

Beyond the Bowl: *The Ultimate Guide to the Pet Industry in Canada*

2024 edition



NIQ provides the Full of consumer shopping behaviour

How does it work?



Data Collection

NIQ collects POS data from all the major retailers in Canada. We then harmonize the information and deliver it in the most comprehensive way.



Reporting

NIQ provides you with a full view of the marketplace through its robust and tailored One Shot reports.



Insights

Answer key business questions and drive deeper conversations with retailers by telling a compelling story backed by trusted data.

NIQ 2024 Consumer Outlook Assessment



How much
pressure will
consumer
wallets be under
in 2025?



How will
consumers
respond in
2025?



What does this
mean for the
Pet industry?

Section 1: Consumer Under Pressure



How much
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What does this
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Canadians' sentiment about the economy: Lukewarm

52%

think the **Canadian economy** is set to deteriorate this year

82%

think the country is in a recession

46%

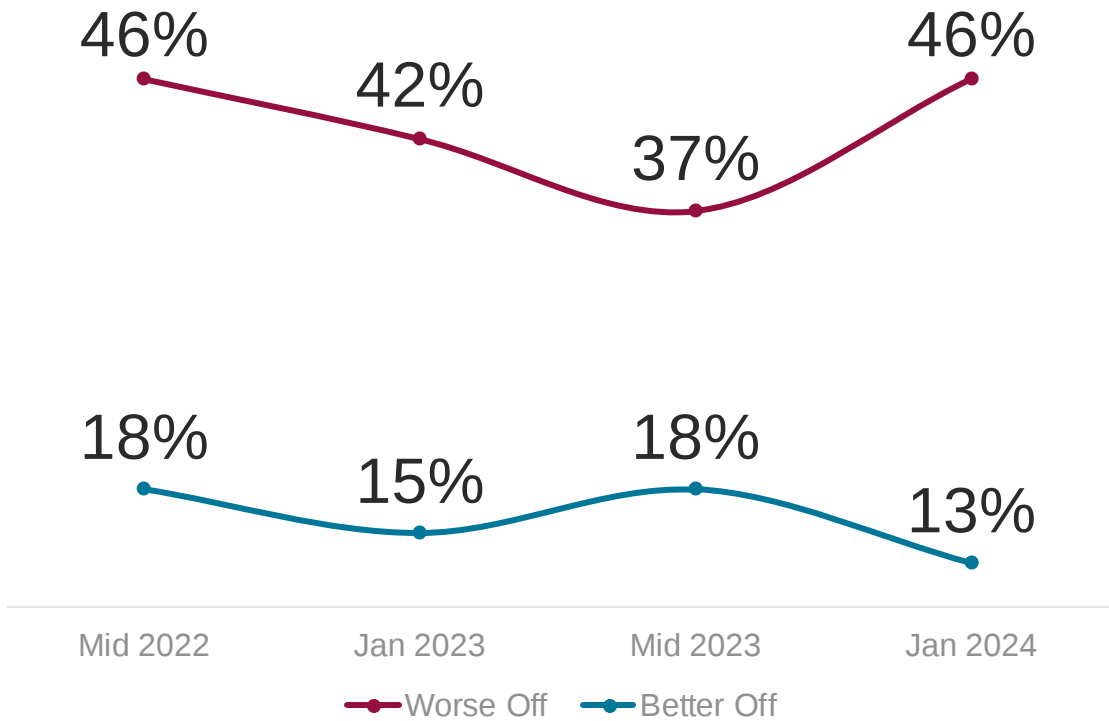
say they expect to fall behind financially in 2024

Source: [Canadians pessimistic about economy in 2024: survey](#) | CTV News

Polarized financial situations remain

46% of Canadian consumers feel worse off

Consumer financial position
Sentiment year-over-year (% respondents)



Source: NIQ Consumer Outlook 2024, Canada
Q: Compared to a year ago, is your household better off or worse off financially

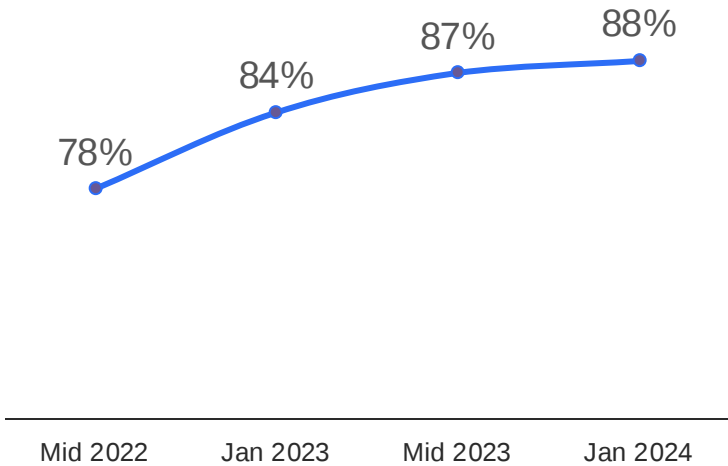
Consumers can't escape the cost-of-living crisis

Causes of worsening financial situations among Canadian consumers

Of the 46% of consumers who are worse off this year...

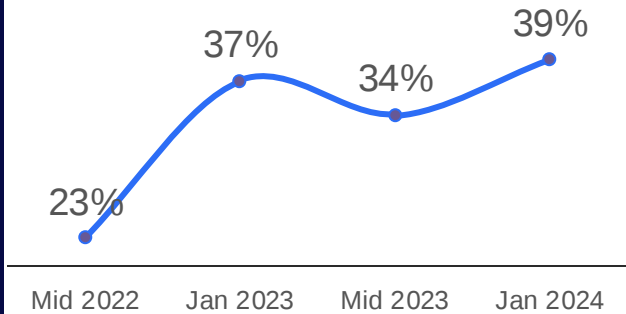
88%

Increased costs of living



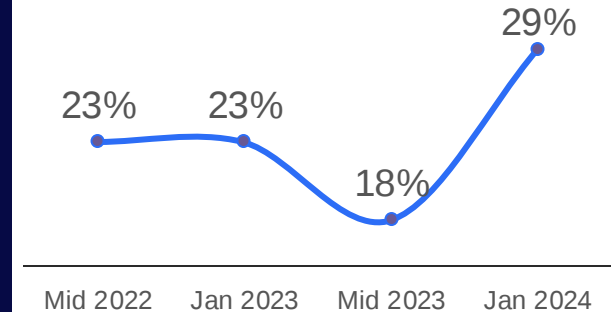
39%

Economic slowdown



29%

Job insecurity / loss



Source: NIQ Consumer Outlook 2024, Canada



64%

of Canadians who must
renew their mortgages in 2024,
are stressed or very stressed

