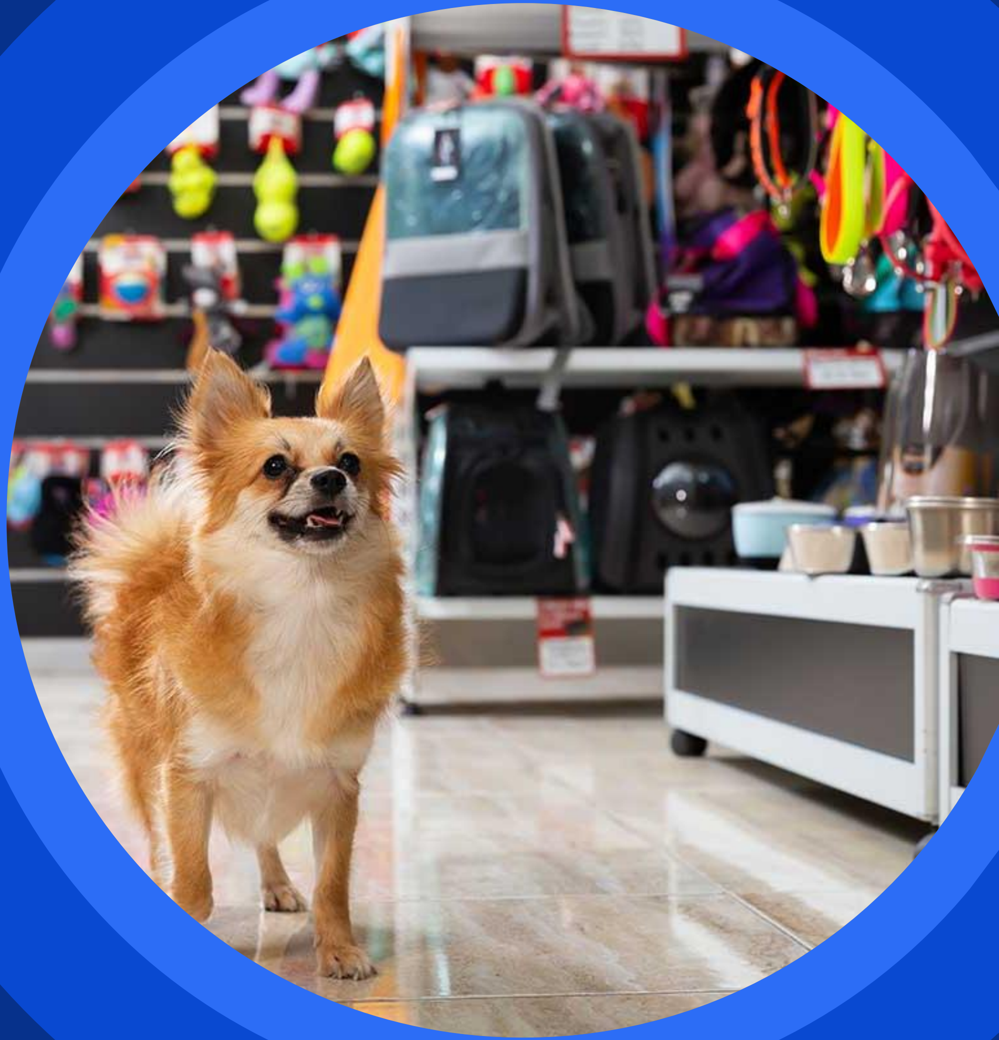
Retail 2030

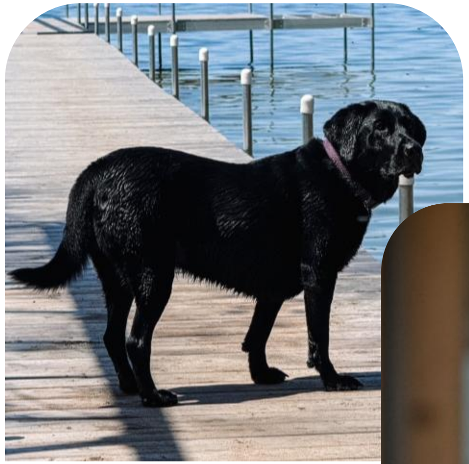
Reimagining the Pet Store Experience



Andrea Binder
The Pet Summit, 2026

NielsenIQ

Meet your speaker today



Pet industry expert with 12+ years at NielsenIQ.

Translates data into actionable insights for our clients and the industry.

Human to a 9-year-old Black lab named Breezy.

Andrea Binder

VP, Pet Industry Thought Leader

NIQ

NIQ delivers the *Full View*™ *of consumer shopping behavior.*

The world's most complete and clear understanding of consumers that reveals new pathways to growth.

What is happening

What consumers do and buy.

Why it is happening

What consumers think and feel.

What to do about it

How to capitalize on opportunities and where to act.

Measure more with unmatched data granularity.

Across 220M products in-store and online.

Consumer Data

Demographic: Female, Age 30 – 35

Buying behavior: Shops on Tuesdays

Loyalty: 80% of category purchases

Channel Data

Channel: In-store

Service: Mobile pickup order

Store Data

Location: Chicago

Type: Big Box

Banner: Walmart

SKU-level Data

Consumer purchased these items together

Attribute Data

Target Animal

Pet Age/Lifestage

Pet Size

Target Condition

Brand

Product Claims

Flavor

Size

Formats

Can Glass 2-Liter Multi-pack

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*.

Pet Care in the Omni landscape of today

The importance of seamless commerce is evident in the channel dynamics

Online is commanding more of the consumer wallet while In-Store sales show declines

55%
-3.2 pts vs YA
In Store
B&M retailer sales

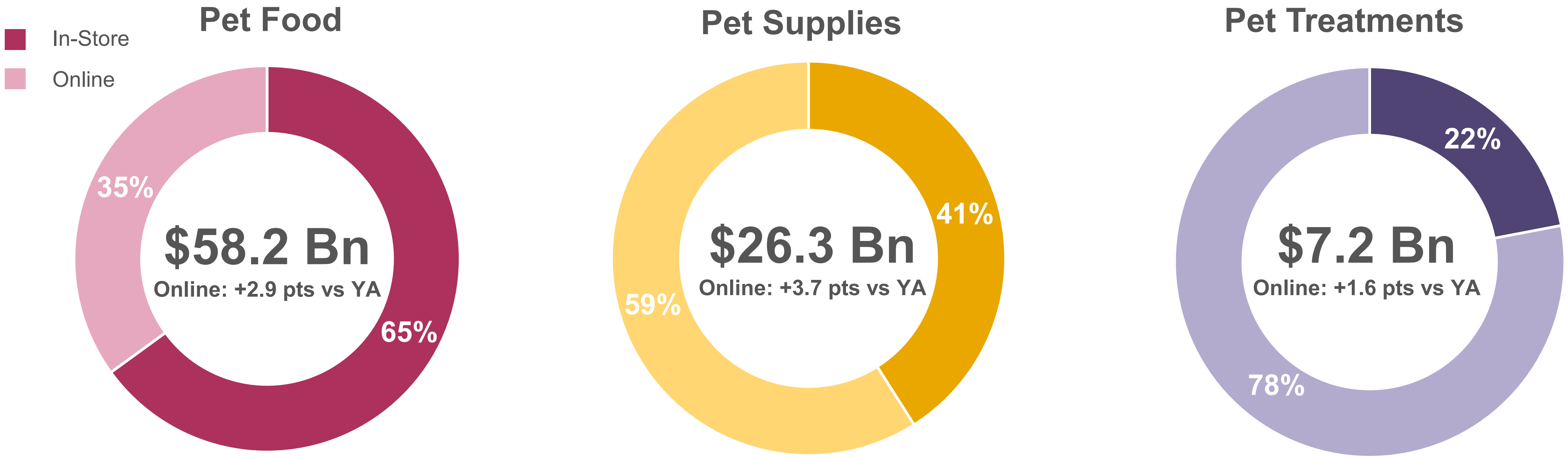
45%
+3.2 pts vs YA
Online
Online sales inclusive of Pureplay

Market	$ % Growth	Unit % Growth	Price % Growth
Total US Omni	+3.5%	+0.8%	+2.6%
Total US In-Store	-2.2%	-1.0%	-1.3%
Total US Online	+11.3%	+7.0%	+4.0%

Source: NIQ Omnisales+ | Entire Dataset; Pet Care Department, Total Omni Dollars, L52W w/e 12/27/25

Channel preference varies by pet parent need state although channel trends remain similar

While nearly two-thirds of Pet Food sales still take place In-Store, In-Store is losing share of the category



Market	Pet Food			Pet Supplies			Pet Treatments		
	$ % Growth	Unit % Growth	Price % Growth	$ % Growth	Unit % Growth	Price % Growth	$ % Growth	Unit % Growth	Price % Growth
Omni	+2.4%	+1.1%	+1.3%	+4.8%	-0.5%	+5.4%	+6.2%	+0.8%	+5.4%
In-Store	-1.9%	-0.6%	-1.4%	-3.9%	-3.8%	-0.1%	-0.8%	-1.4%	+0.6%
Online	+11.5%	+9.2%	+2.2%	+11.7%	+4.4%	+7.0%	+8.4%	+1.8%	+6.6%

