IndiePet
Independent & Neighborhood Pet Retail Association

SPINS

IndiePet Insights Powered by SPINS

SPINS is the official Data Partner of IndiePet

August 2021 | Period Ending July 2021

IndiePet

Independent & Neighborhood Pet Retail Association

IndiePet’s Mission

To empower independent and neighborhood pet retailers to work together as peers for the wellbeing of North American pets and pet owners as they maintain a strong, sustainable and growing place at the heart of the pet industry.

SPINS is dedicated to supporting IndiePet’s mission by providing IndiePet Retailers accurate data, emerging trends, and thought-provoking insights.

SPINS

IndiePet
Independent & Neighborhood
Pet Retail Association

Who Is IndiePet?

IndiePet is the only organization that is tightly focused on strengthening the approximately 8,000 independent and neighborhood pet retail locations serving pets and pet parents in North America.

Founding Sponsors:

All Points Marketing, Inc.
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Farmina Pet Food USA LC

FirstMate Pet Foods
Fluff & Tuff
Fromm Family Foods
Grandma Lucy's
Grizzly Pet
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Instinct Pet Food
Kiwi Kitchens
Nature's Logic

NexPet-Grandma Mae's Naturals
Nulo Pet Food, Inc.
Open Farm
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Pets Global, Inc
Phillips Pet Food & Supplies
Primal Pet Foods

RAWZ Natural Pet Food
RC Pets
Redbarn Pet Products
Stella & Chewy's
Sustainably Yours
Tall Tails
Tucker's
Tuffy's Pet Foods, Inc

Who is SPINS?

Independent pet retailers who are on a mission to serve their community with healthier and better-for-pet products rely on SPINS for relevant insights on what pet parents are buying, when, and why.

As a trusted market intelligence partner, SPINS is committed to helping neighborhood stores maintain their independent spirit and differentiate from big box and online retail.

Over the past two decades, SPINS has been investing in helping independent retailers drive growth.

Your participation makes the community stronger.

AUGUST 2021

Key Insights In This Issue

Member Insights powered by SPINS

WHAT'S INSIDE THIS REPORT — Pg 5

SPINS gathers, organizes, and delivers data tailored for independent pet retailers. This section gives you an idea of what information to expect in each section of this deck.

TOPLINE PERFORMANCE — Pg 6

Pet Parents are increasingly turning to independent and neighborhood pet retailers over conventional retailers. We compare growth across 3 different retail channels.

BRANDS DRIVING GROWTH — Pg 7

Our mission is to help our partners engage and resonate with today's pet parents. Member brands of IndiePet are experiencing growth, and SPINS is here to help facilitate it.

SPINS CATEGORY INSIGHTS — Pg 8

In this section we start by comparing the performance of the pet categories (i.e. Food, Treats, Toys). We then dig deeper within these categories, looking at the share and growth trends of individual subcategories.

ATTRIBUTE SPOTLIGHT — Pg 17

We put the spotlight on specific product attributes and ingredients to keep an eye out for at both SuperZoo and beyond!

JOIN SPINS PET — Pg 20

We encourage you to become a SPINS Retail Partner and measure the pet market through the exclusive SPINS Neighborhood Pet Channel, delivered using easy-to-use tools and supported by industry experts.

APPENDIX — Pg 21

For your reference, we define the data parameters that Spins uses, including our retail channels, category hierarchy, positioning groups, and product attributes.

Cross-channel Growth Performance

Pet Parents are coming back to independent and neighborhood pet retailers!

SPINS Neighborhood Pet		SPINS Regional Grocery		SPINS Multi Outlet	
+12.6%	+8.1%	-0.07%	+2.7%	-0.3%	+4.4%
Unit Growth YoY	Dollar Growth YoY	Unit Growth YoY	Dollar Growth YoY	Unit Growth YoY	Dollar Growth YoY

INSIGHTS

- ✓ SPINS Neighborhood Pet retailers bounced back in 2021, starting the year off strong with unit growth outpacing dollar growth YoY latest 52 weeks ending 7/11/21
- ✓ Shoppers prioritized convenience and affordability last year, with customers returning to more Natural and Specialty & Wellness products in 2021
- ✓ Regional and Independent Grocery (RIG) and Multi Outlet (MULO) did not experience the same level of decline in 2020, therefore YoY they have near flat unit growth and dollar growth below 5%

DID YOU KNOW?

What are SPINS Channel definitions? CLICK HERE

SPINS Neighborhood Pet, SPINS Regional Grocery and Conventional Multi Outlet Channel (powered by IRI)
52 Weeks Ending 7/11/21

IndiePet Brands are Driving Growth

Member Insights
powered by SPINS

SPINS Neighborhood Pet Channel:
IndiePet Brands 52 Week YoY

+12.6%
Unit Growth

+8.1%
Dollar Growth

INDIEPET BRANDS

Ark Naturals
Barkworthies
Bocces Bakery
Claudias Canine Cuisine
Cloud Star
Diamond Naturals
Earth Animal
Etta Says
Farmina
Firstmate
Fromm
Go! Solutions
Grandma Maes Country Nat.
Hills Science Diet
K9 Natural
Koha
Lotus Natural Pet Food
Natures Logic
Natures Own Pet Chews
Northwest Naturals
Nulo
Nutri Source
Old Mother Hubbard
Open Farm
Plato
Primal Pet Foods
Redbarn Pet Products
Royal Canin
Stella & Chewys
Steves Real Food
The Honest Kitchen
The Natural Dog Co
Tiki Pets
Tuckers
Victor
Vital Essentials
Wild Meadow Farms
Zignature
Ziwi Peak
Zukes

Category Performance

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SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