Source: [Canadians pessimistic about economy in 2024: survey | CTV News](#)

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Rising costs of living remain top of mind for consumers

Concerns about geo-political crisis climb to the forefront this year

Top 10 concerns among Canadian consumers

		Ranking change vs. Mid 2023	
1	Rising prices	50% 	same
2	Increasing housing costs	20% 	Was #4
3	Increasing utility bills	15% 	Was #2
4	Global conflict / crisis escalation	13% 	was #9
5	Rising interest rates	13% 	Was #7
6	Ability to provide basics for family	12% 	was #8
7	Economic downturn	11% 	was #5
8	Global warming	11% 	was #6
9	Self / Family welfare / happiness	8% 	was #10
10	Rising fuel / transportation costs	8% 	was #3

Source: NIQ 2024 Consumer Outlook vs Mid-Year 2023 Survey, Global



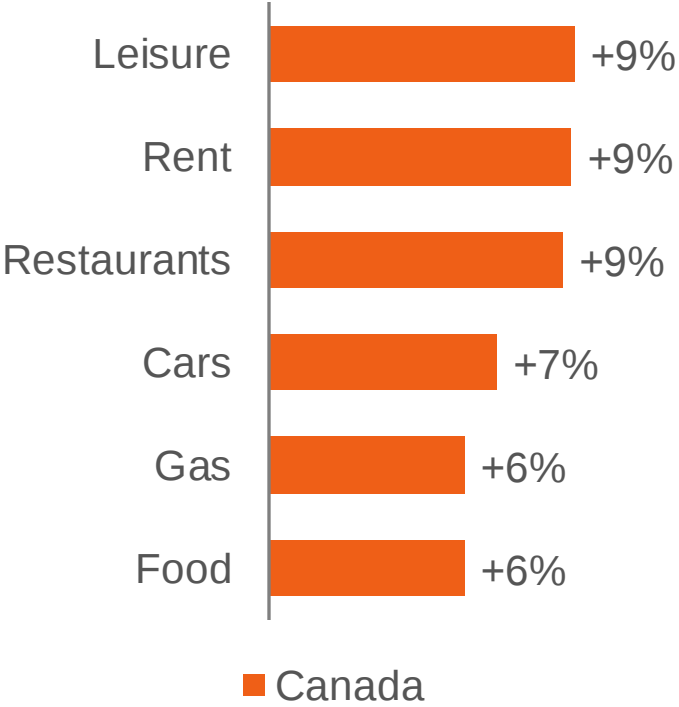
A woman with curly hair, wearing a denim jacket, is standing in a grocery store aisle. She is reaching up to a shelf filled with various snack bags, including Lay's, On the Border, and Cafe Style Queso. She is holding a bag of snacks in her other hand. The background shows more shelves stocked with products.

97%

of Canadians say they are
concerned or very concerned (75%)
by **rising CPG prices**

Canadians expect to pay more for most sectors in 2024

Price increases for selected products, forecast by consumers over the next 12 months
2023 (Canada)

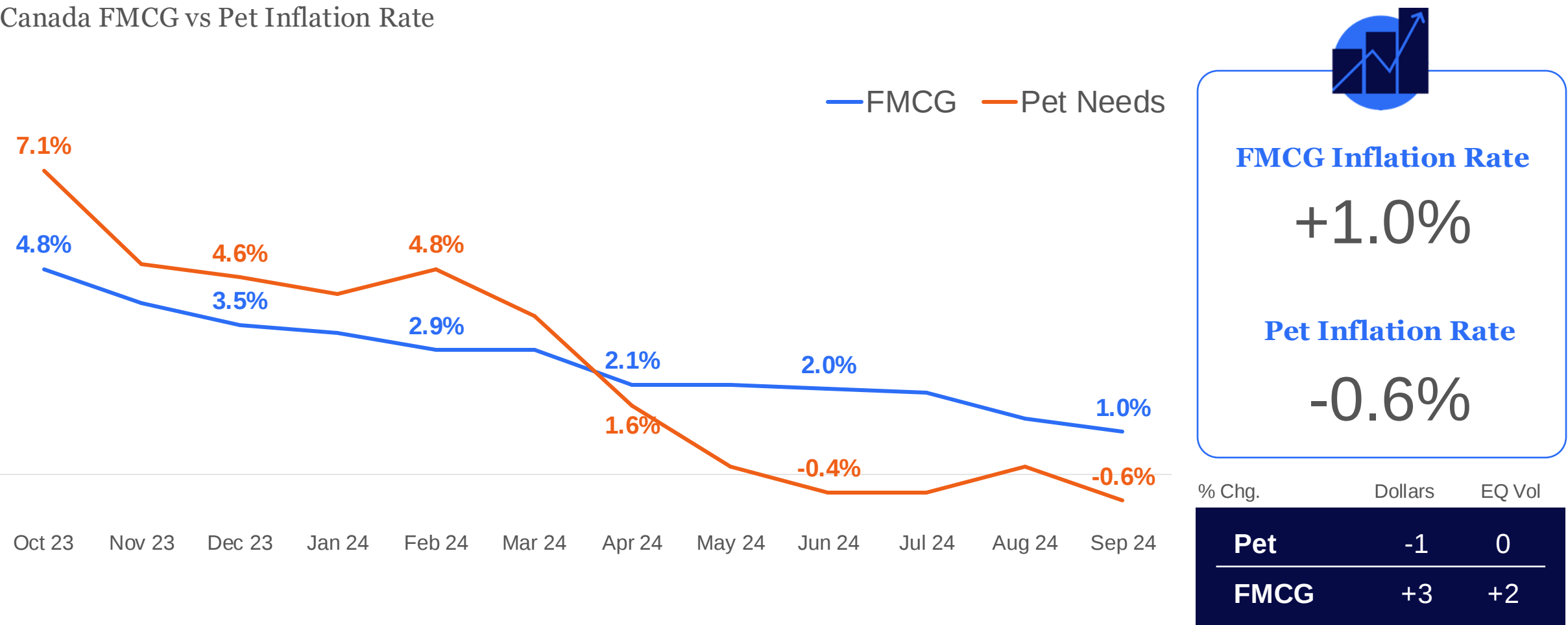


Source: Banque du Canada, [Canadian Survey of Consumer Expectations—Fourth Quarter of 2023 - Bank of Canada](#)



Pet Needs prices are deflating since August 2024

Canada FMCG vs Pet Inflation Rate



Source: NIQ RMS – National All Channels – L12wks rolling PE Mar 30 2024.

Section 2: Consumers Response



How much pressure will consumer wallets be under in 2025?



How will consumers respond in 2025?



What does this mean for the Pet industry?