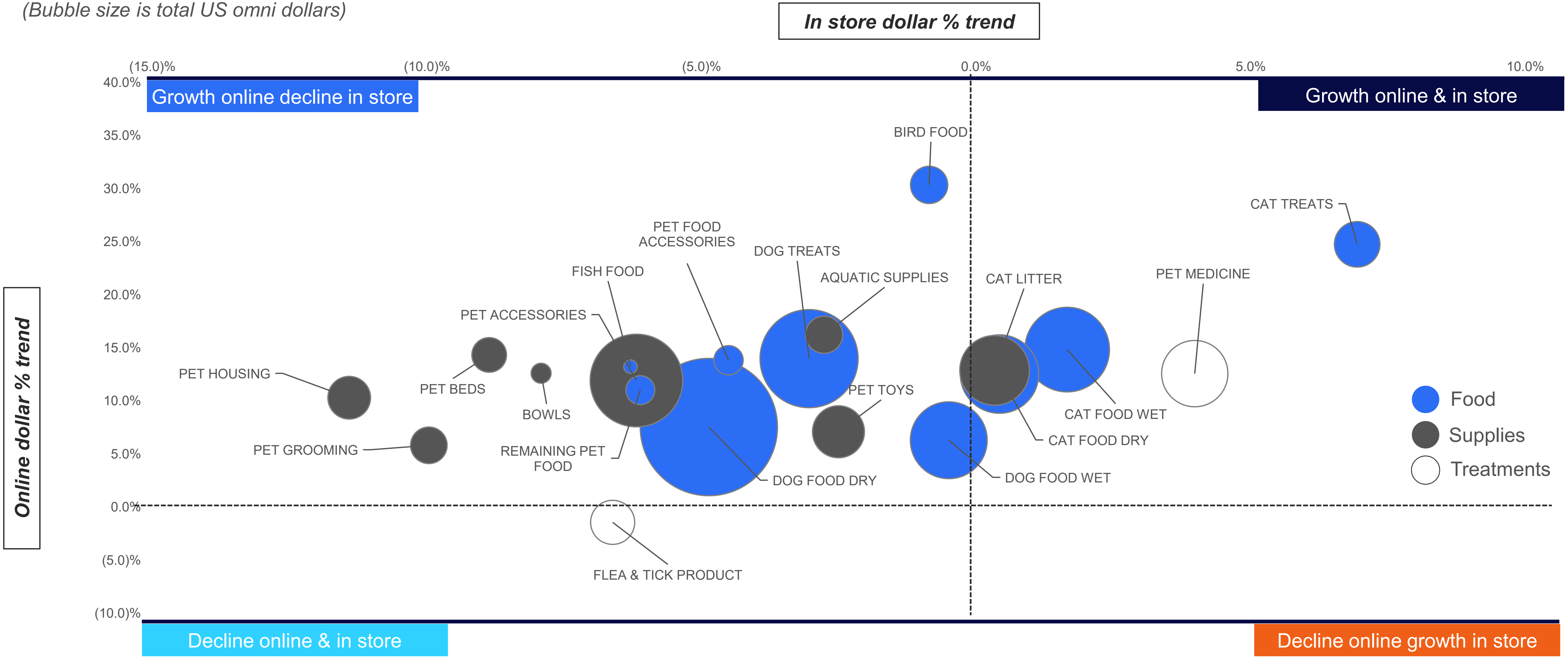
Source: NIQ Omnisales+ | Entire Dataset; Pet Care Department, Total Omni Dollars, L52W w/e 12/27/25

While online growth is for all, In-Store growth is targeted

Consumers are still driving In-Store growth for proactive healthcare and cat species needs

Total omni dollar sales by pet care category

(Bubble size is total US omni dollars)



Source: NIQ Omnisales+ | Entire Dataset; Pet Care Department, Total Omni Dollars, L52W w/e 12/27/25

Seamless commerce is necessary for 65% of customers, those most valuable to the department

Increasing need to meet the consumer wherever they may be for their purchase journey

Where are Total Pet Care buyers making their purchases?

% of Buyers: 29.7% (**-7.0 pts**)
% of Dollars: 12.3% (**-6.6 pts**)

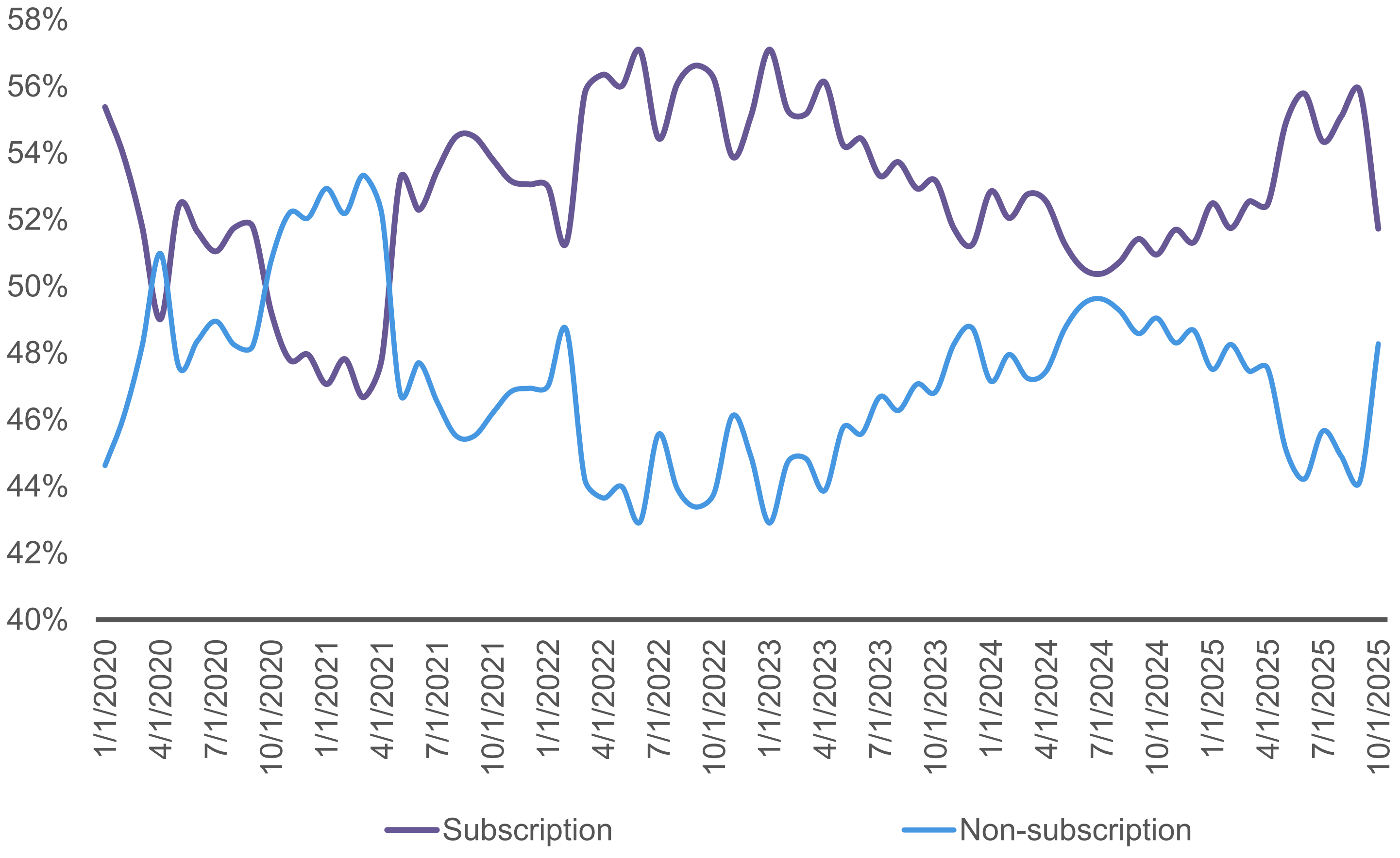
% of Buyers: 5.3% (**+0.5 pts**)
% of Dollars: 3.3% (**-0.2 pts**)

% of Buyers: 65.2% (**+6.6 pts**)
% of Dollars: 84.6% (**+6.8 pts**)

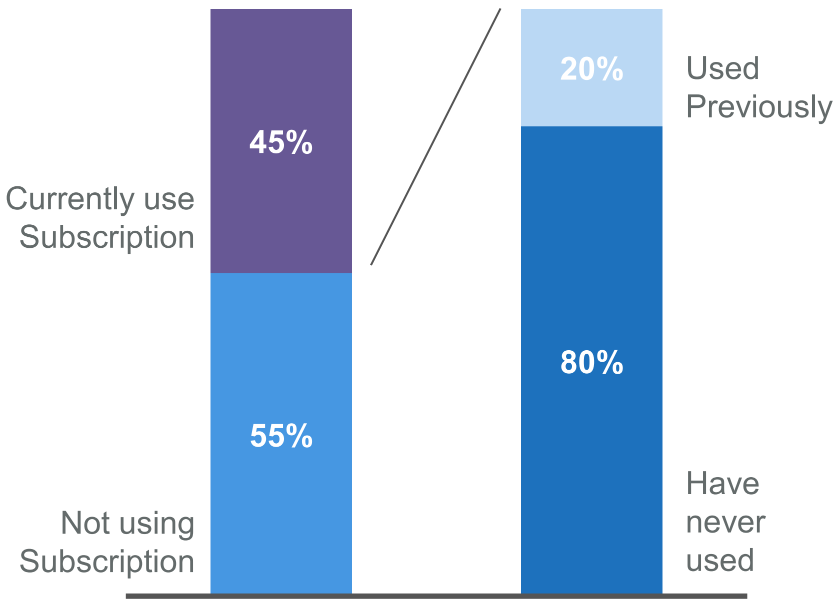
Has the U.S. reached a point of saturation for subscriptions though?

Those consumers not utilizing subscriptions today are not likely to start and they want to shop In-Store

Subscription Share of Ecommerce Pet Food Sales[1]



Subscription Consumer Behavior[2]



Of the 55% not using subscription…

- **55% prefer to shop in-store**
- 26% want more control over the price they pay
- 19% frequently change what they are purchasing

Although In-Store occasions see pull back, consumers still have a demand for in-store trips

Those shopping In-Store for Pet Care has continued to rise, but they are shopping the channel less frequently driving the decline

