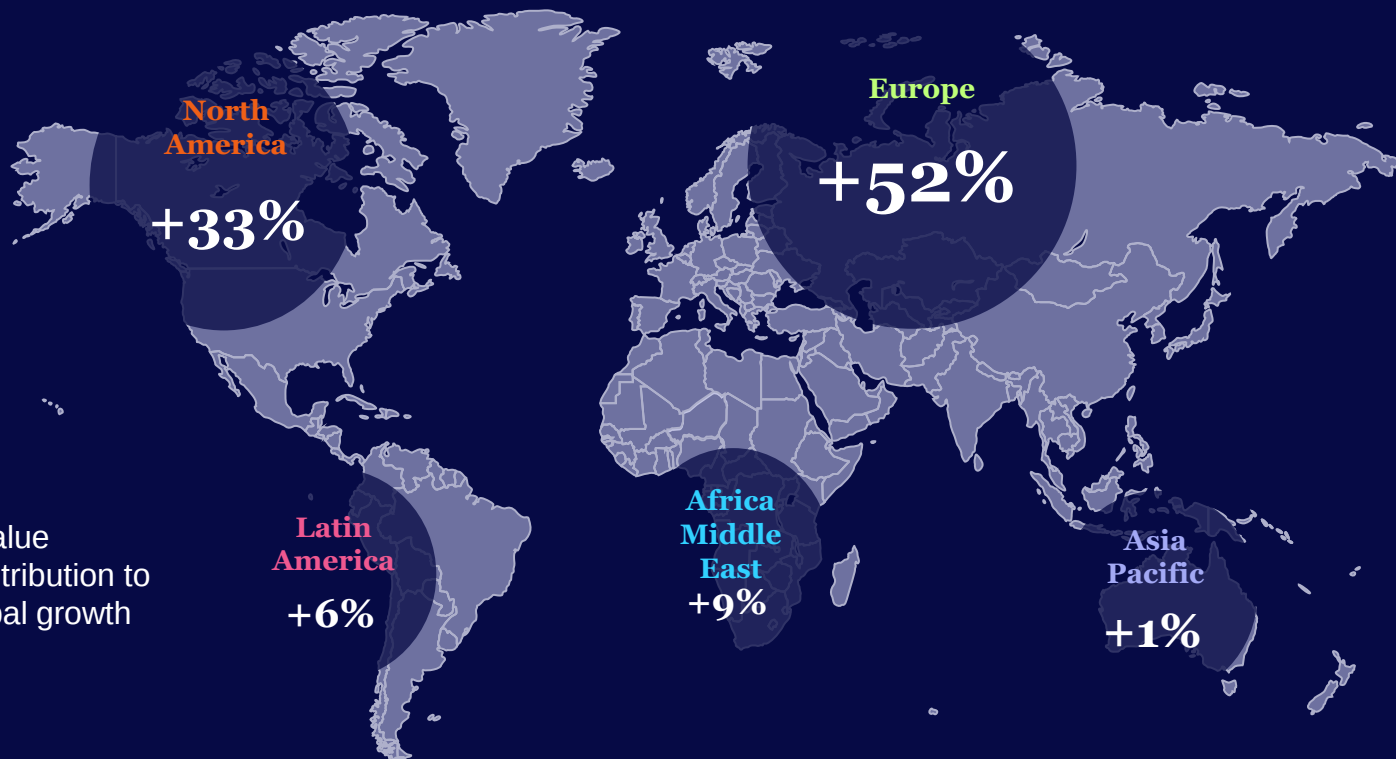


Key Takeaways

A Global Purr-spective



Pet Care growing across the globe with more than half of the growth contributed by Europe



Region = Value
+XX% Contribution to
global growth

NIQ

The Pet Home is changing

Global Pet
Population

**1
Billion**
Pets globally*

More
households

Rise in pet
ownership

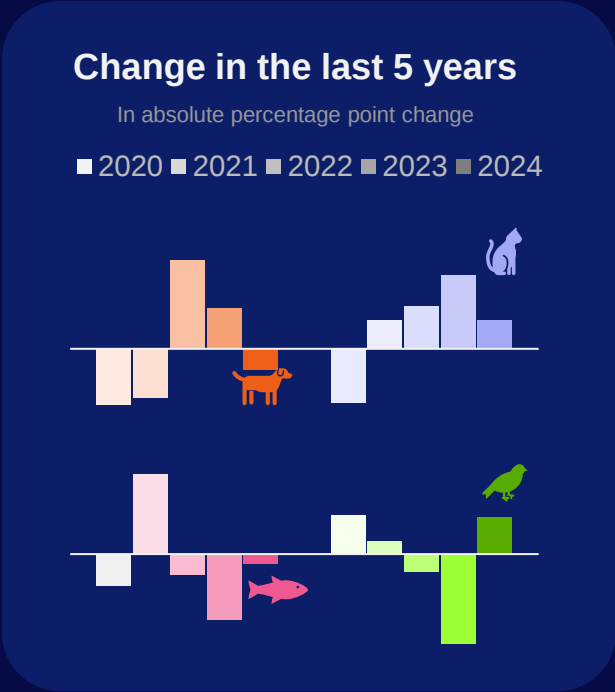
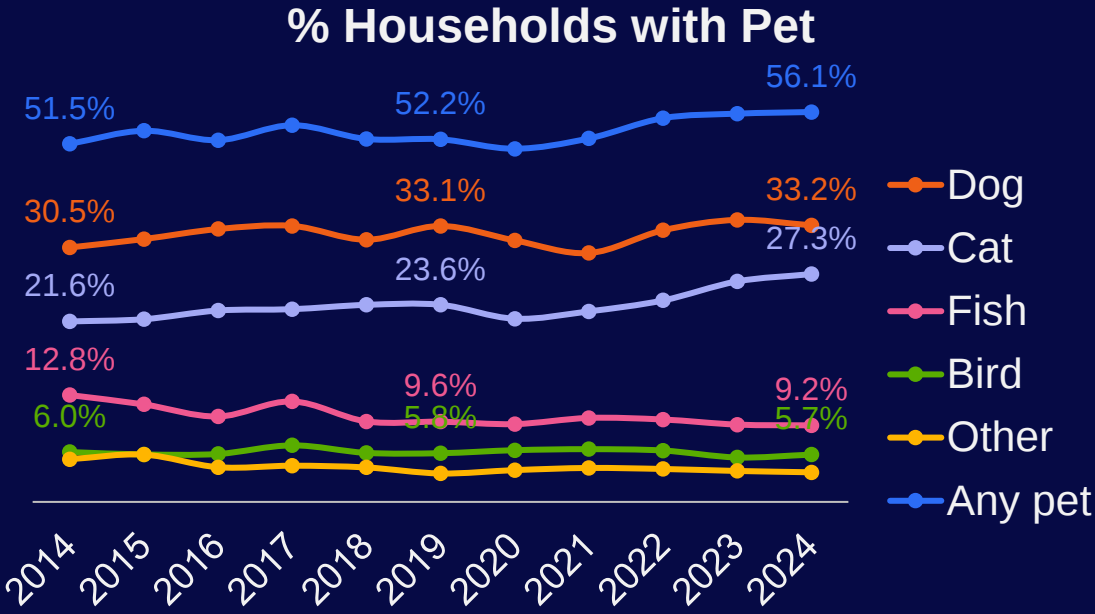
Cats lead
the way

1 in 4
pet
households
include a Cat

Back to (new)
normal

Increased
mix of Pets

Pet and Cat ownership is at the highest it's been in a decade



Pet Parents and their shopping habits

Pet shoppers globally

+1.2 mil
new buyers across 18
markets



Shop pet once every

**~2-3
weeks**



Every trip they spend and buy

US\$17 | **3-4 units**



Lock-in the fewer, bigger shops online



Online
Shopping

Compared to all outlet types, *per buyer* ...

**1/4 of
trips**



Bigger shop

2x the \$ value



More volume

+1 more unit per trip

3x the volume per unit

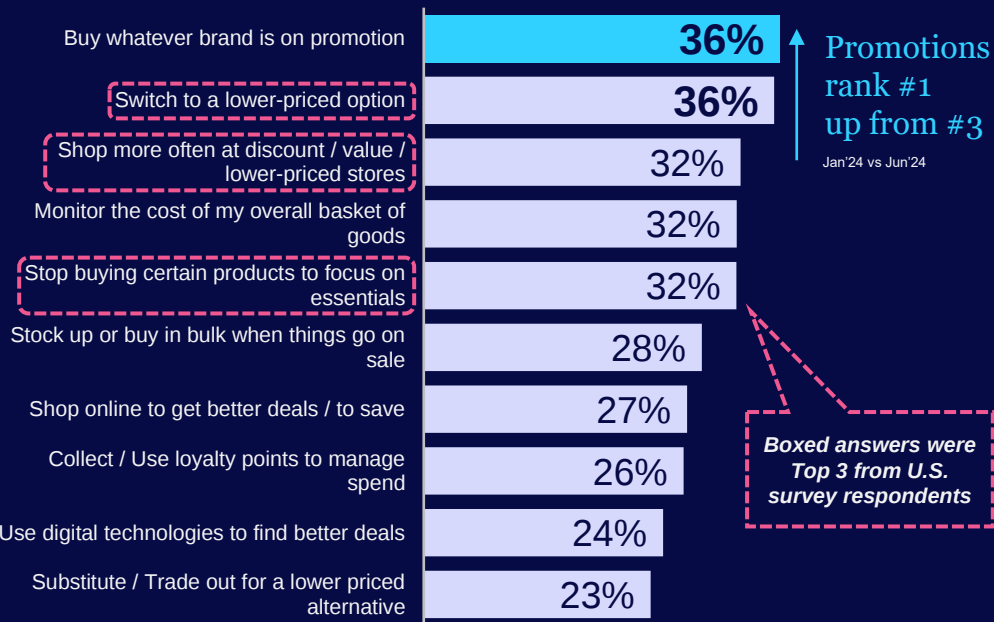


**KG
per Unit**



Promotions are shoppers' #1 saving strategy, maximize retail success by harnessing multi-faceted promotions