**Maintaining
consumer and
shopper loyalty
will be a
challenge in
2025**

Saving motivators for consumers around the world

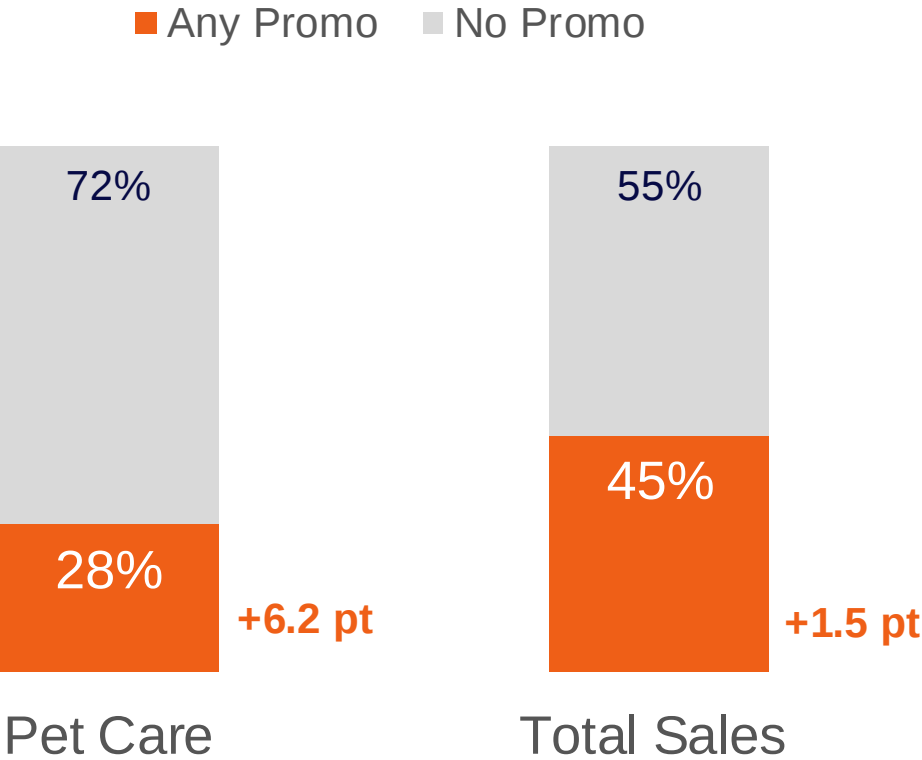
			Global	Canada
	Seek lower prices	>	89%	89%
	Switch products/brand	>	74%	74%
	Reduce overall spending	>	72%	78%
	Switch stores	>	65%	69%
	Switch size	>	49%	62%
	Prioritize needs	>	43%	43%