29%

of Pet Care buyers say ***Immediate Need*** prevents shopping online

28%

of Pet Care buyers say they ***Prefer to Shop In-Store***

Pet Care In-Store Purchase Dynamics

IN-STORE SALES
-2.2%
vs year ago

IN-STORE BUYERS
+1.7%
vs year ago

IN-STORE VALUE PER BUYER
-2.6%
vs year ago

IN-STORE TRIPS PER BUYER
-3.5%
vs year ago

IN-STORE VALUE PER TRIP
+1.0%
vs year ago

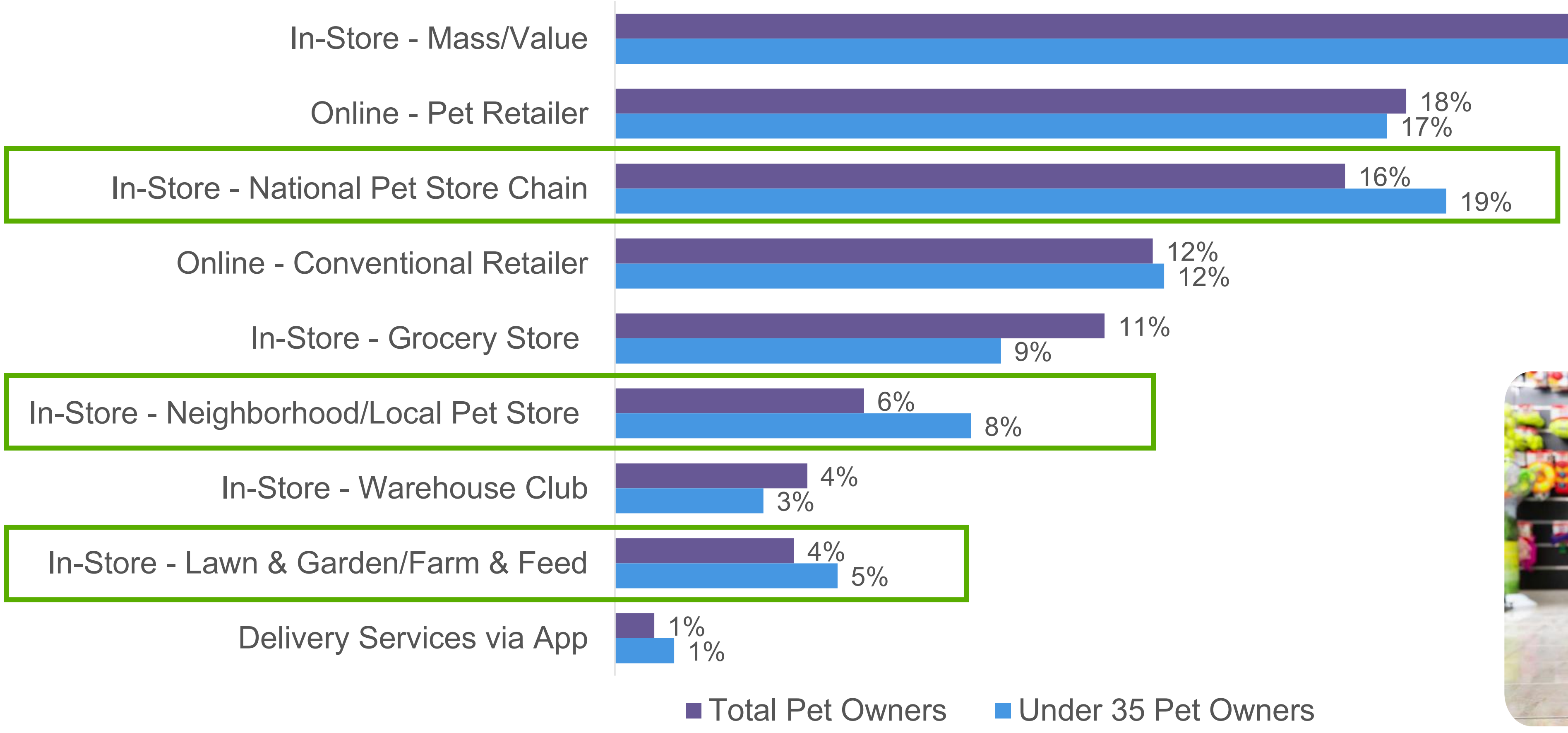
Sources: NIQ Category Shopping Fundamentals – October 2025
NielsenIQ Panel On-Demand Omnishopper, US Exp Osh – NDH Synd Full View - 444 5 yr | Entire Dataset, Latest 52 Weeks Ending 12/27/2025, NIQ Omni Department: Pet Care

Among young Pet Owners, In-store shopping remains a leading choice for pet care needs

Pet owners under the age of 35 are more likely to primarily shop for their pet care needs at physical pet retail stores

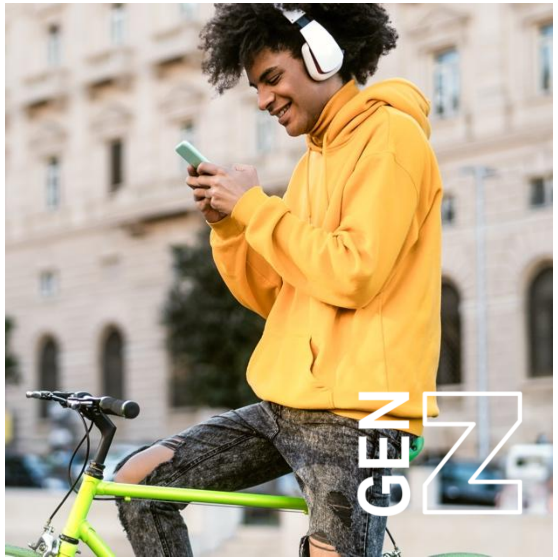
Channel Shopping Preferences for Pet Care Needs

Where do you currently shop for your pet care needs most often?



Who are these younger consumers and what are they looking for

Gen Z's value system can be defined in 4 distinct pillars, and those pillars may shape the way they purchase for their pets



Individuality

Personalization is something they have come to expect

Morality

Sustainability efforts such as Upcycling, Zero Waste and Compostable

Flexibility

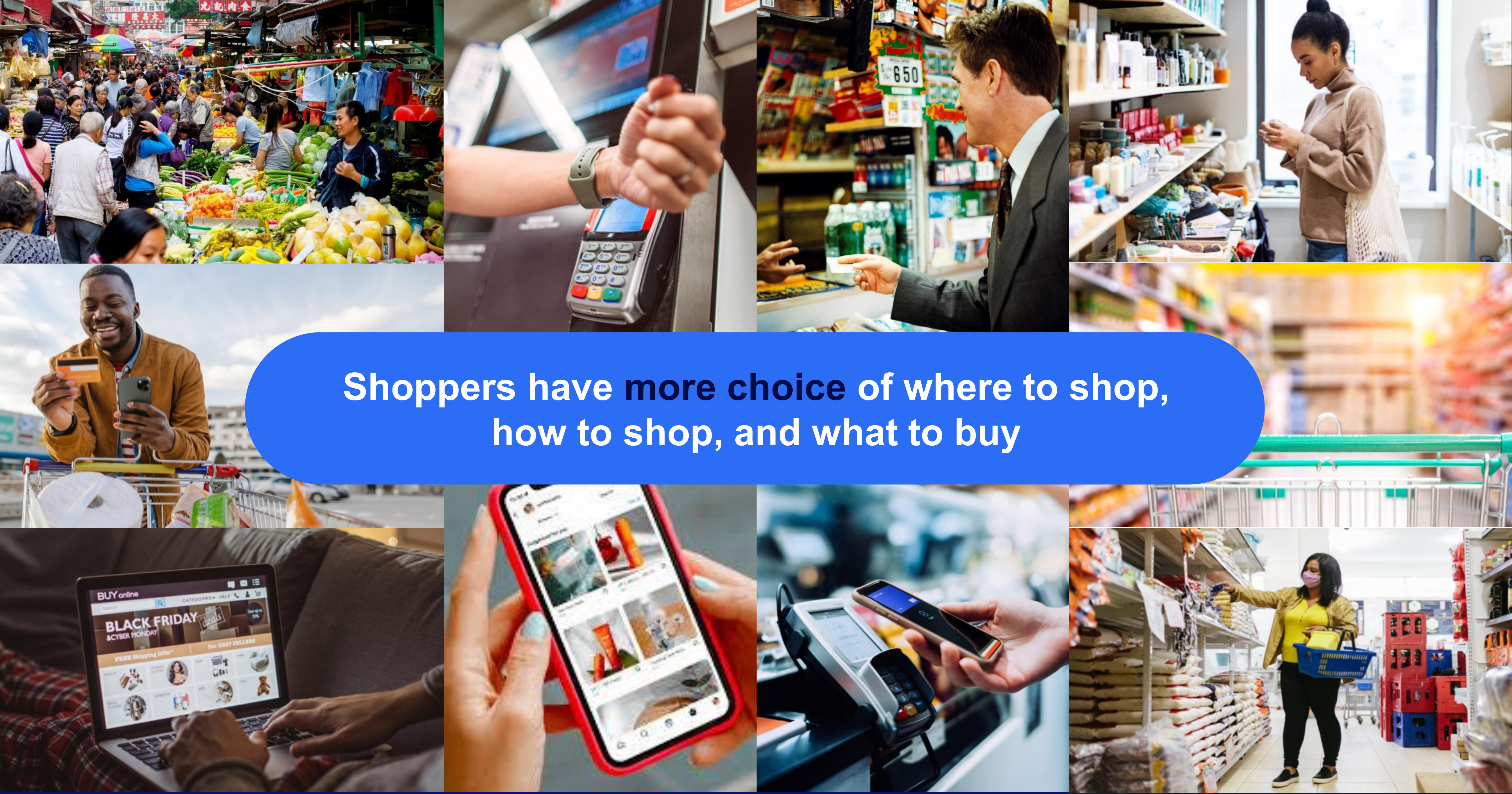
Their phone is crucial for purchasing decisions, but they still spend In-Store

Wellness

Better For™ product growth propelled by GenZ consumers

Source: NielsenIQ + World Data Labs "Spend Z Report"