Global FMCG - Top 10 consumer saving strategies



Bulk packs a common theme in top selling pet products (in volume) during online promotional events

#1 Prime day



#2 Black Friday

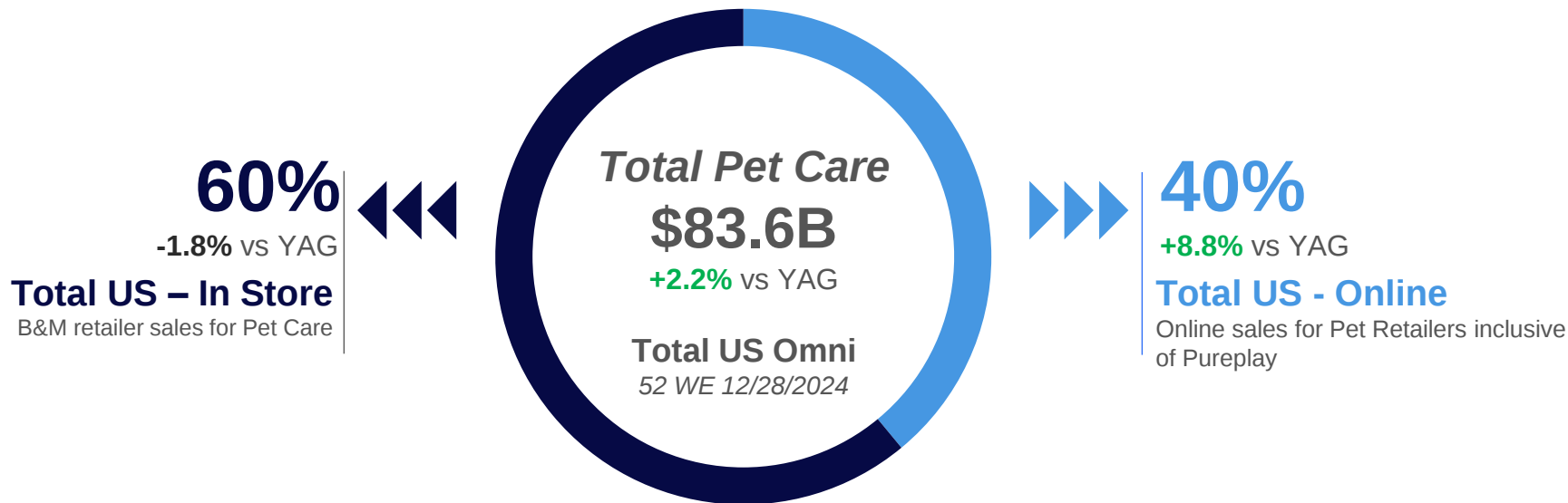


#3 Black Friday

Pet parents and the U.S. Omni marketplace

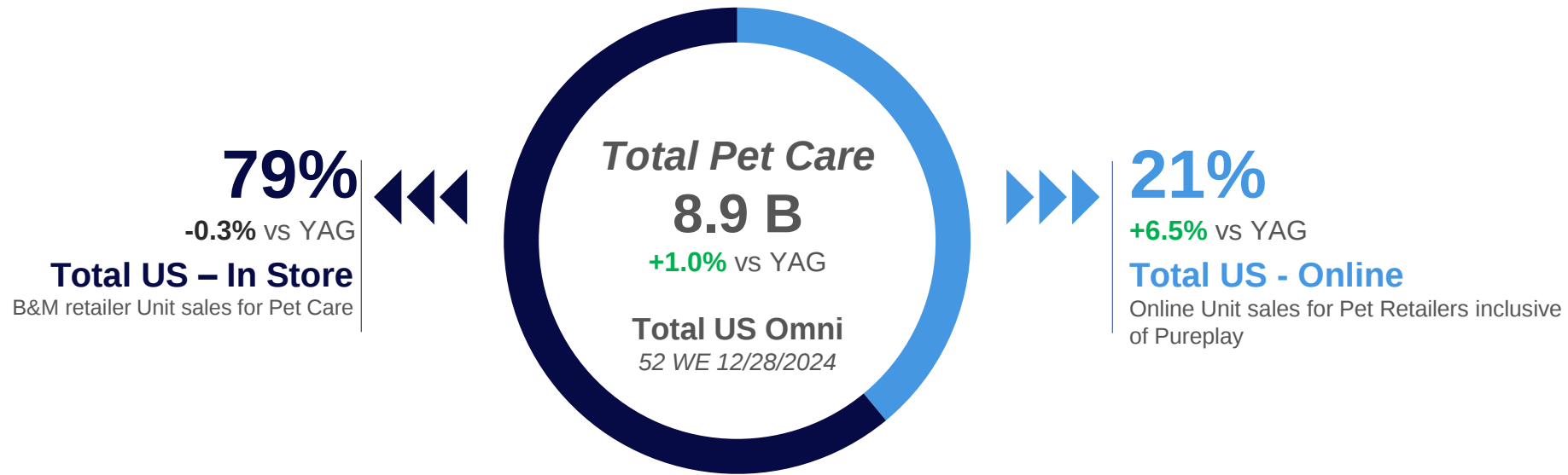


Total Pet grew in 2024 but thanks only to online driving a strong ~9% trend



Source: NIQ Omnisales+; Pet Care Total Omni Dollars, L52W w/e 12/28/24

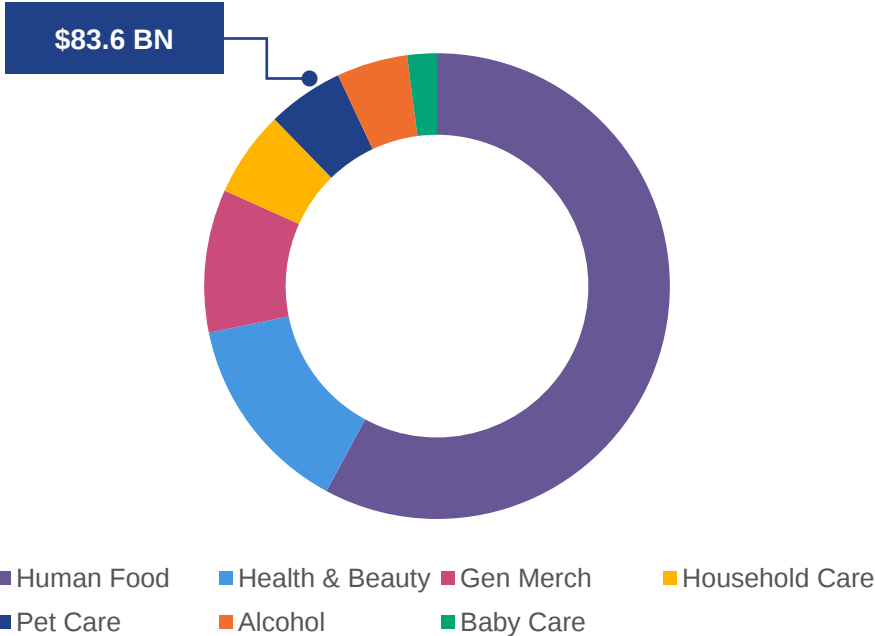
However, the flattening Unit sales trend in B&M is a positive sign for Pet Care



Source: NIQ Omnisales+; Pet Care Total Omni Units, L52W w/e 12/28/24

Departments across total store continue strong Online growth in 2024, with In-Store mostly flat to down

Total US omni dollar sales by department

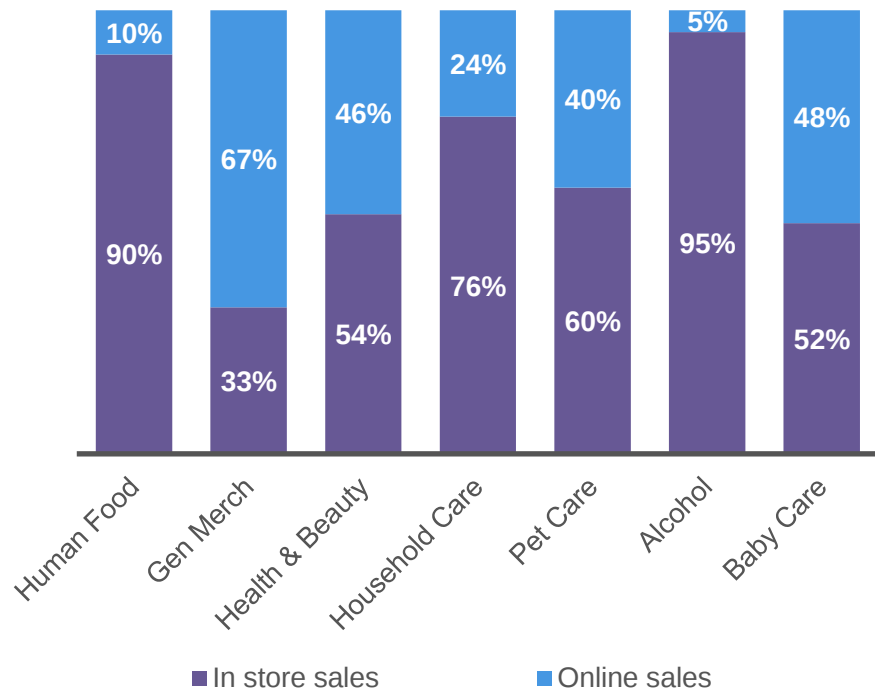


Department	In Store \$ % change vs YAG	Online \$ % change vs YAG
Human Food	+1.4%	+18.2%
Gen Merch	(3.4%)	+15.1%
Health & Beauty	+1.1%	+17.8%
Household Care	+0.3%	+19.8%
Pet Care	(1.8%)	+8.8%
Alcohol	(0.4%)	+7.2%
Baby Care	(0.4%)	+16.2%