Source: NIQ Consumer Outlook 2024, Global



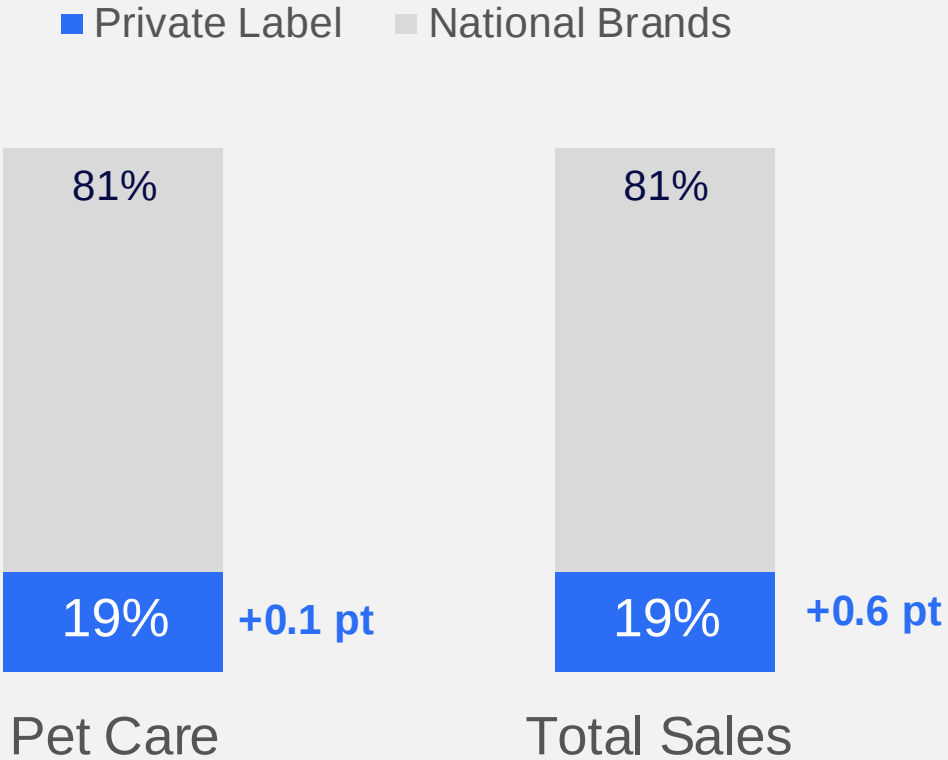
Consumers are seeking for deals

Importance (%) of Promo Sales in \$ volume



Switching to Private Label

Importance (%) of Private Label in \$ volume

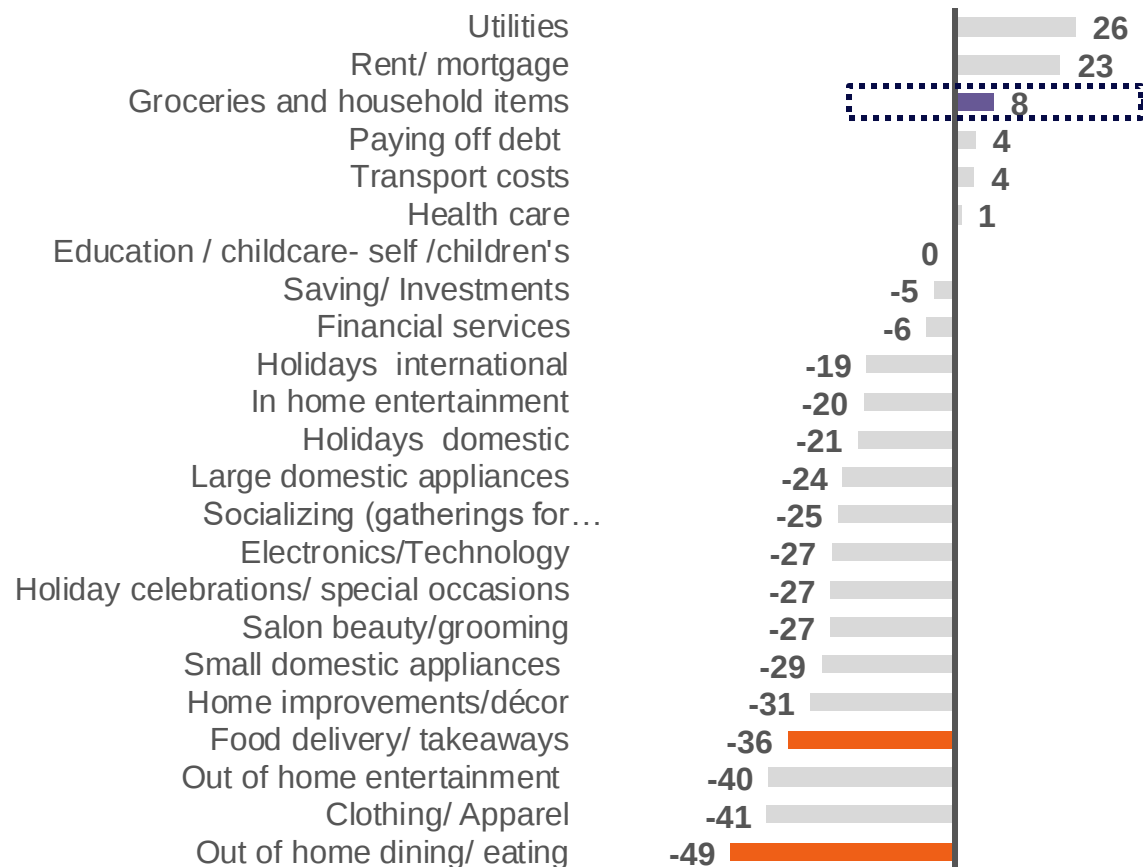


Source: NIQ MarketTrack, National All Channels, Pet Care, 52 weeks ending Sep 2024.

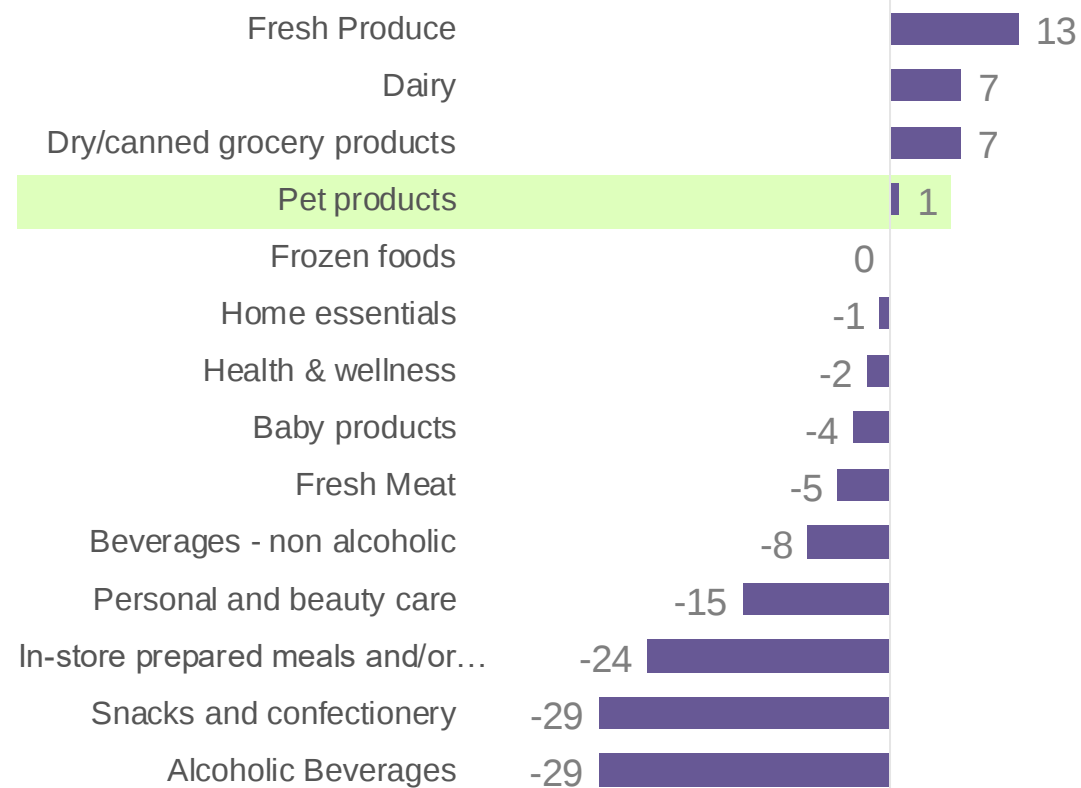


Reduce overall spending

Spending intentions for next 12 months *net change in spending (pt. change)*



Prioritize needs



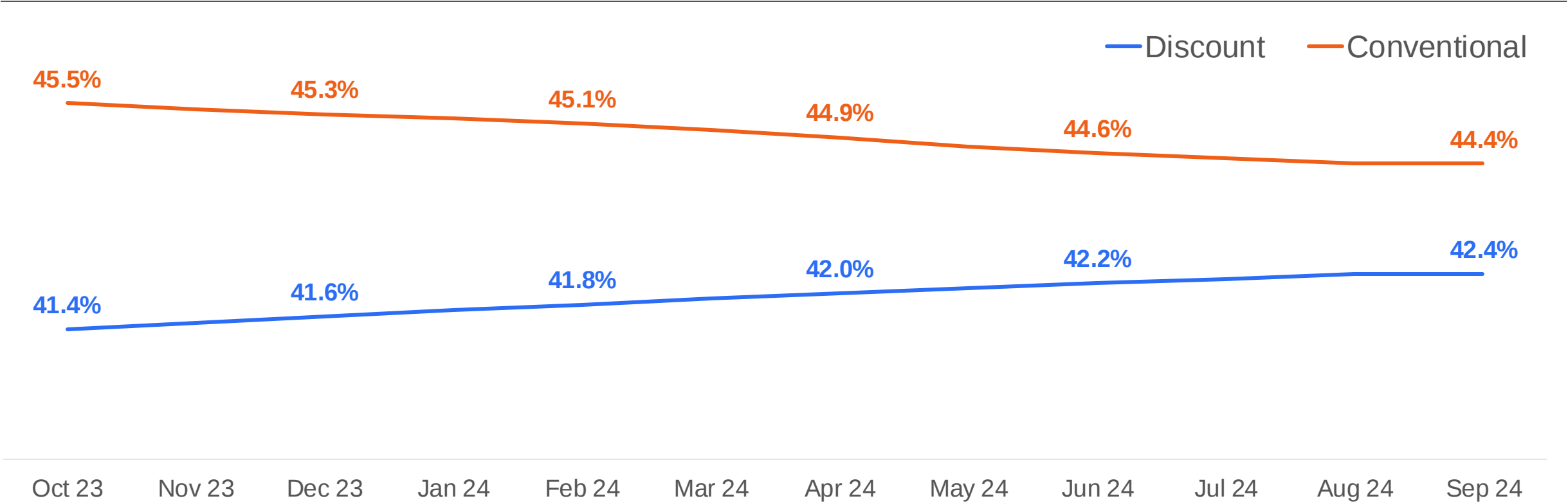
Source: NIQ Consumer Outlook 2024, Canada
Change in spending calculated by subtracting % of respondents who are spending less from % of respondents who are spending more