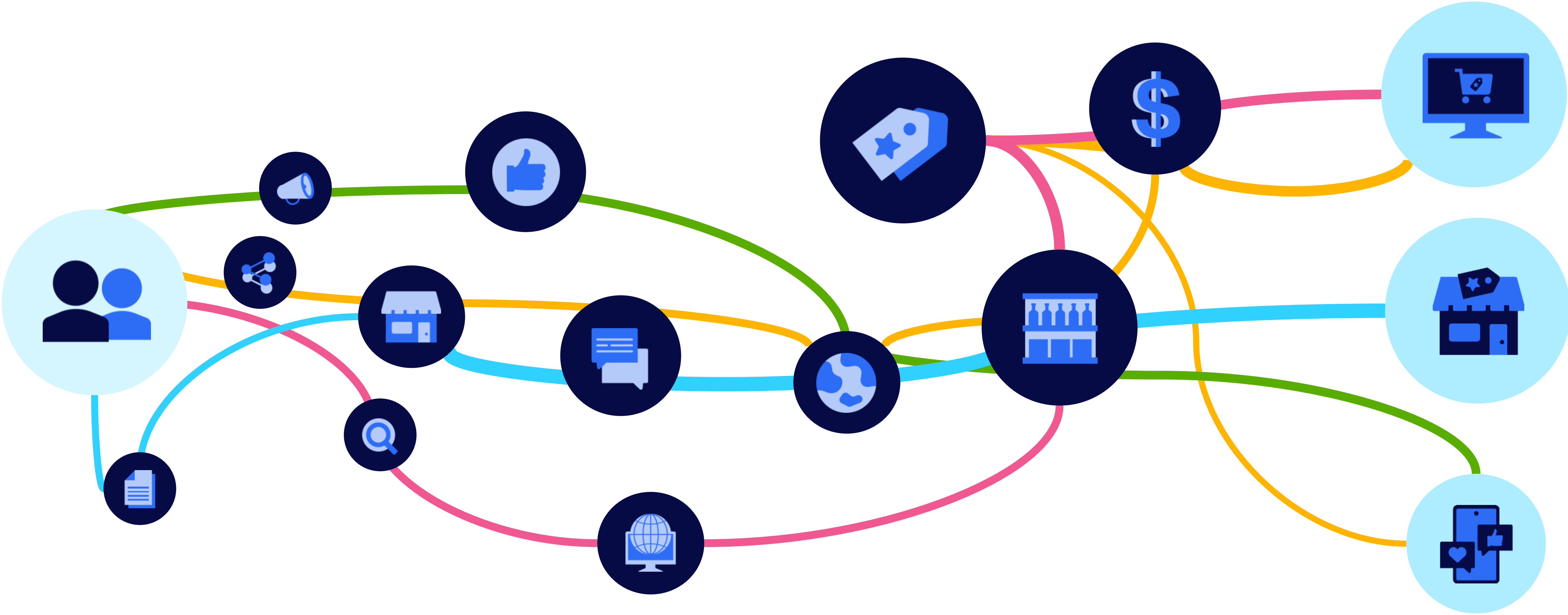
Evolving shopper journeys



Shoppers have **more choice** of where to shop, how to shop, and what to buy

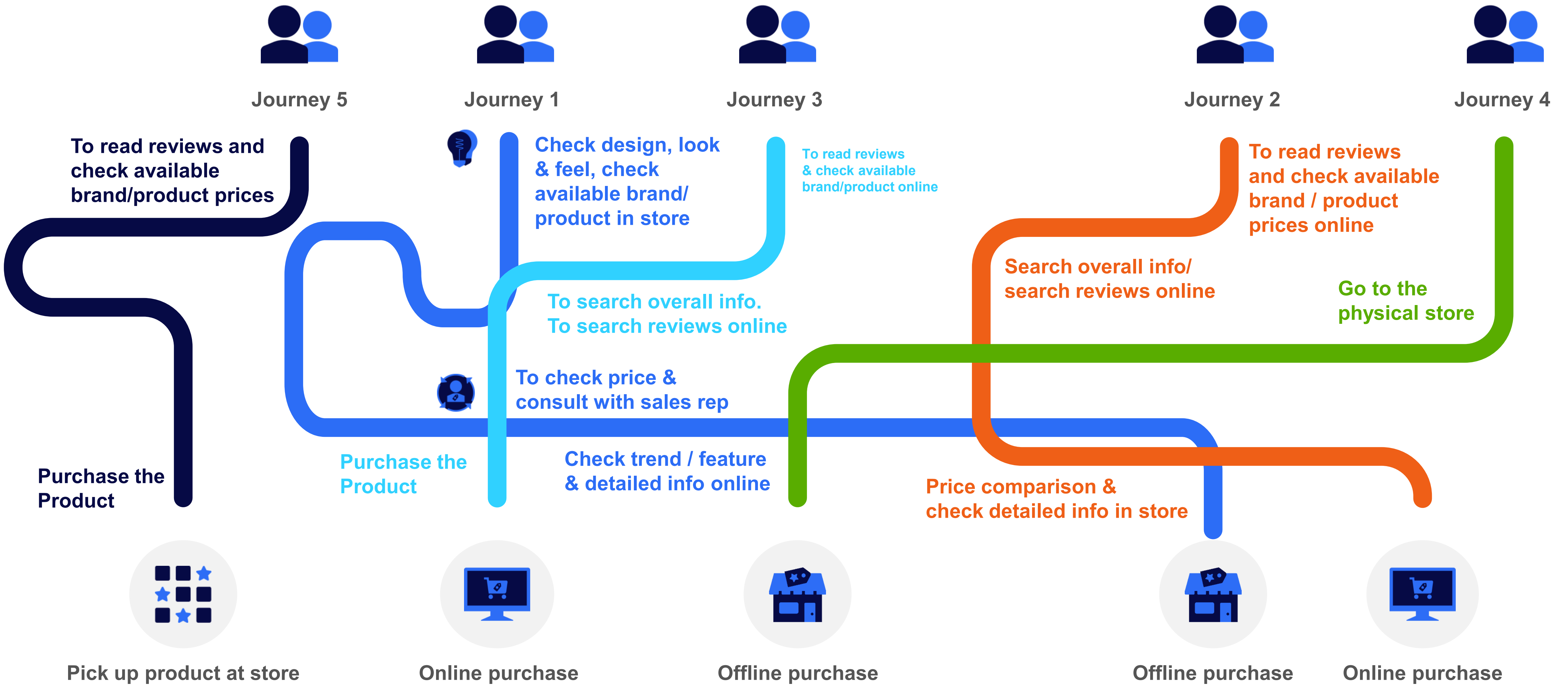
Shopper journeys are complex due to digitization and personalization…

Enabled by technology and pivoted by change, consumers have found new ways to shop, select and purchase



Representation only, not linked to any NIQ data

… and have become fragmented and more difficult to decode



Today, there are seven omni touchpoints retailers and brands must keep top of mind

Last mile
(warehouse shelf to consumer)

Retail
(online and in-store)

Agentic AI
(retailer onsite & third party LLMs)

Direct-to-consumer
(brand website, social media, apps)

B2B
(selling direct to other businesses)

Marketplace
(Amazon, Walmart.com, etc.)

Social commerce
(TikTok, Facebook, Instagram, etc.)

Source: NIQ

AI embedding across the entire retail value chain

Shopper

Retailer

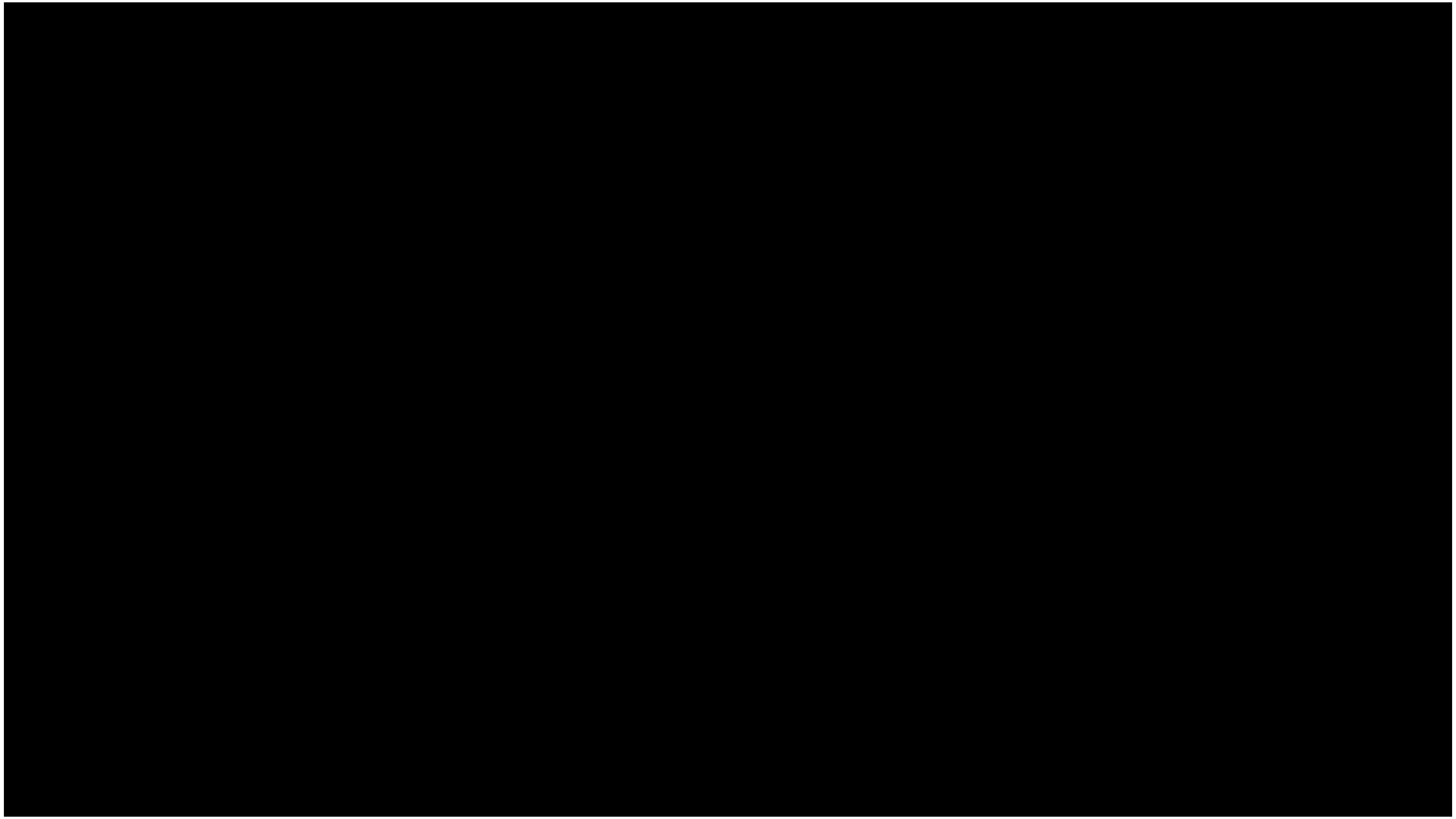
Brand

- AI Shopping Agents
- AI Chatbot Assisted Search
- Review Summaries
- Content Creation
- Distribution/Last Mile/Route Management
- Pricing and Promo Management
- Merchandising Audits
- Product Substitution Recommendations
- Small Vendor Negotiations
- AI Agent Product Testing

NIQ

The Future of Retail

Our View



US consumers show appetite for AI-driven personalized solutions

These numbers are likely to rise as the United States trails the rest of the globe in adoption of AI

US | % Of respondents

48%

Are comfortable with a digital shopping platform making product **suggestions**

34%

Would be interested in using tools powered by Artificial Intelligence (AI) to **help manage their household shopping in the future**