Source: NIQ Omnisales+; All Departments Total Omni Dollars, L52W w/e 12/28/24

In fact, all departments saw their share of Online grow, with most up 2 pts or more

Total US in store vs online dollar share



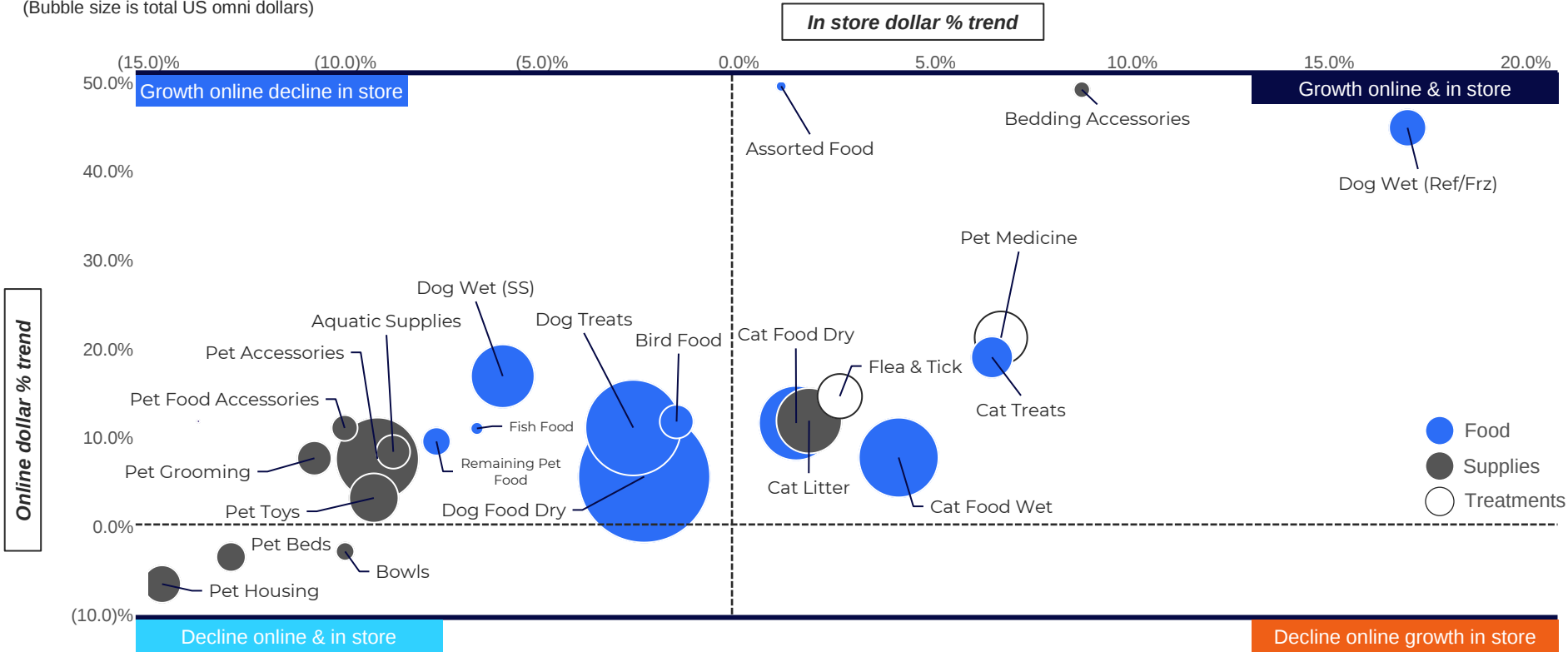
Source: NIQ Omnisales+; All Departments Total Omni Dollar Share, L52W w/e 12/28/24

Department	Online \$ Shr change vs YAG
Human Food	+1.3 pts
Gen Merch	+4.0 pts
Health & Beauty	+3.8 pts
Household Care	+3.1 pts
Pet Care	+2.4 pts
Alcohol	+0.4 pts
Baby Care	+3.8 pts

Core Cat categories and Fresh/Frz Wet Dog are growing dollars across Omni

Total omni dollar sales by pet care category

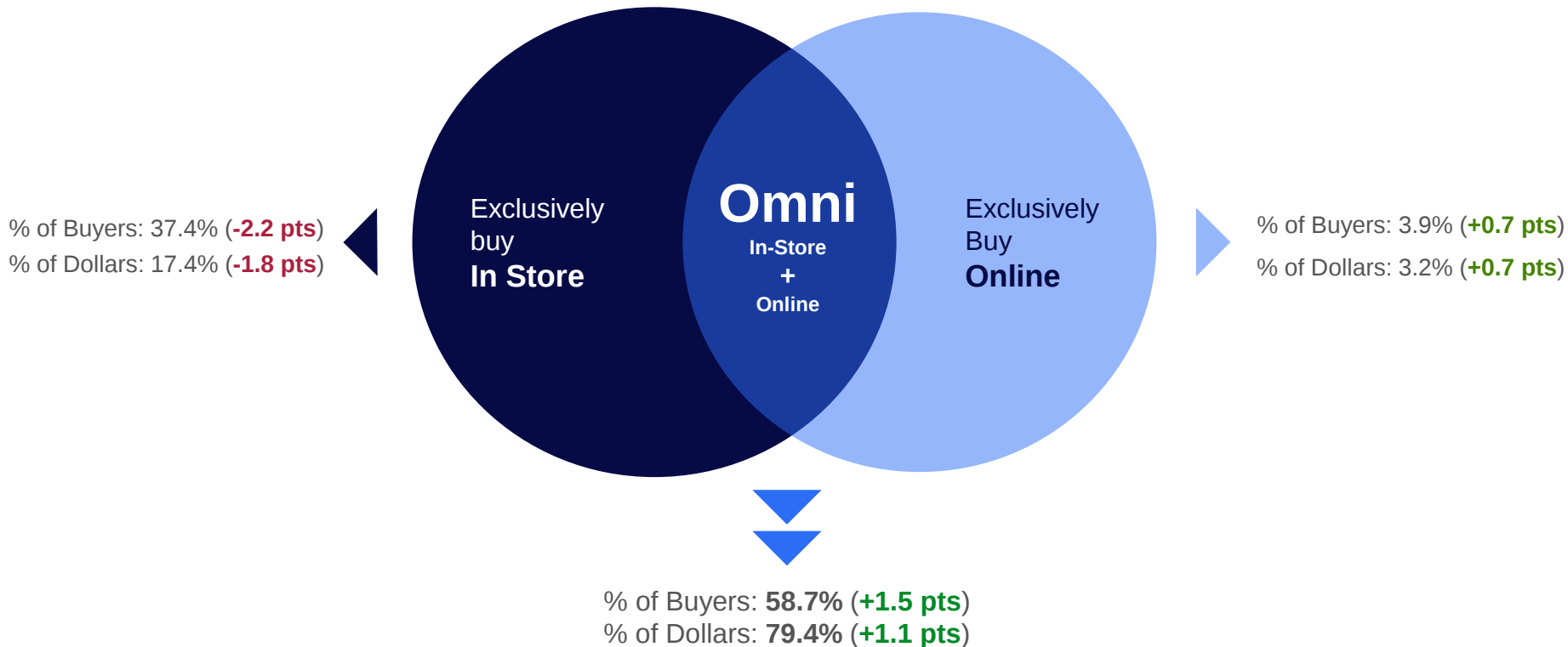
(Bubble size is total US omni dollars)



Source: NIQ Omnisaes+; Total Omni, Pet Care by Category, L52W w/e 12/28/24

Almost 80% of all Pet Care dollars come from true Omni-shoppers

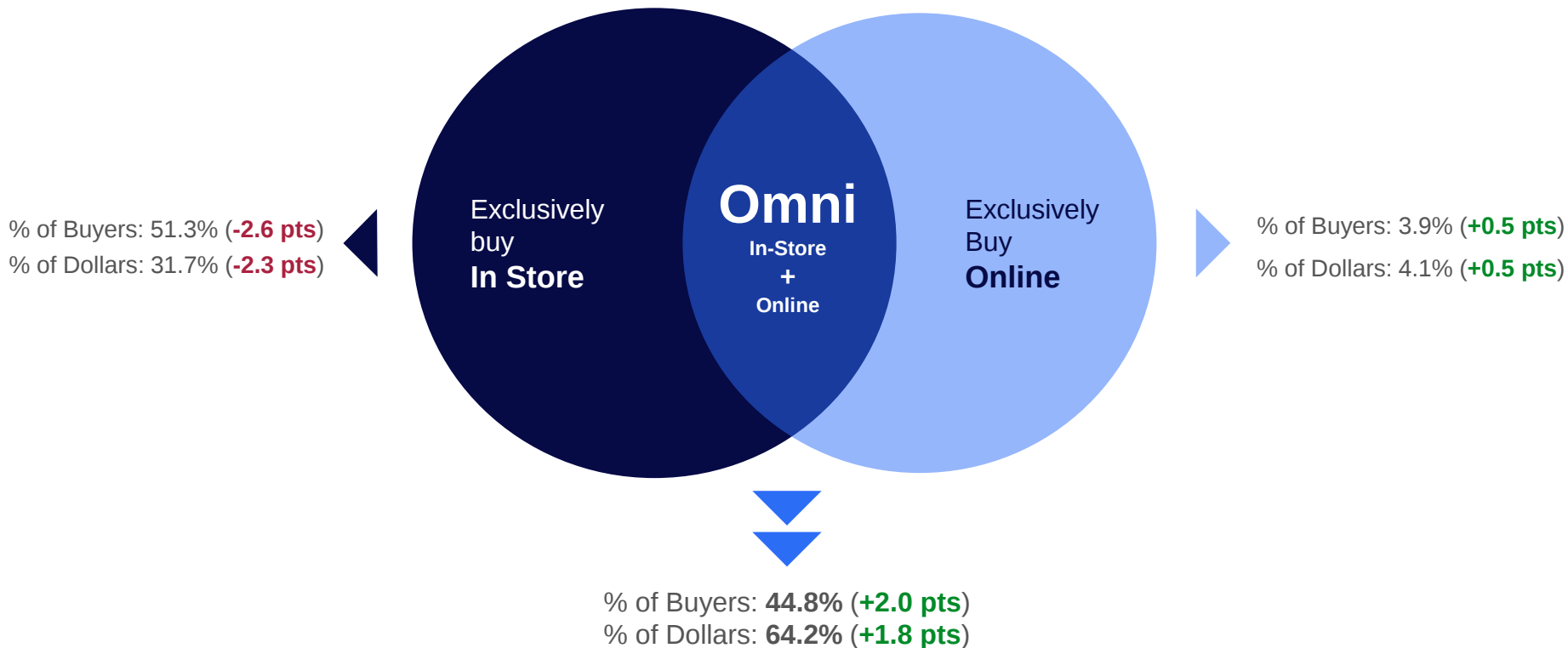
Where are **Total Pet Care** buyers making their purchases?