Switch stores

Discount vs Conventional – \$ Market Share

Shared to National All Channels (Canada)



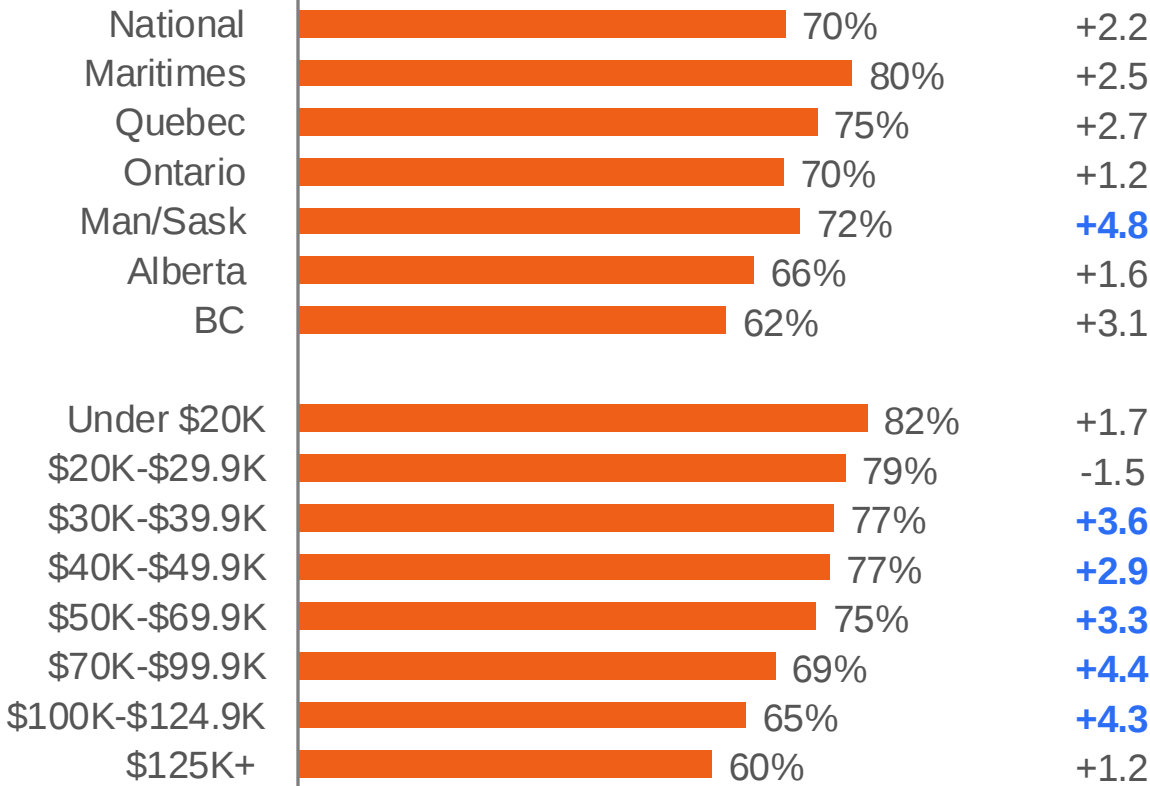
Source: NielsenIQ MarketTrack | National All Channel | Total FMCG | Rolling 52wks PE WE Sep 2024



Switch stores

Penetration levels – DOLLAR STORES

Total CPG (Canada)



Source: NielsenIQ Homescan, TOTAL OUTLETS, TOTAL CPS SALES - Latest 52 Weeks - WE Oct 07 23



Dollorama's top categories

Top categories - **DOLLARAMA**
Market importance vol. \$ (Canada)

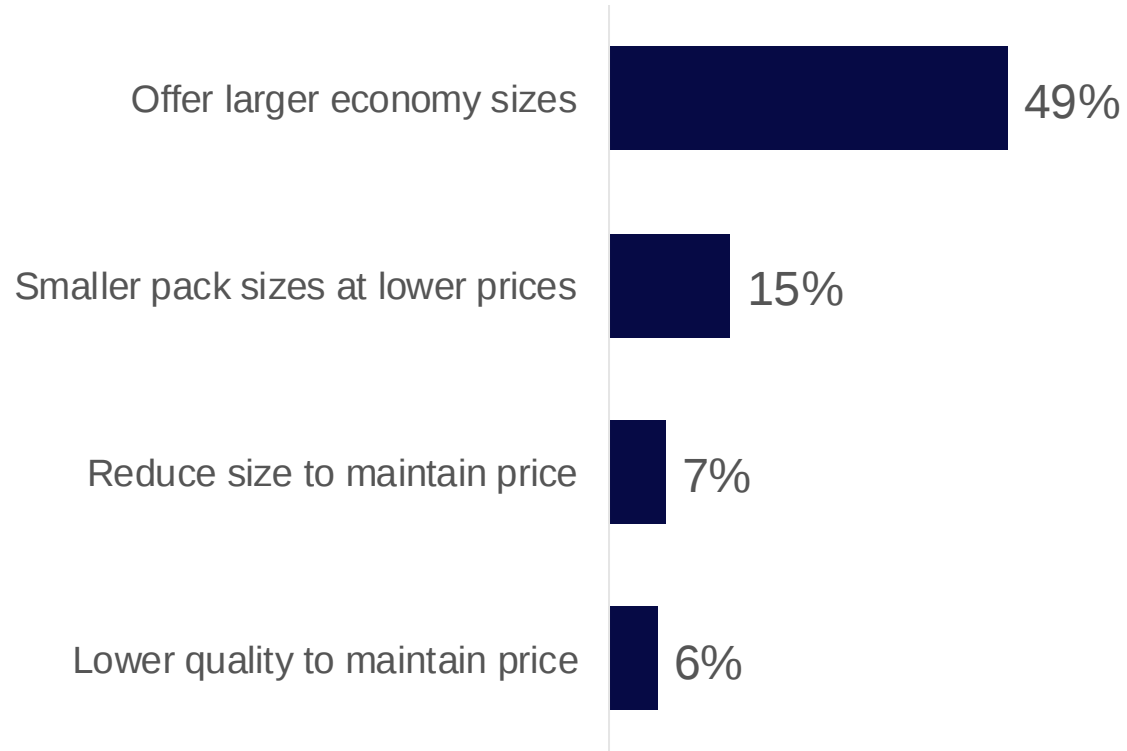
Non-food	
	Candles - specialty
2	Cat litter deodorizers
	Disposable lighters
	Party supplies & novelties
	Cutlery - disposable