32%

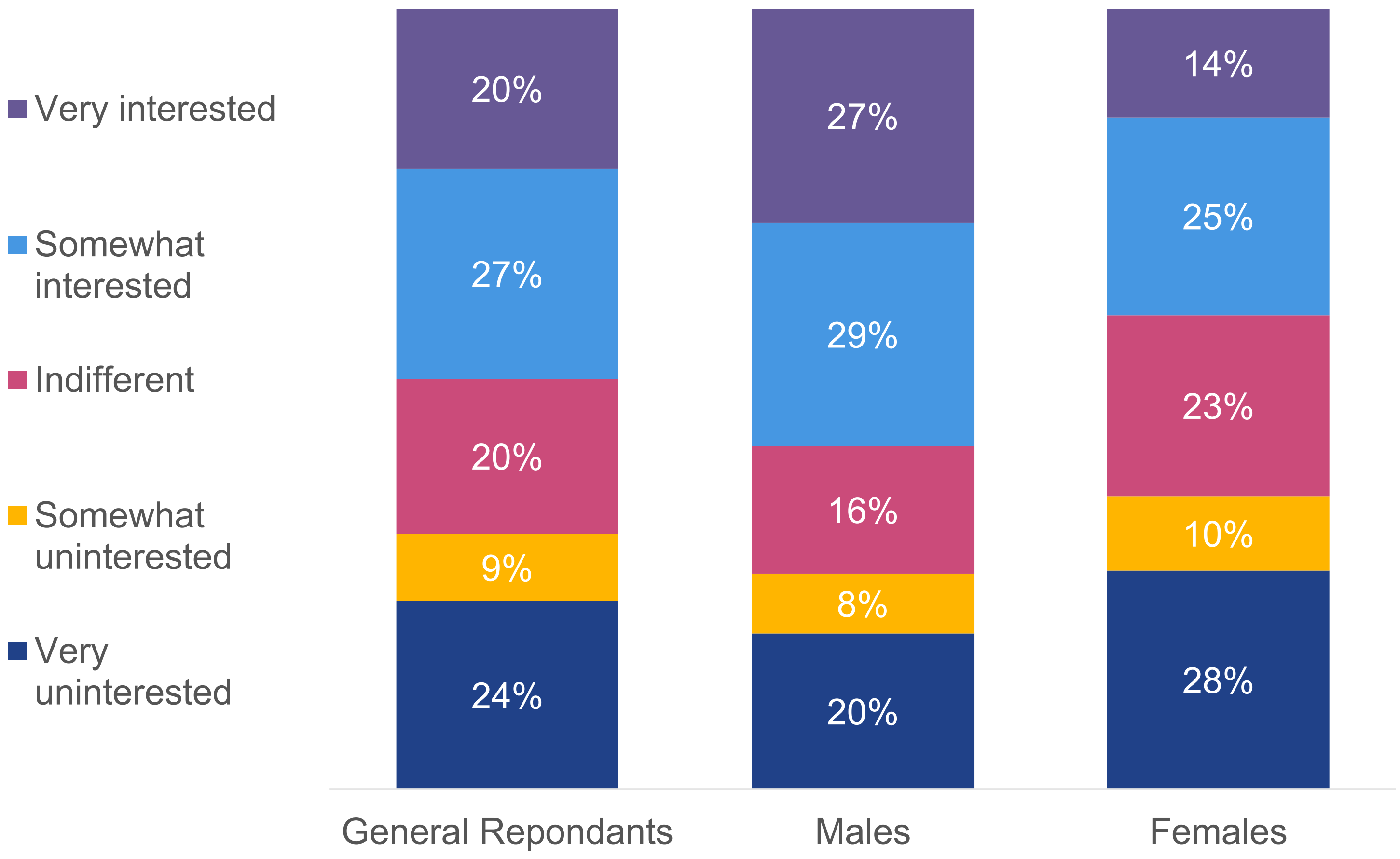
Are comfortable with a digital shopping platform **making purchase decisions for them**

Source: NIQ US Consumer Outlook Jul-25

Nearly half of consumers show interest in GenAI for shopping

But that interest is skewed heavily to male consumers

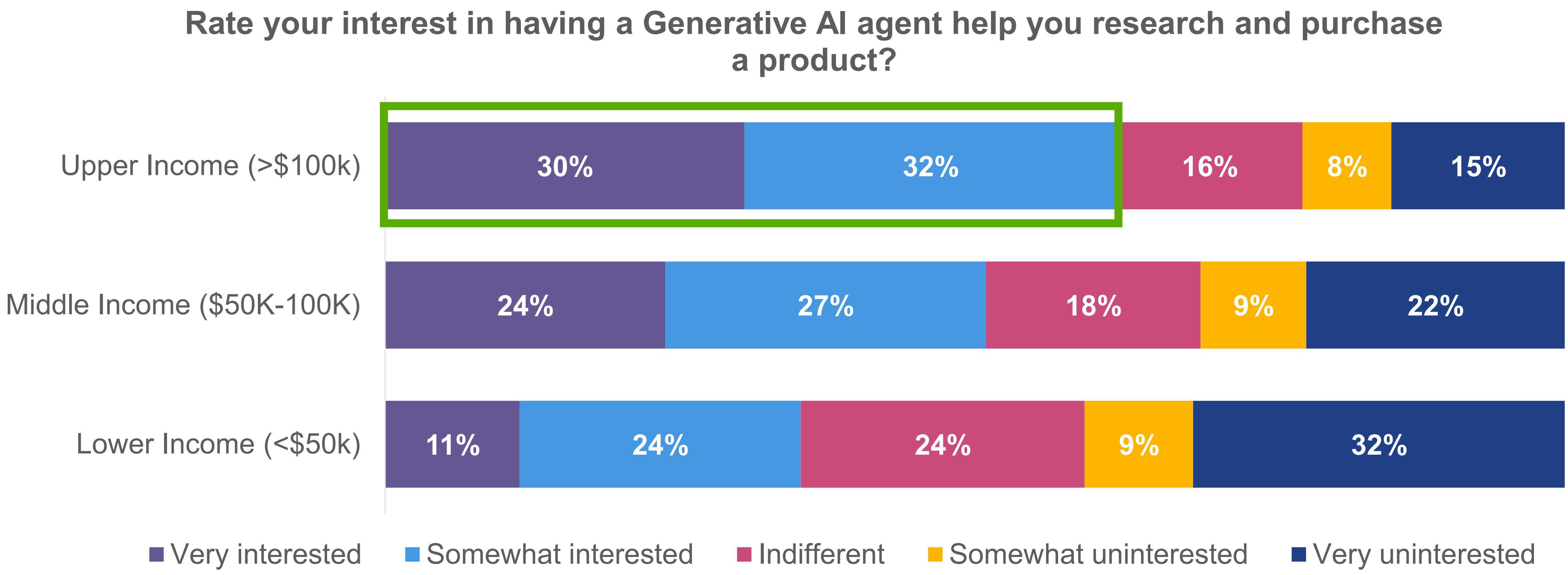
Interest in having a GenAI agent help you research and purchase a product?



Source: NIQ, AI survey Questions November 2025

Interest in AI assistance while shopping sees dramatic differences by income bracket

Lower income consumers show a significant amount of disinterest while higher income consumers are eager

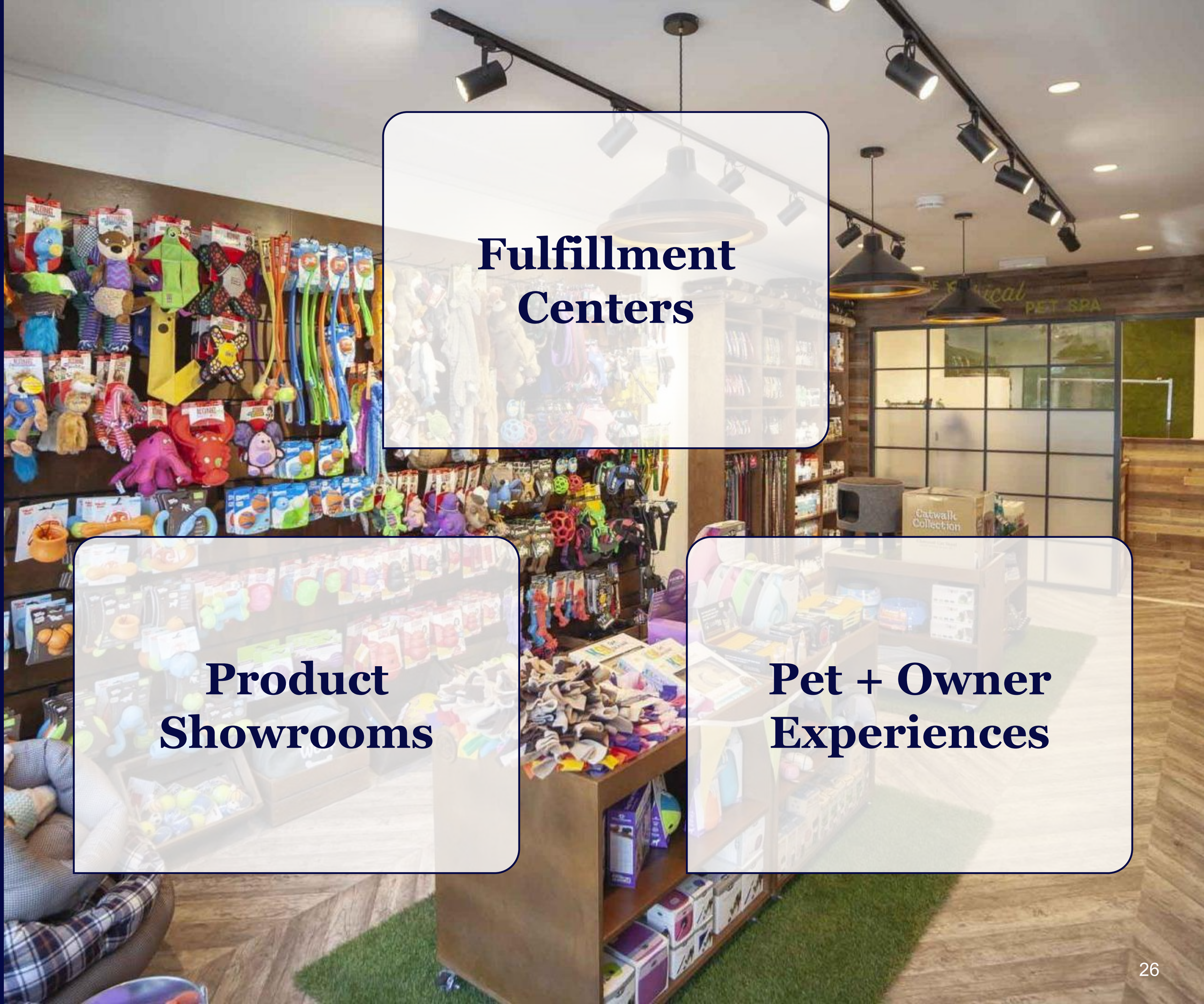


Source: NIQ BASES, AI survey Questions November 2025

So what does that mean for Pet?