Source: NIQ Omnishopper Panel, Total Pet Care, L52W W/E 02/22/25 vs. YAG

However, over half of Pet parents still shop only traditional B&M for Pet Food

Where are **Pet Food** buyers making their purchases?

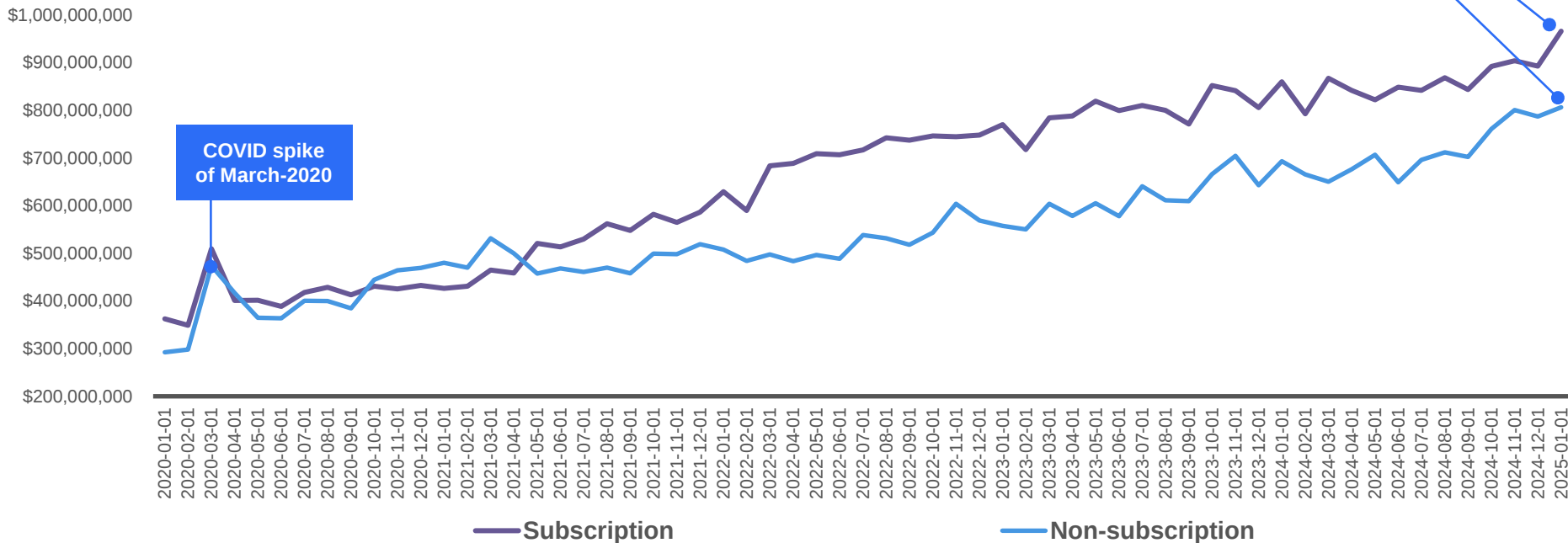


Source: NIQ Omnishopper Panel, Pet Food, L52W W/E 02/22/25 vs. YAG

When shopping Online pet parents who Subscribe are driving more dollars

Total e-commerce pet food \$ volume

(5 years by monthly periods)



Source: Rakuten E-Panel L12 Months thru Jan 31st 2025, Total Pet Food by Subscription Method

Tik Tok-ing about Pet Online



How TikTok Shop can benefit all parties

There are a few 4 main ways to participate in the e-commerce platform

Seller

TikTok Shop enables brands to showcase and sell products for the TikTok community to discover and purchase.

- In-App checkout
- Participate in TikTok Shop Ads, Campaigns & Promo
- Collaborate with creators through the affiliate program
- Manage your shop & orders through the app solutions

Creator

TikTok Shop allows creators to spotlight and promote products they love to their community and activate new revenue streams.

- Quick & easy for creators to choose products to promote
- Get paid commission through the affiliate program
- Collaboration opportunities with brands & sellers

Partner

TikTok Shop connects partners with sellers, creators, and resources to help them succeed.

- Grow your clientele by helping sellers seeking support
- Leverage training programs & resources
- Unlock earnings & monetized incentives for your business
- Access services to increase efficiency

Shopper

TikTok Shop inspires shoppers through entertainment and guides them to discover brands and products they want to see most.

- Complete In-App experience from start to finish
- Recommendations based on your community
- Trustworthy and secure
- Enjoy exclusive offers & deals tailored to users

Source: <https://business.tiktokshop.com/us/seller>



How does TikTok Shop's low prices affect their sellers?

It doesn't!

TikTok basically reimburses the seller for the discount amount

Seller still receives full price of the item even if the customer paid less

This reimbursement is reflected in the seller's payout statement

The seller can control their coupons as they wish

The platform may also activate coupons on their own, stacking the deals on top of the shop's already existing coupons

Source: <https://seller-us.tiktok.com/university>

Most users are utilizing the platform to make *their purchase decisions*



70%

of TikTok users discover new
brands and products on
TikTok₁



3 in 4

TikTok users are likely to
buy something while using
TikTok₂



83%

say that TikTok plays a role in
purchase decisions₃

Sources: <https://business.tiktokshop.com/us/seller> |

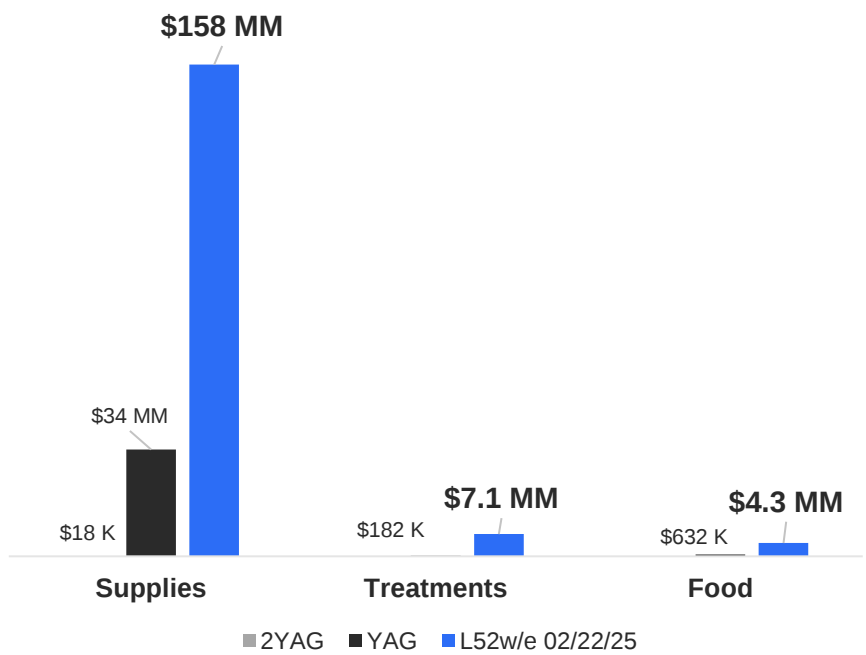
(1) TikTok Marketing Science Global Retail Path to Purchase (US Results) conducted by Material August 2021.

(2) TikTok Marketing Science Global Entertainment Study (US Results) conducted by Material, December 2021.

(3) Marketing Science EU Holiday Shopping Behavior Research 2020 conducted by Walnut International for TikTok For Business.

Pet sales on TikTok exploded in 2024, with Supplies alone driving ~93%.