Food	
	Stew & meatball entrees
	Candy confections
	Gum
	Pasta - c&b
	Chocolate



Source: NielsenIQ Homescan, TOTAL OUTLETS, TOTAL CPS SALES - Latest 52 Weeks - WE Oct 07 23

Q. : “What action should your brands take during price increase?”

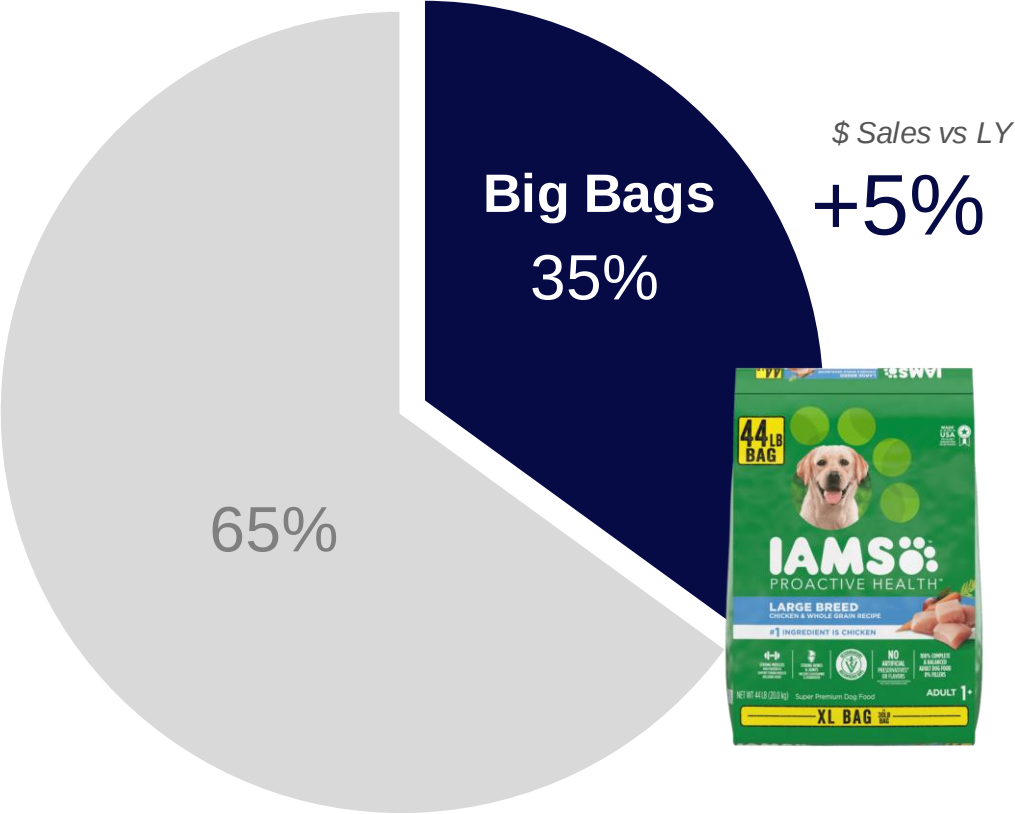


Source: Consumer Outlook 2024 – Canada



Big bags are taking over in Dog Food

Importance in Dog Food \$ sales (GB+DR+MM)



Big bags = 10 KG and more.
Source: NIQ MarketTrack, National All Channels, Pet Care, 52 weeks ending August 2024

Section 3: Impact on Pet Industry



How much pressure will consumer wallets be under in 2025?



How will consumers respond in 2025?



What does this mean for the Pet industry?