3

Definers of the 2030 Pet Retail Store

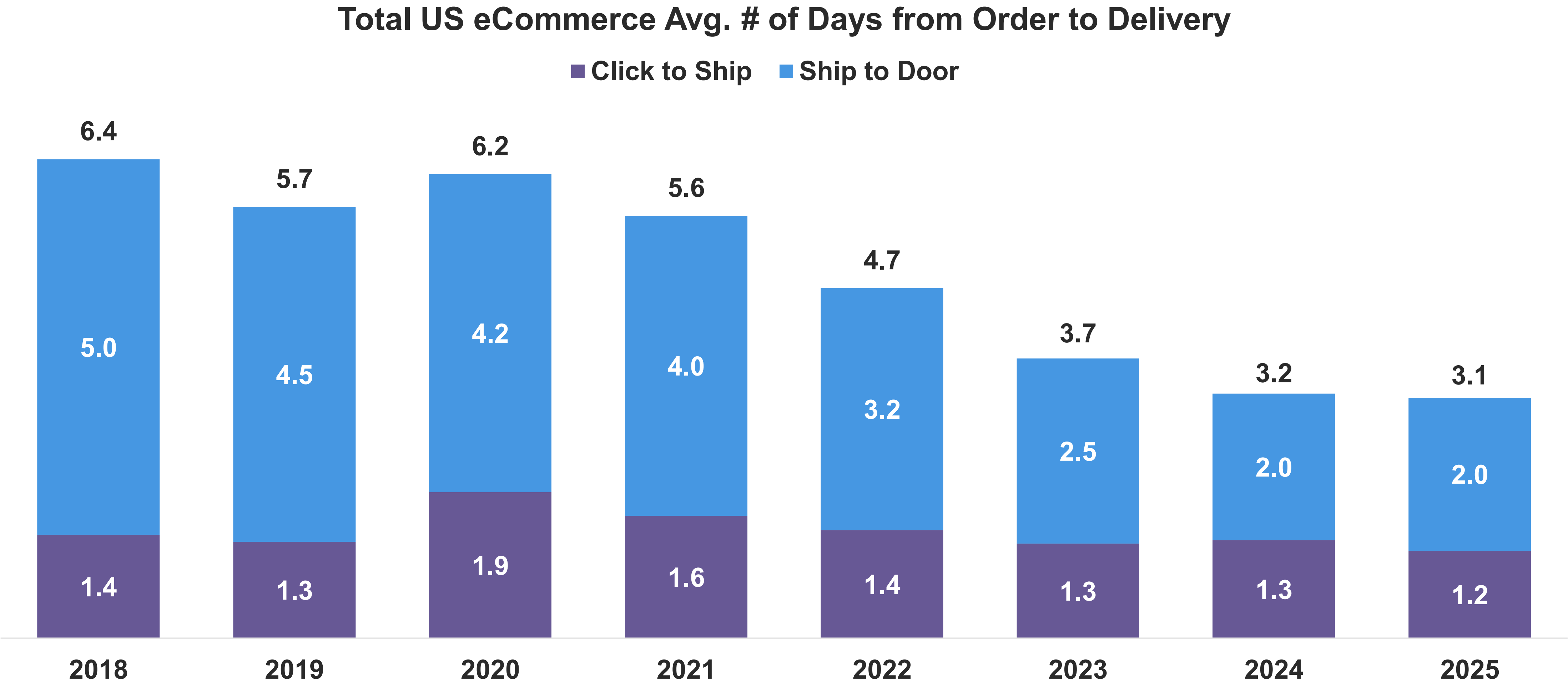


NIQ

Fulfillment Centers

For delivery, fulfillment speed will be a major competitive battleground

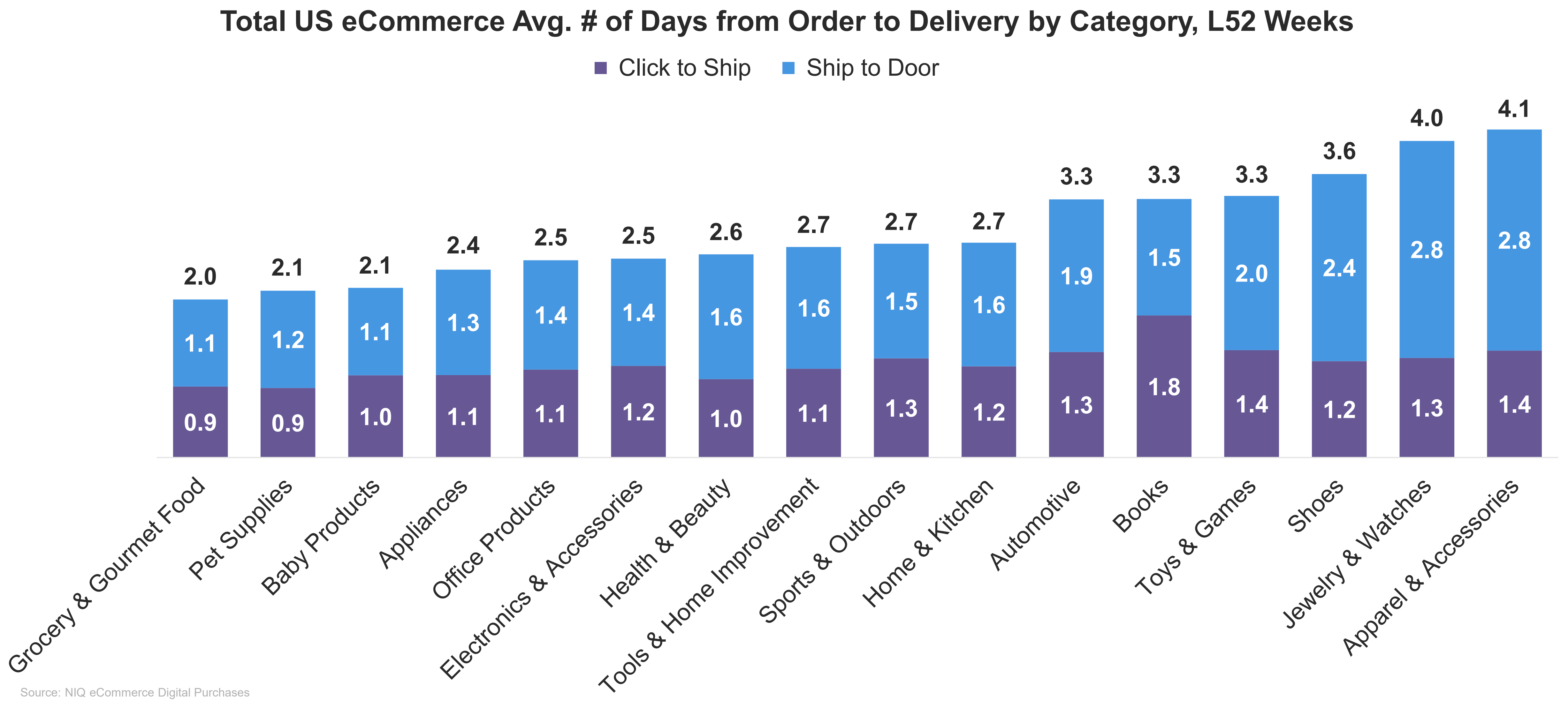
Shoppers are becoming accustomed to same-day delivery in some areas



Source: NIQ eCommerce Digital Purchases

Category realities oftentimes dictate fulfillment speed

Certain missions require faster fulfillment



Source: NIQ eCommerce Digital Purchases

As consumers become increasingly time-conscious, retailers who figure out micro-fulfillment and same-day delivery promises will lead

Source:

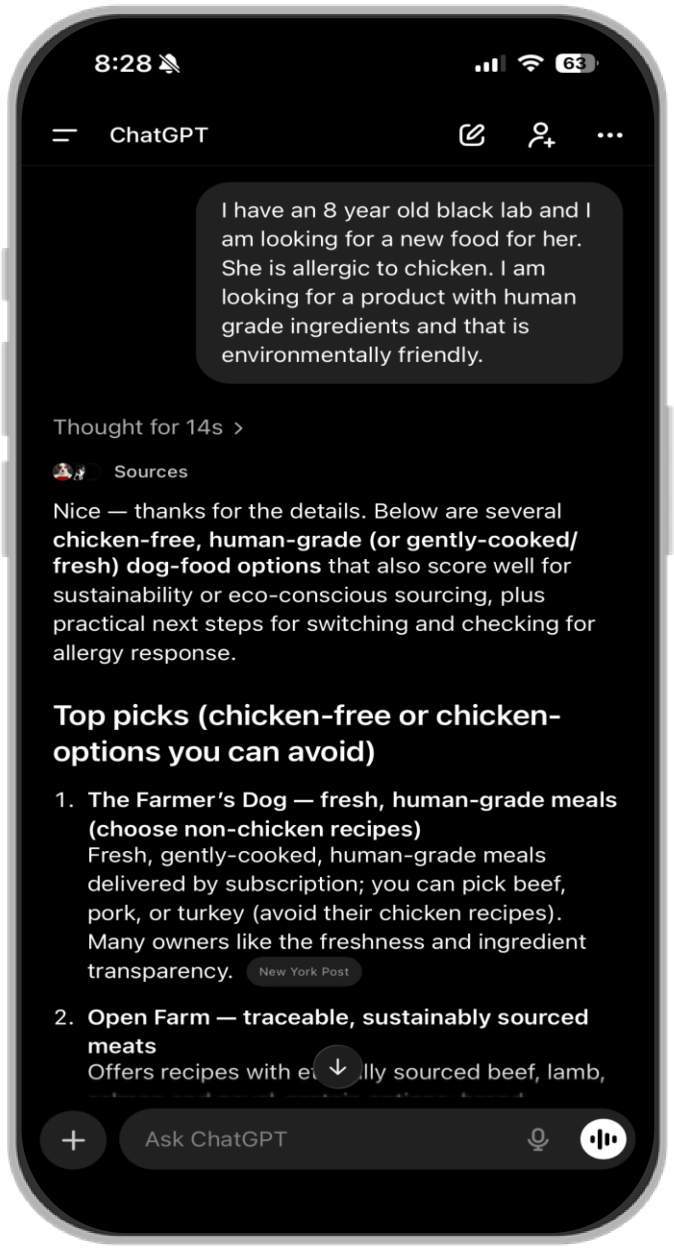
Product Showrooms

AI is the next wave of shelf space compression

Assortment is going to shrink as AI becomes a routine part of consumer discovery

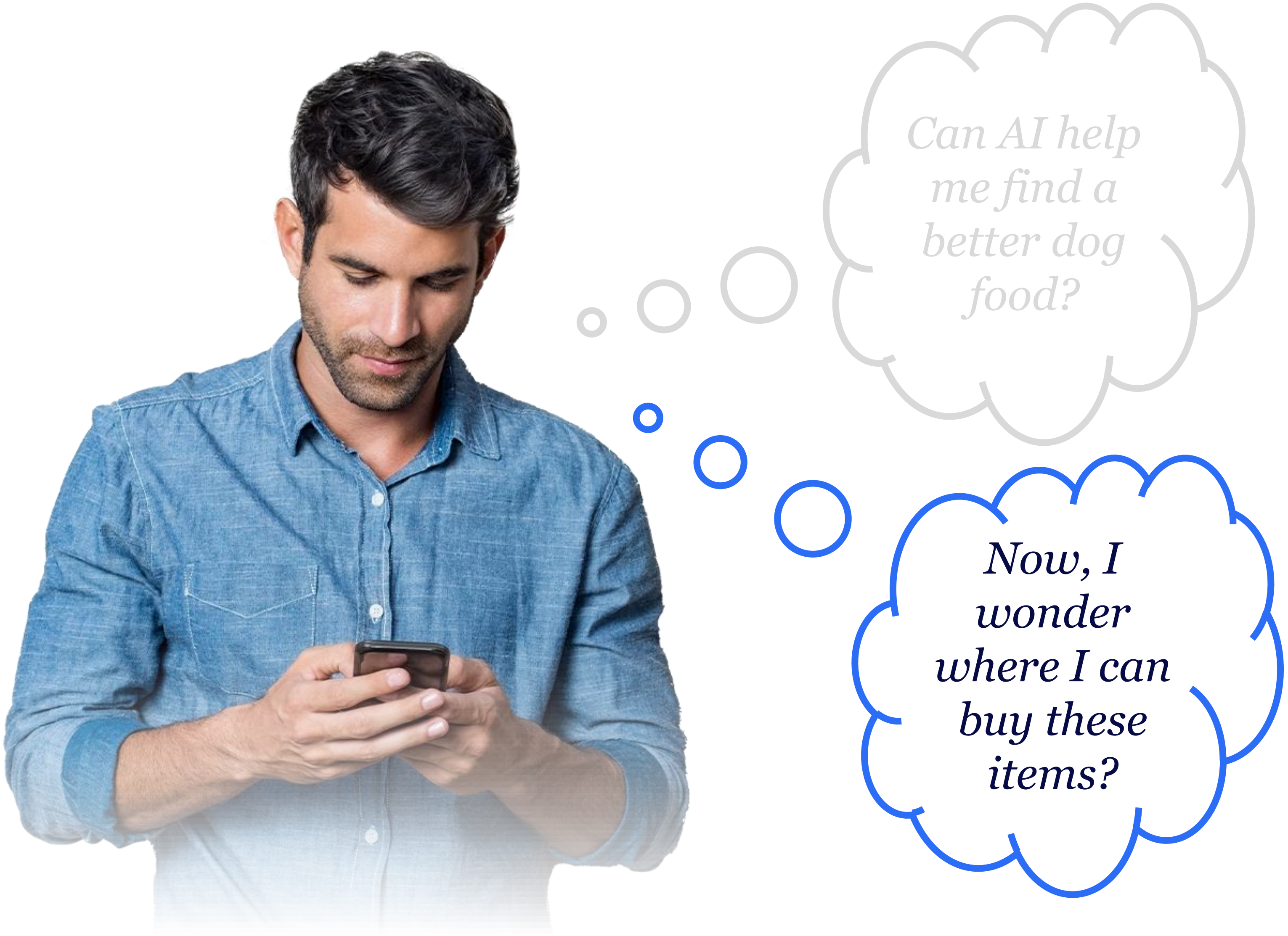
Source: NIQ Digital Shelf

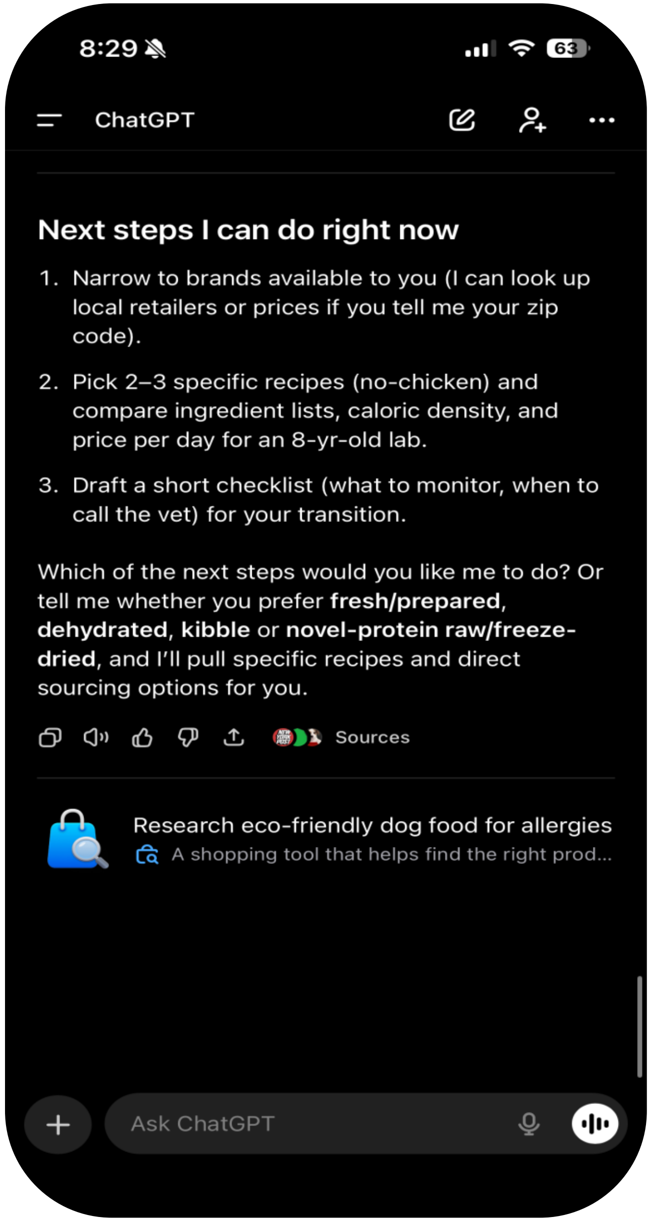
AI will fundamentally change the path to purchase



Source: ChatGPT, 2025

AI will fundamentally change the path to purchase





With AI driving discovery, comparing prices, checking location stock and more, the consumer is coming in with one thing in mind… how do you draw them in and help them find one thing more?

Source:

Pet + Owner Experiences

3 Key Experiences

Services

People

Private Brands

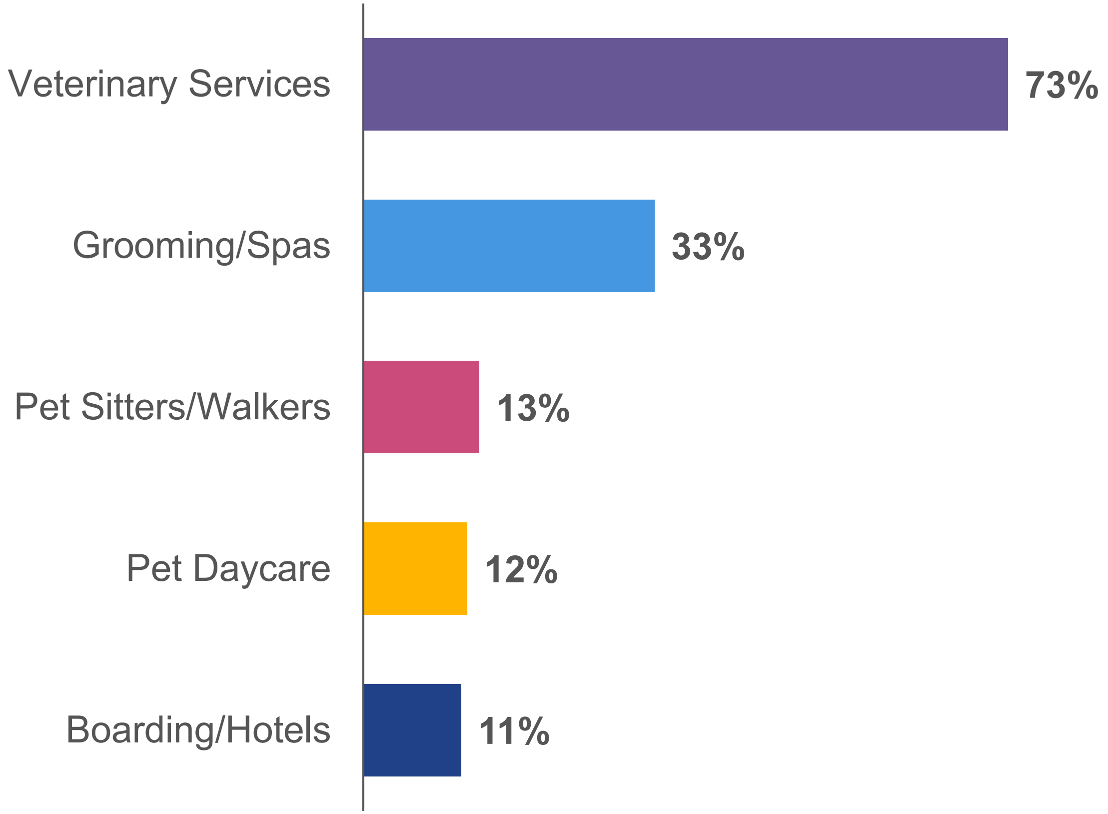
In a cost-conscious market, pet parents are less likely to reduce or stop services

Intention is shown by seeking value, including getting the best price per EQ, and shopping only the essentials

What changes have you made recently in regards to caring for your pet due to the current market?