TikTok Pet Care \$ Sales YoY



Moving Crab Toy



Electronic Paw Cleaner



Scooper with Bags

Leash & Water Bowl

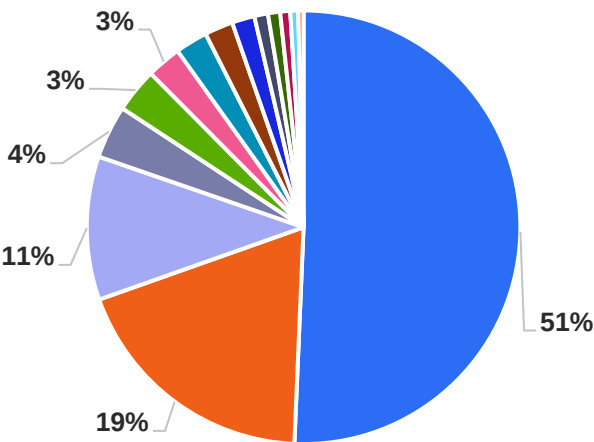


Slow Release Water Bowl



Accessories, Grooming, and Toys make up over 80% of Pet sales on TikTok

TikTok \$ Share by Pet Category



Top 6 Pet Categories	%%\$ Chg vs YAG
Pet Accessories	+654%
Grooming	+148%
Toys	+273%
Housing	+345%
Medicine	+4,275%
Beds	+283%

- Pet Accessories

Beds

Flea & Tick
- Grooming

Feeding Accessories

Bowls
- Toys

Dog Treats

Cat Litter
- Housing

Bedding Accessories

A/O Pet Categories
- Medicine

Aquatic Supplies

Source: NIQ Omniscient+; Pet Care TikTok Dollars, L52W w/e 02/22/25

Trends we can wag about for 2025



Consumer Price
Index slowing
year-over-year for
Pet Products
while Services
continue to
increase



Pets + Pet Products

-0.9% vs

-0.4 pt vs Nov '24 LY

Pet
Food*

-1.7%

-0.6 pt vs Nov '24

Pets, Supplies
& Accessories*

+1.5%

+0.1 pt vs Nov '24



Pet Services Including Vet

+6.2% vs

+0.1 pt vs Nov '24 LY

Pet
Services*

+11.5%

-0.5 pt vs Nov '24

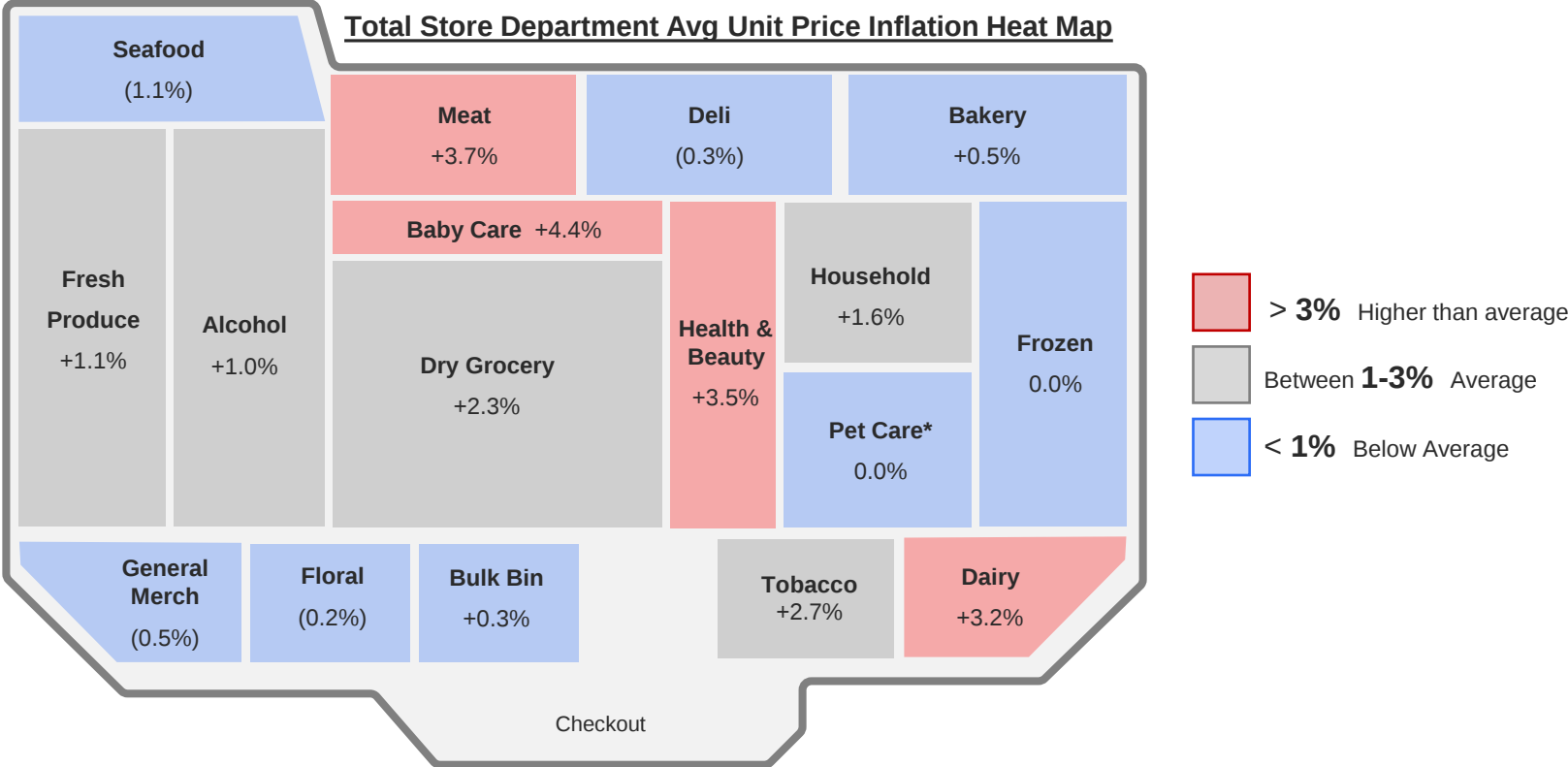
Vet
Services*

+6.2%

+0.4 pt vs Nov '24

Sources: [U.S. Bureau of Labor Statistics - Consumer Price Index](#) | vs Last Year and Last Month - Latest Update Jan 2025 with December data

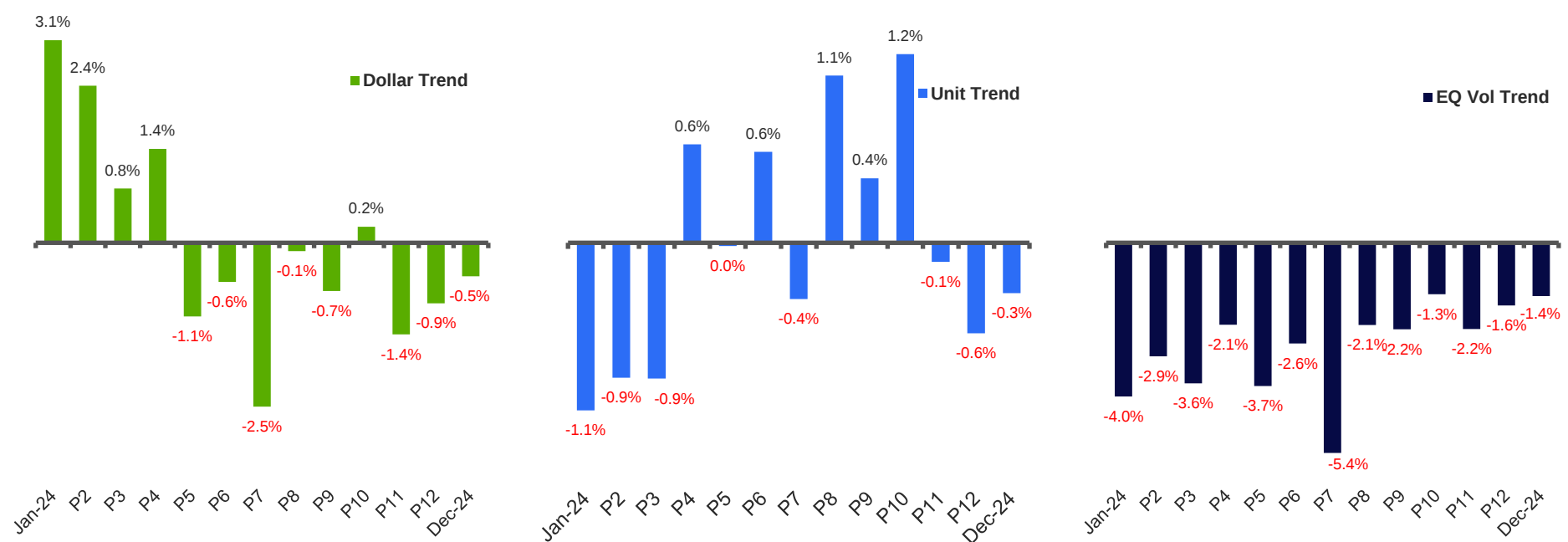
Price changes eased across total store in 2024, with most seeing 1.5% or less



*Pet Care is run using Total US Pet Retail Plus
Source: NIQ RMS Scan, Total US xAOC Plus by Department, L52W W/E 12/28/24