\$5B

is the size of the

**Canadian
Pet Care
market**

Total Canada  \$5,972

Ontario  \$2,446

Quebec  \$1,103

Alberta  \$779

British Columbia  \$655

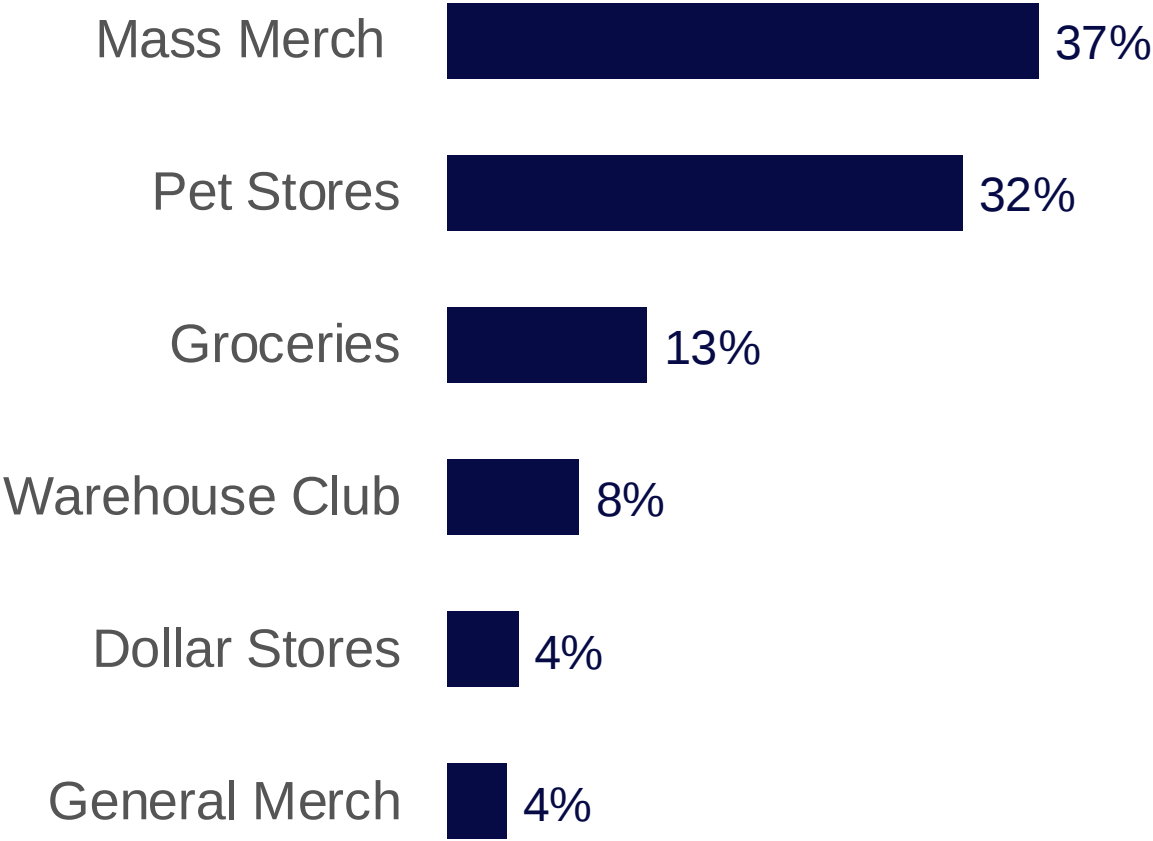
Atlantic  \$544

Manitoba  \$243

Saskatchewan  \$188

Mass Merch dominates when it comes \$ Sales

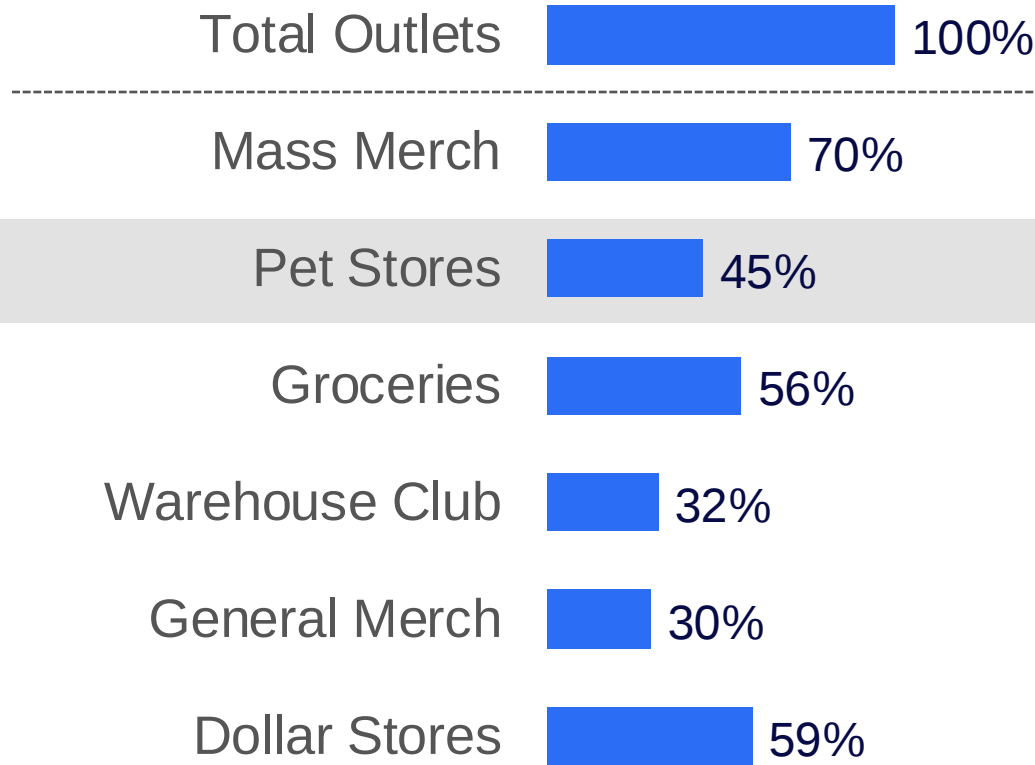
Channels market shares – Canada Aug 2024



Source: NIQ Omni Shopper, Total Outlets, Total Shoppers, Pet Food+ Pet Care, August 2024