Today's core services draw in pet owners to the Pet Specialty channel stores

Which of the following services have you utilized for your pets in the past year?



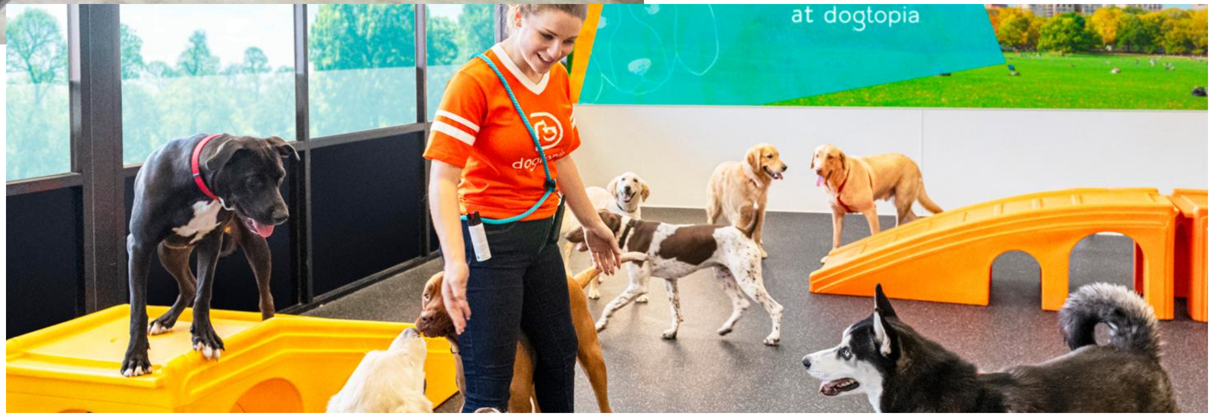
Services

19%

of Pet Owners who shop in the Pet Specialty channel say services is a driving reason for shopping there

Source: NIQ BASES Quick Question Survey of Pet Parents, January 2026, n=1,022

But what if the definitions of "services" could be different? Broader? Cooler?



Pet Retail's people are one of its biggest differentiators

Don't let that slip away

People

83%

of consumers say ***Customer Service*** is important or <u>very</u> important when choosing a retailer to shop at

Why shop your local pet store?

36% of pet owners responded because of good customer service

Why shop at a national pet chain?

21% of pet owners responded because they have an expert in store I can talk to

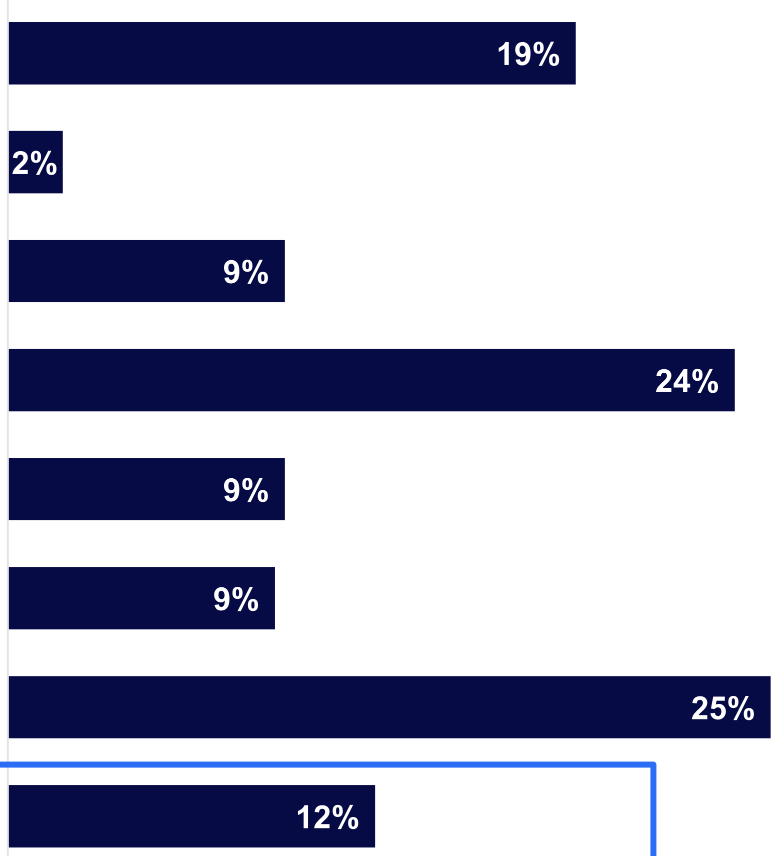
Source: NIQ Retail Pulse survey 2025, NIQ BASES Quick Question Survey of Pet Parents, January 2026, n=1,022

Private Brand products can be a differentiator in a sea of sameness

Pet Care has room for development as Private Brand penetration lags the total store

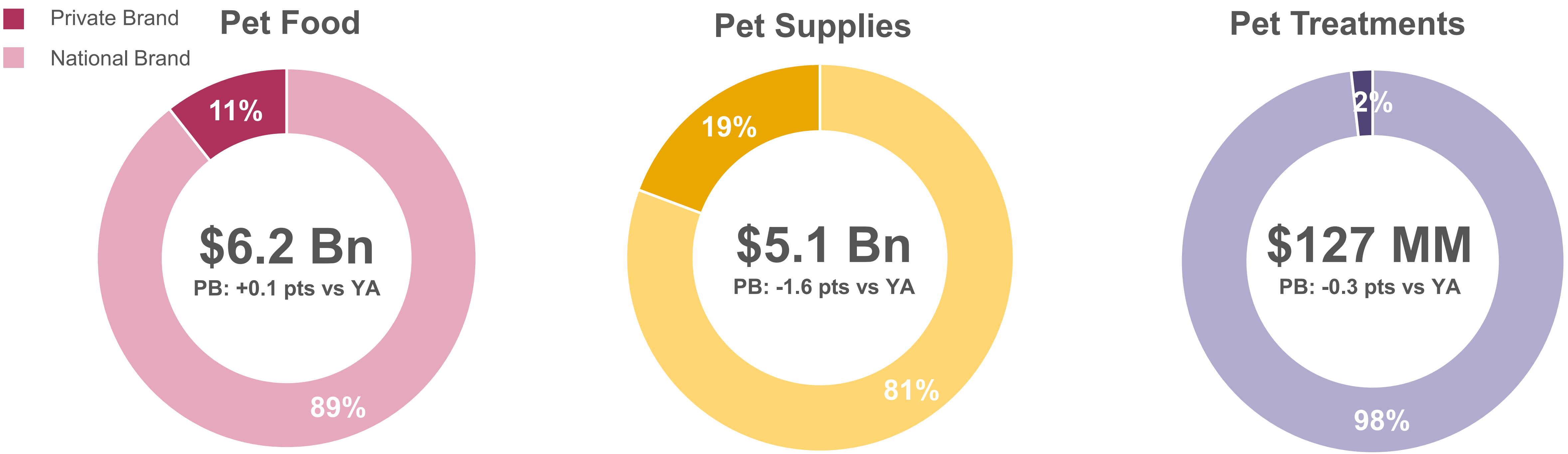
Department	$ % Change vs Year Ago		
	Total	Private Label	National Brand
Total Store	3.5%	3.7%	3.4%
Alcohol	-2.1%	9.4%	-2.2%
Baby Care	4.1%	-6.7%	5.4%
Food	4.0%	4.4%	3.8%
Gen Merch	-3.4%	3.1%	-4.0%
Health & Beauty	7.1%	-1.3%	8.0%
Household Care	5.2%	3.4%	5.8%
Pet Care	4.2%	1.0%	4.7%

Private Label Penetration



As consumers look for value in different ways, Private Label offers consumers another option

While Private Label commands the largest share of supplies, Pet Food is where it is finding success



Market	Pet Food			Pet Supplies			Pet Treatments		
	$ % Growth	Unit % Growth	Price % Growth	$ % Growth	Unit % Growth	Price % Growth	$ % Growth	Unit % Growth	Price % Growth
National Brand	+2.3%	+0.3%	+2.0%	+7.0%	+0.4%	+6.6%	+6.6%	+0.8%	+5.7%
Private Brand	+3.5%	+7.1%	-3.3%	-3.3%	-2.5%	-0.8%	-8.8%	-0.3%	-8.5%

Source: NIQ Omnisales+ | Entire Dataset; Pet Care Department, Total Omni Dollars, L52W w/e 12/27/25

Key Takeaways

Pet retail is no longer about channels – it's about missions.	Physical stores are evolving into fulfillment engines.	AI will compress choice and relevance will win shelf space.	Experiences, not products, will differentiate pet stores.	The future favors retailers who simplify life for pet parents.
• Pet parents don't think in "in-store vs. online." They shop by need state: immediate replenishment, discovery, expertise, speed, or experience. Winning retailers design around shopper journeys and jobs-to-be-done, not channel silos, delivering seamless transitions across touchpoints.	• Speed is now a competitive battleground. With immediate need still blocking online conversion for many pet shoppers, stores are becoming critical micro-fulfillment hubs that enable same-day pickup, faster delivery, and localized inventory advantages that pure play can't replicate.	• As discovery shifts to mobile and AI-driven experiences, assortments will shrink dramatically at the point of decision. Retailers and brands that invest in strong product attributes, clarity, and relevance will surface in AI-curated journeys while others disappear from consideration entirely.	• Products are increasingly commoditized. What brings pet parents in-store is expertise, services, and memorable experiences — from grooming and wellness to education, demos, and community. In-store becomes experiential proof; online becomes frictionless utility.	• Pet parents are time-constrained, value-oriented, and information-overloaded. Retailers that remove friction, through clear value, trusted guidance, easy fulfillment, and curated private brands, will own loyalty in 2030 and beyond.

Thank you!

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