Despite flatten \$ and Unitary trends, we saw negative EQ trends for Pet Care

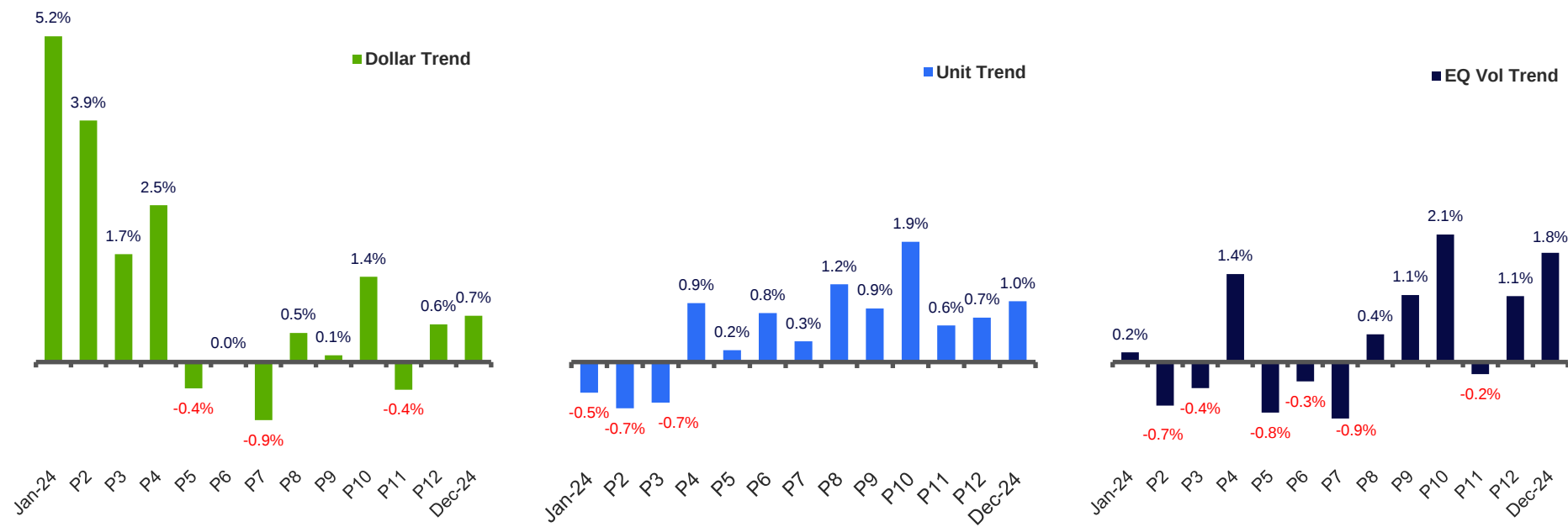
Total US Pet Plus Pet Care Dollar – Units – EQ Vol trend vs YAG



Source: NIQ RMS Scan, Total US Pet Retail Plus, Pet Care L4W Calendar Year 2024 vs YAG

However, Pet Food saw bright spots across volume types back half of the year

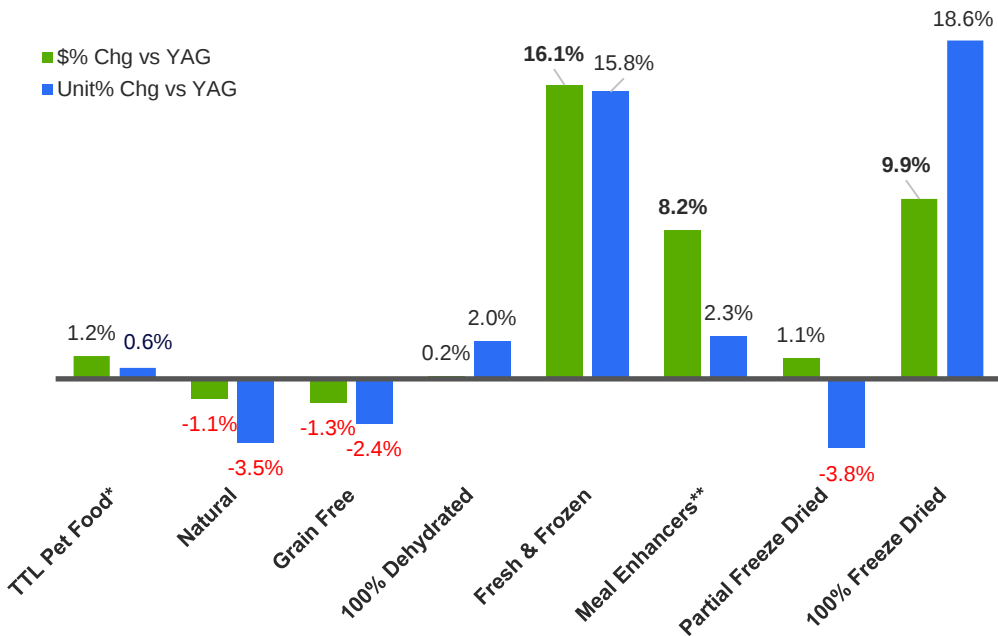
Total US Pet Plus TTL Pet Food Dollar – Units – EQ Vol trend vs YAG



Source: NIQ RMS Scan, Total US Pet Retail Plus, Pet Food L4W Calendar Year 2024 vs YAG

Premium foods & compliments are pockets of Unitary growth despite small share

Total US Pet Plus Dollar & Unit Trend by Key Pet Food Segments



Segment	\$ Share	Avg Price/Lb
TTL Pet	100%	\$2.53
Natural	43%	\$3.38
Grain Free	18%	\$4.68
TTL Dehydrated	4.2%	\$8.14
Fresh & Frozen	3.6%	\$5.40
Meal Enhancers	2.4%	\$13.59
Partial FD	2.0%	\$4.31
100% FD	1.1%	\$32.43

*Pet Food is defined as Total Dog & Cat, Dry, Wet, and Treats

**Meal Enhancers excludes FD and DH.

Source: NIQ RMS; Total US Pet Retail Plus, w/e 12/28/24 Total Dog & Cat Food by key Pet Characteristics

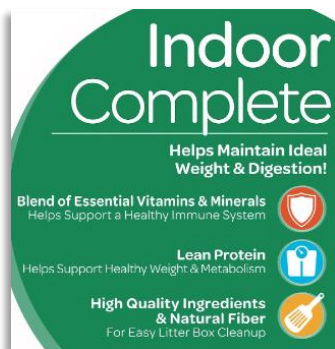
Fur-tastic Ingredients for our Pets



NIQ reveals everything about every product with the industry's most granular attribution data

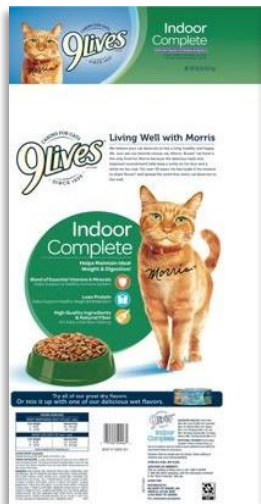
Stated Attribution

Captures standardized attributes on the label across a set of products by analyzing claims, warnings & certifications



Obesity Support Stated
Digestive Health Support Stated
FDA Minerals Presence Stated
FDA Vitamins Presence Stated

FDA Protein Presence Stated
Immune System Support Stated
Metabolism Support Stated
FDA Fiber Presence Stated
Natural Positioning Stated



Qualified Attribution

Uncovers attributes not physically stated on the label by analyzing nutrients & ingredients via regulations & requirements

INGREDIENTS: WHOLE GROUND CORN, CHICKEN BY-PRODUCT MEAL, SOYBEAN MEAL, MEAT AND BONE MEAL, BEEF FAT (PRESERVED WITH MIXED TOCOPHEROLS), CORN GLUTEN MEAL, WHOLE WHEAT, NATURAL FLAVOR, SOYBEAN HULLS, SALMON MEAL, PHOSPHORIC ACID, DEHYDRATED ALFALFA MEAL, SALT, TITANIUM DIOXIDE (COLOR), CHOLINE CHLORIDE, VITAMINS (VITAMIN E SUPPLEMENT, NIACIN, VITAMIN A SUPPLEMENT, THIAMINE MONONITRATE, RIBOFLAVIN SUPPLEMENT, D-CALCIUM PANTOTHENATE, PYRIDOXINE HYDROCHLORIDE, VITAMIN B12 SUPPLEMENT, MENADIONE SODIUM BISULFITE COMPLEX (SOURCE OF VITAMIN K ACTIVITY), VITAMIN D3 SUPPLEMENT, FOLIC ACID, BIOTIN), MINERALS (FERROUS SULFATE, ZINC OXIDE, MANGANOUS OXIDE, COPPER SULFATE, CALCIUM IODATE, SODIUM SELENITE), TAURINE, POTASSIUM CHLORIDE, RED 40, YELLOW 5, LACTIC ACID, YELLOW 6, BHA (USED AS A PRESERVATIVE), BLUE 1, ROSEMARY EXTRACT. NP001

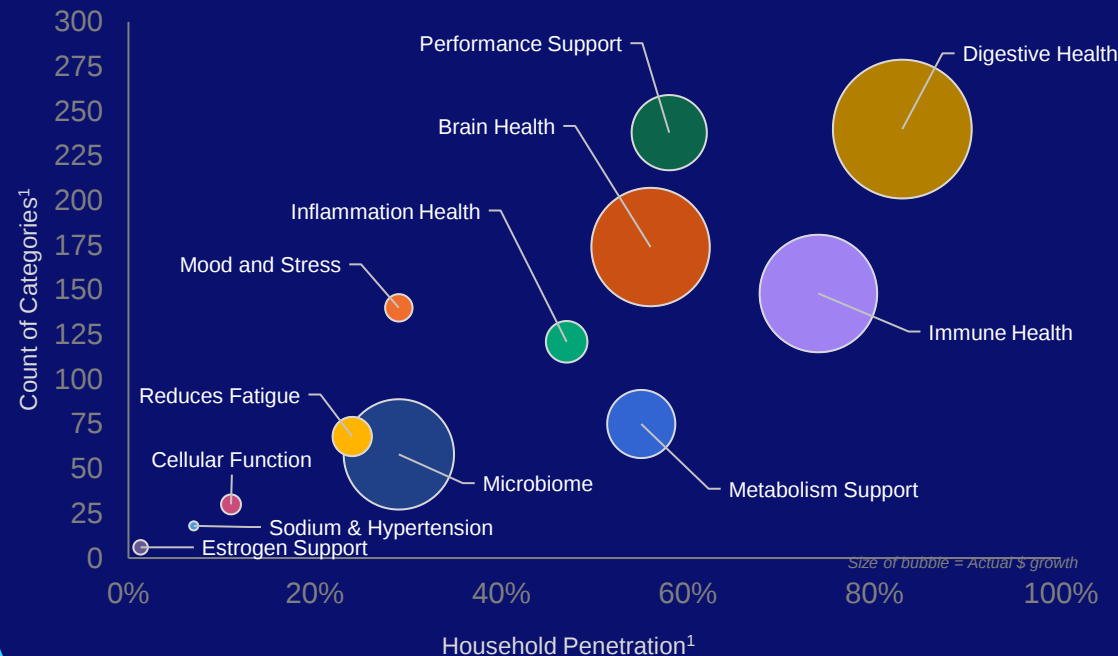


Contains Corn Qualified
Contains Animal by Product Qualified
Contains Whole Grain ingredients Qualified
Contains Grain Qualified
Contains Natural Flavors Qualified
Free From Artificial Flavors Qualified
Digestive Health Qualified
Contains Taurine Qualified
High Likelihood of GMO Presence Qualified