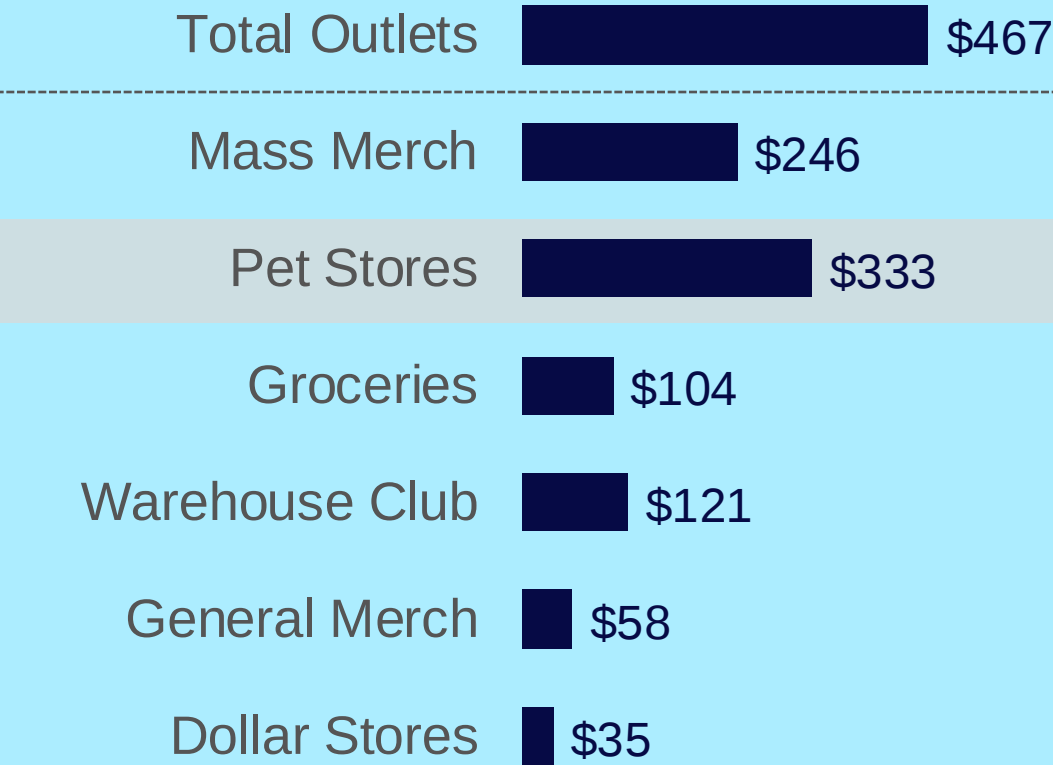
Share of Buyers

% of buyers per channels – Canada Aug 2024



Buyer \$ Value

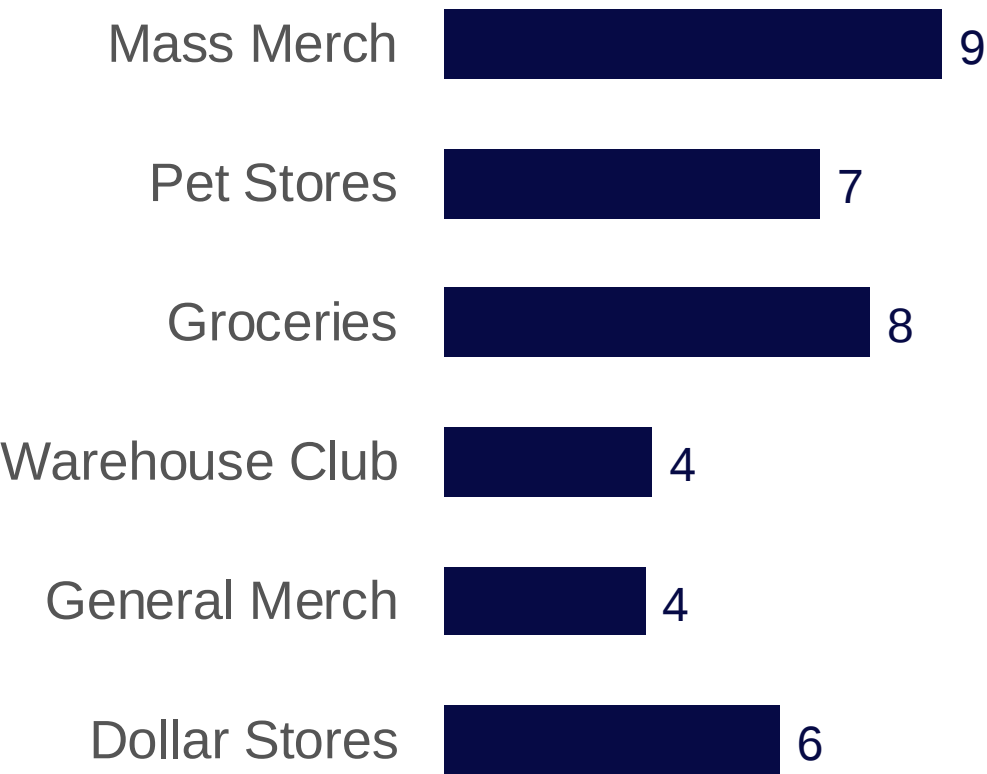
Average value of a Pet Care buyer – Canada Aug 2024



Source: NIQ Omni Shopper, Total Outlets, Total Shoppers, Pet Food+ Pet Care, August 2024

Pet Stores get fewer trips than Mass Merch

Average number of occasions per buyers – Canada Aug 2024

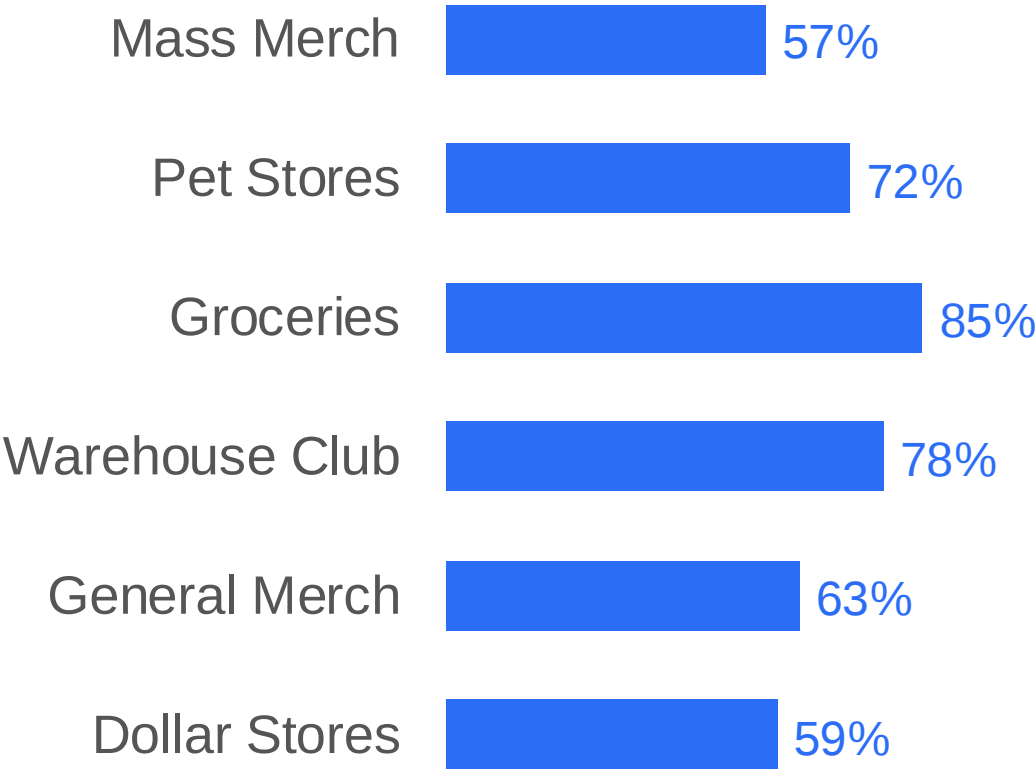


Source: NIQ Omni Shopper, Total Outlets, Total Shoppers, Pet Food+ Pet Care, August 2024



Pet Food is very important for groceries

% of Pet Food in Total Pet Care – Canada Aug 2024



Source: NIQ Omni Shopper, Total Outlets, Total Shoppers, Pet Food+ Pet Care, August 2024



Dollar Stores in a nutshell



1/2 of buyers go to Dollar Stores

55% vs 43% for Pet stores



Equal number of occasions

6 vs 6 for Pet Stores



Smaller consumer spend

33\$ vs 293\$ for Pet Stores



2/3 of Pet Care volume is food

60% vs 71% for Pet Stores



NIQ 2024 Consumer Outlook Assessment



Consumers are under a lot of financial pressure.



Canadians are adopting new purchase tactics to relive this pressure.



Those defense mechanisms have a direct impact on Pet Care.

...Food for thought



Reach consumers where they are

It's the wrong time to miss the right place



Consumers move fluidly across channels to fulfil their needs. Pay close attention to **Mass Merch and Dollar Stores** as consumers are currently seeking for greater value.



Make shopper-centric decisions

Personalize your approach to providing value



Growth in pressured times requires **navigating consumer “trade-offs”**. Use the voice of the consumer to guide actions you need to cut costs.



Innovate to stay relevant

No news, could become your bad news



Private Label growth involved innovating beyond basic value concepts. Brands must **reevaluate their positioning, and innovate how they appeal to consumers**.

Coming *into view*