Consumers indicating their top health priorities across the store

Wellness focus
on *priorities*
and *attributes*

Sizing the growing Health & Need States



Functional Beverages²

- Microbiome (Soft Drinks)
- Digestive health (Soft Drinks)
- Immune system health (Soft Drinks, Sp. Water, Energy beverages)
- Metabolism support (Energy beverages, Sports Drinks)
- Sleep support (Soft Drinks)
- Inflammation health (Kombucha)

Top claims in Pet Care²

- | | |
|--------------------------|----------------------|
| Mood and Stress | Immune system health |
| Hair, Skin, Nail Support | Joint health |
| Microbiome | Muscle health |
| Brain health | Obesity support |

Vitamins, Minerals, Supplements²

- | | |
|-------------------------|----------------------|
| Hydration supplement* | Obesity support |
| Headache & migraine | Immune system health |
| Performance supplement* | Cholesterol support |
| Electrolyte supplement* | Reduces fatigue |

*Supplements sub category

1 – Source: Count of Categories and Sales growth = NIQ RMS, 52 weeks ending November 30, 2024; Household Penetration – NIQ Homescan; Total US, Total Store - Health & Need States NPI claims, 52 weeks ending November 23, 2024
2 – Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Pet Care, Health & Need States NPI claims within VMS, Beverages; 4 year \$ CAGR; 52 weeks ending November 30, 2024

As mental health is increasingly part of consumer priorities, brands are responding

#23

According to the 2024 World Happiness Report, the US has dropped out of the top 20 for the first time the report's history.

22%

NIQ Health Shopper Study households reporting depression or anxiety²

Newsweek

Outgoing Surgeon General Warns of 'Spiritual Crisis' in Last Message to US

Published Jan 08, 2025 at 6:25 AM EST

Updated Jan 08, 2025 at 11:54 AM EST

SXSW

Building Brands in the Unhappiness Era

Mood & stress support stated claim¹

+33%

Footcare

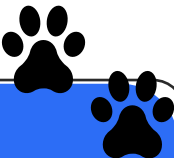
+65%

Beverages

+55%

Diet & Nutrition

Pet Food grew
8.2% in 2024 for
UPCs % Change



MRI Simmons women research

- **Mental Well-Being:** 65% frequently seek products or services to improve their mental well-being, a 33% increase from 2022.
- **Mental Health Importance:** 94% believe that taking care of mental health is crucial for overall wellness, up 46% from 2022.

1 - Source: NIQ, Retail Measurement Services - NIQ Product Insight, powered by Label Insight; Total US xAOC; Personal Care categories; % Change vs year ago; 52 weeks ending 11/30/2024

2 - Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight; Total US Pet Retail Plus; Pet Food; % share of Total Pet Food, % change vs year ago, Cal Year 2024 compared to 13 weeks ending March 8, 2025

3 - 2024 Health Shopper Survey

4 - MRI Simmons



Total
Pet Food
+1.4%
\$ CYA in 2024

Food as medicine in Pet - Claims

Performance support

	\$ % CYA (2024)	\$ % CYA (13-weeks)
Performance support	(3.1)%	(6.7)%
Mood & stress	+1.9%	+19.9%
Balanced nutrition	+1.2%	(1.4)%
Hydration support	+15.2%	+13.3%
Cellular function support	+28.1%	+3.1%
Brain health	(4.5)%	(3.6)%

Gut health

	\$ % CYA (2024)	\$ % CYA (13-weeks)
Digestive health	+1.0%	(1.3)%
Microbiome	+5.8%	+8.1%
Metabolism Support	+3.5%	+1.3%

Physical health

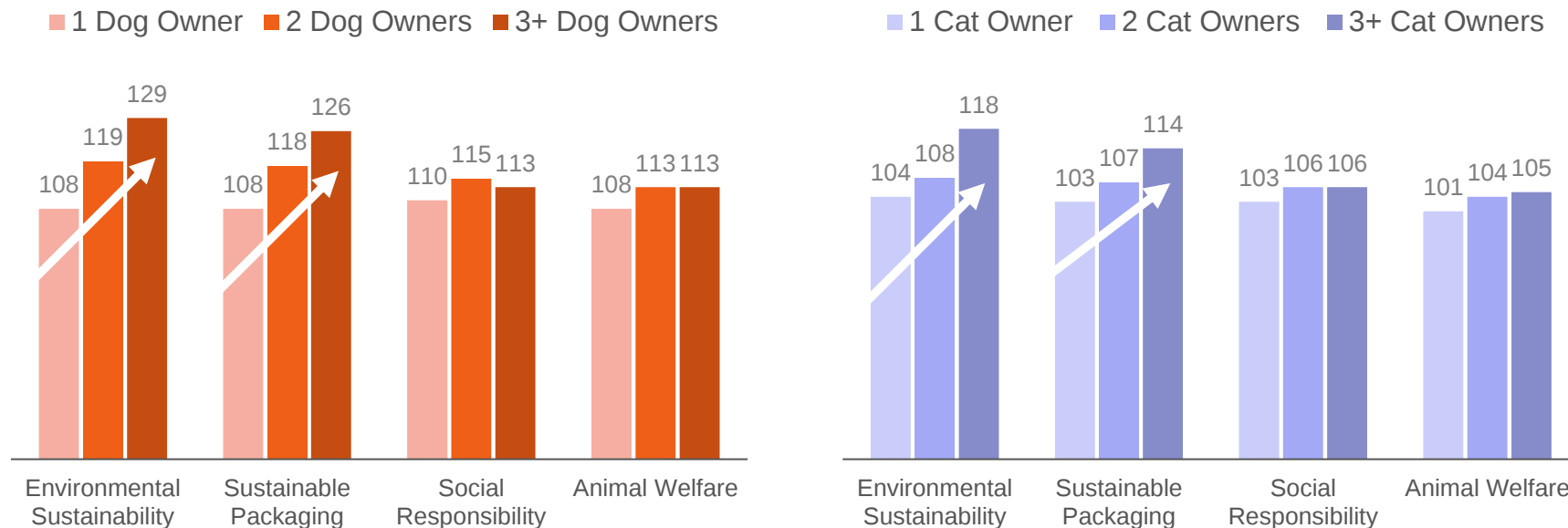
	\$ % CYA (2024)	\$ % CYA (13-weeks)
Immune system health	+1.1%	(1.0)%
Inflammation health	+32.6%	+0.3%
Muscle health	+0.6%	(0.2)%
Heart health	+4.1%	+4.9%
Urinary tract health	+5.6%	+3.4%
Kidney health	+7.2%	+7.5%
Gum health	+0.7%	(0.1)%
Hair & Skin	+1.9%	+1.4%

Bold – Highest Growing Claims in 2024

Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, Total US Pet Retail Plus; Pet Food; \$ share of Total Pet Food, \$ % change vs year ago, Cal Year 2024 compared to 13 weeks ending March 8, 2025

Households with more pets show higher interest in sustainability

Households with Pets | Purchase Index vs Heavy Sustainable buyers



Source: NielsenIQ Spectra Panel; Best Products; MRI+Simmons survey: Households with pets; Total US; 2024 Jul projected

Sustainability claims are outpacing Total Pet Care in all areas except Social Responsibility

Pet Treatments are seeing significant growth for Sustainability claims



\$ % change vs year ago	Total Store	Environmental Sustainability		Animal Welfare	Sustainable Packaging	Social Responsibility
		Nature	Climate			
Total Store	(0.5)%	1.5%	2.2%	1.4%	2.9%	(0.5)%
Total Pet Care	(0.4)%	2.2%	2.1%	1.4%	3.3%	(0.8)%
Pet Food	0.6%	3.2%	2.9%	1.4%	6.0%	(1.9)%
Pet Supplies	(5.2)%	(4.9)%	0.2%	(9.6)%	(2.5)%	61.4%
Pet Treatments	7.6%	51.1%	42.3%	130.0%	20.8%	72.1%
Pet Supplements	9.2%	(3.8)%	1.2%	208.6%	11.3%	(31.7)%

Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, Total US Pet Retail Plus; Total Pet Care, NPI Sustainability claims; \$ and Unit % change vs year ago; Latest 52 weeks ending March 8, 2025

Claim shifts indicate changes in company and consumer priorities

Claims that saw the biggest decline in categories across the store*

Farm raised
Environmentally friendly
Sustainability claim
Free from BPA
Bamboo
Pasture raised
Fair trade
Family farmed
Less emissions
Carbon footprint
Free range
100% Recycled Paperboard

Claims that saw the biggest growth in categories across the store*

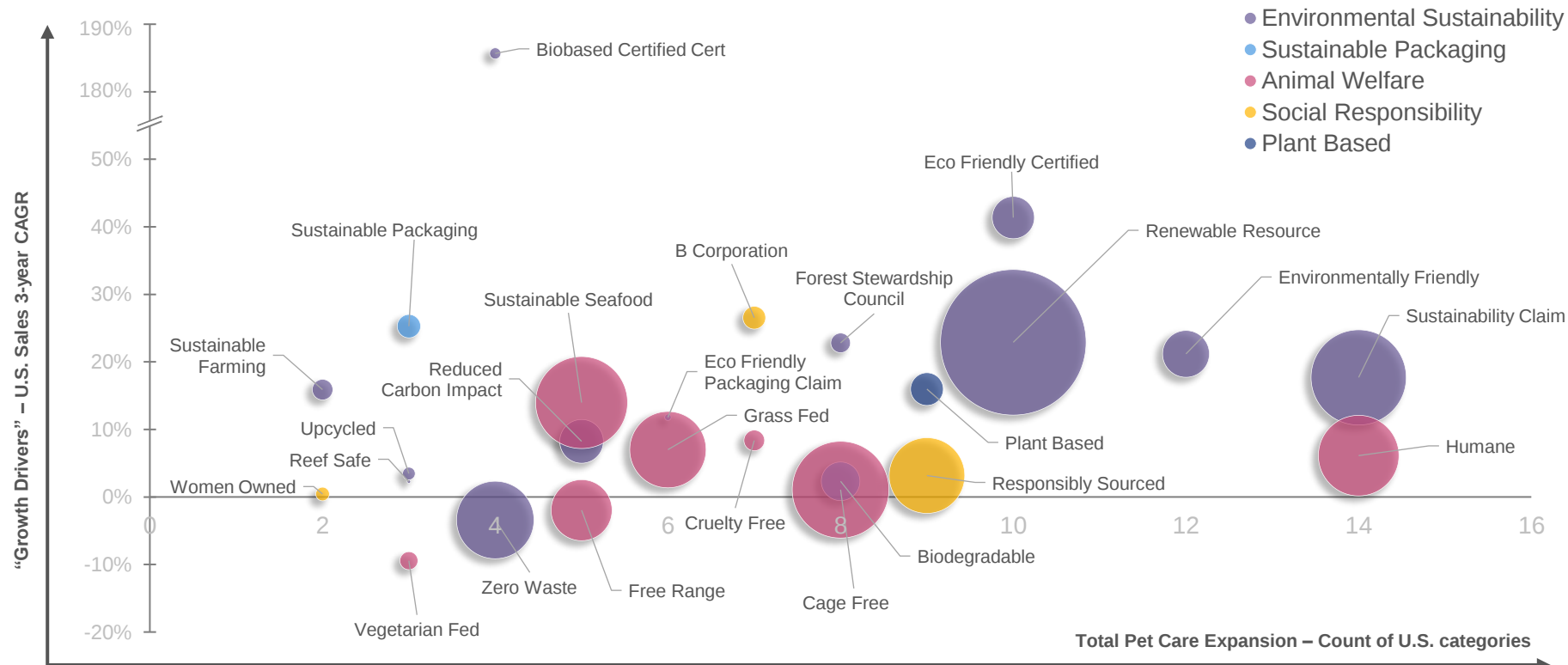
Eco friendly certified
Drop off recycle
B-Corp certified
Women-owned
Recyclable
Regenerative agriculture
Renewable energy
Sustainable forestry initiative certified sourcing
Compostable
Upcycled
Plastic-free
Recycled packaging content
Sustainability certified



Source: FMI 2023 Transparency Report. Q21: How do you determine whether or not a brand or manufacturer is being transparent?

*Decline and growth in number of categories; Source: NIQ, Retail Measurement Services, NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Store; # of Categories selling change vs year ago; 52 weeks ending November 30, 2024

Environmental Sustainability is most widely adopted, followed by Animal Welfare



Does not represent all available sustainable attributes

Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol
Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, Total US Pet Retail Plus; Total Pet Care; Count of categories, 3-year \$ CAGR; 52 weeks ending March 8, 2025

The amount of sustainable packaging differs significantly across categories



	RTE Cereal	Dog Food
Total category	\$9.7 Billion	\$26 Billion
% of sustainable packaging claims	57%	2%
Number of observed claims	75	162
Number of manufacturers making a sustainable packaging claims	67	73

Dataset: NielsenIQ Retail Measurement, NielsenIQ Product Insight, powered by Label Insight | US NIQ Total Store excluding Fresh - 445 - Weekly (Synd) | 52 weeks, W/E 8/10/2024
Dataset: NielsenIQ Retail Measurement, NielsenIQ Product Insight, powered by Label Insight | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | 52 weeks, W/E 1/27/24

Waste increasingly prioritized by consumers

Are consumers rethinking consumption?



Milkadamia Organic Oat Milk Sheets



#underconsumption

Top categories with
“*zero waste*” claims

- Pet Food
- Oral Hygiene
- Packaged Tea
- Beer/Cider Seltzers

Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, PI Zero Waste Stated, Total US xAOC ; Total Store; \$ Volume; 52 weeks ending November 30, 2024

Pet Food Ingredients Seeing Growth

		Shr of Pet Food	\$ % CYA (2024)	\$ % CYA (13-weeks)
Total Pet Food		-	+1.4%	+0.3%
Proven	Prebiotics	31%	+1.9%	+0.4%
	Ancient Grains	28%	(0.1)%	(2.4)%
	Soy Protein*	27%	+2.7%	(0.2)%
Growing	Spinach*	8%	+5.8%	+2.2%
	Kelp	6%	+2.5%	+1.4%
	Celery*	3%	+13.5%	+12.1%
Emerging	Green Beans	1.9%	+4.9%	+2.1%
	Squash	1.5%	+6.9%	(2.5)%
	Peanut Butter	1.1%	+7.3%	+10.8%

Qualified attributes derived from the ingredient label
Bold* = Grew the greatest in \$ Share in 2024

Human Grade in Pet Food

+14.8% \$ % CYA in 2024, 1% share of Total Pet Food



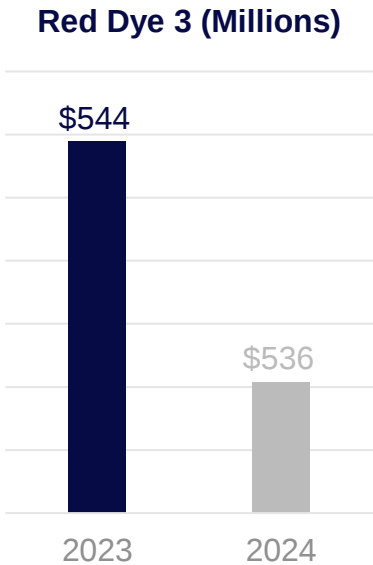
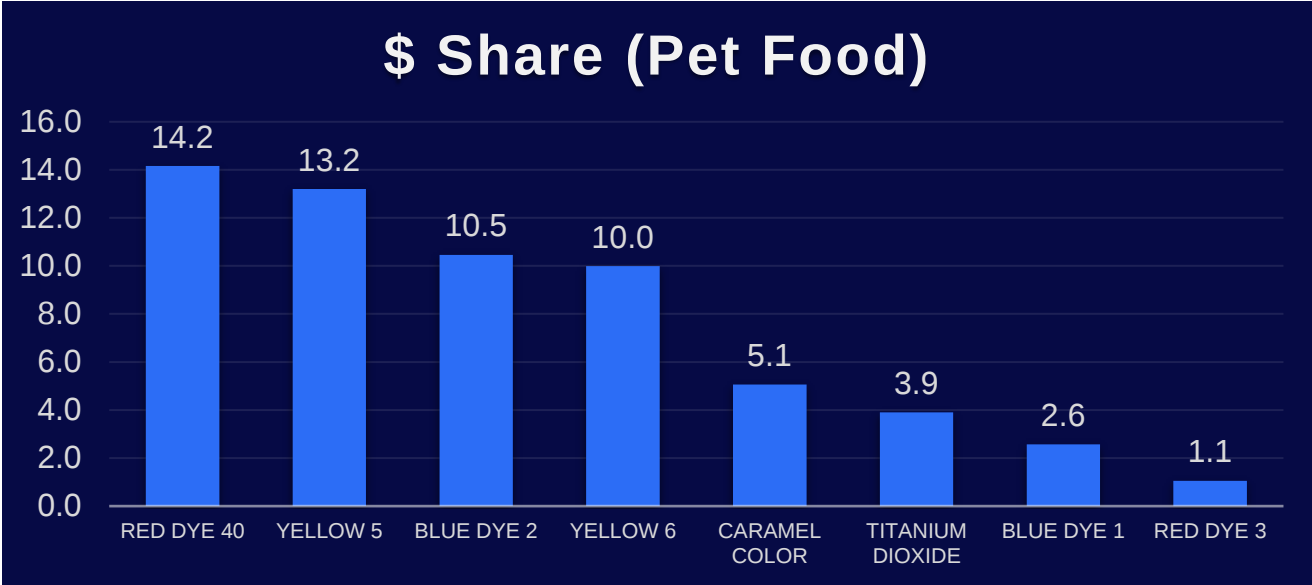
Will upcoming changes in Food regulations impact Pet?

NEWS
RFK Jr. wants artificial dyes out of America's food, but it's not clear they're harmful, scientist says

Color Additives were present in **53.2%** of pet food sales in 2024

13newsnow.com
FDA bans FD&C Red No. 3 or 'Red 3'
Found in candies, cough syrups, maraschino cherries & more
Already banned in Europe, Australia & New Zealand
Removal deadline: January 2027

Make America
Healthy Again



Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, PI Artificial Colors, Total US Pet Retail Plus; Pet Food; \$ Share, \$ 2024; Calendar Year 2023, 2024

Key Takeaways

Summary & key insights

1

Pet ownership is on the rise globally with Cats leading growth. Pet parents are feeling economic pressures as they seek out promotions and deals.

2

Online commerce is a vital driver of growth across Pet in the U.S. Almost 60% of Pet parents shop both In-Store & Online for food & supply needs.

3

TikTok is a powerful new marketplace in the .com era, creating a unique white space for struggling supplies categories to reach more Pet parents.

4

Sustainable packaging remains a challenge, but environmental sustainability is advancing. Ingredient innovations are on the rise, though risks with artificial colors should be monitored.

Thank you