SPINS Pet Category Performance

SPINS Pet

+8.1%

52wk YoY Total $ Category Growth

IndiePet

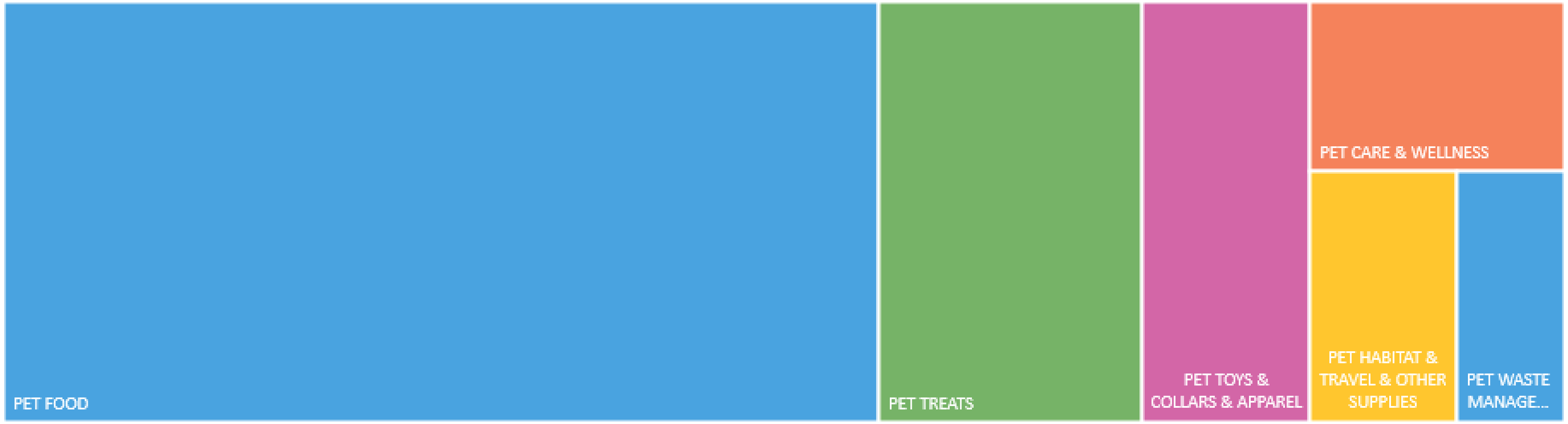
Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

Let's breakdown the dollar volume by category for the past 52 weeks ending in July across SPINS Pet. SPINS will then showcase what categories are driving growth.

Food & Treats Continue to Drive **Volume** Across SPINS Pet

DOLLAR VOLUME BY SPINS CATEGORIES



LEGEND	
Category	$ Share
PET FOOD	56.1%
PET TREATS	16.8%
PET TOYS & COLLARS &...	10.8%
PET CARE & WELLNESS	6.6%
PET HABITAT & TRAVEL &...	5.6%
PET WASTE MANAGEMENT	4.1%

WHAT CATEGORIES ARE DRIVING GROWTH IN SPINS PET?

Hardgoods, Supplies, and Pet Care & Wellness are Driving **Growth**

% CHANGE VS YAGO

Pet Food	Pet Treats	Pet Toys, Collars, & Apparel	Pet Care & Wellness	Pet Habitat, Travel & Other Supplies	Pet Waste Management
+2.8%	+12.3%	+22.4%	+10.1%	+23.8%	+12.1%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Food Category Performance

Pet Food

+2.8%

52wk YOY Total $ Category Growth

IndiePet

Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

WHAT PET FOOD CATEGORIES HOLD WHAT SHARE?

Neighborhood Pet assortment is primarily made up of Dog and Cat Food, with <3% share in other subcategories

DOLLAR VOLUME BY SPINS PET FOOD SUBCATEGORIES

LEGEND

Category	$ Share
PET FOOD DOG	78.6%
PET FOOD CAT	18.8%
PET FOOD REPTILE & SMALL ANIMAL	1.6%
PET FOOD OTHER	0.4%
PET FOOD BIRD	0.4%
PET FOOD FISH	0.2%

Pet food growth is driven by trends in refrigerated/frozen, conventional and specialty products, and wet pet food

% CHANGE VS YAGO

Storage Type		Positioning Group		Age	Form		
Shelf Stable	Refrigerated/ Frozen	Natural	Specialty	Puppy/Kitten	Dry	Wet	Dehydrated
+1.4%	+10.8%	+0.1%	+13.0%	+21.8%	-0.9%	+8.3%	+6.6%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Treats Category Performance

Pet Treats
+12.3%
52wk YOY Total $ Category Growth

IndiePet
Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

WHAT PET TREAT CATEGORIES HOLD WHAT SHARE?

Dog Treats and Rawhides & Animal Chews continue to drive volume in the Pet Treats category

DOLLAR VOLUME BY SPINS PET TREATS SUBCATEGORIES

LEGEND	
Category	$ Share
PET TREATS DOG	55.2%
PET RAWHIDES & ANIMAL CHEWS	39.1%
PET TREATS CAT	4.5%
PET TREATS OTHER	1.1%

Specialty & Wellness products, and Non-animal Based treats are driving growth in the subcategory

% CHANGE VS YAGO

Storage Type	Positioning Group		Animal Type		Form		
Shelf Stable	Natural	Specialty/ Wellness	Beef	Not Animal Based	Hard Chew	Soft Chew	Dehydrated
+15.1%	+10.1%	+24.6%	+18.0%	+19.0%	+4.7%	+10.5%	+14.4%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Toys, Collars, & Apparel Category Performance

Pet Toys, Collars, & Apparel

+22.4%

52wk YOY Total $ Category Growth

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Independent & Neighborhood Pet Retail Association

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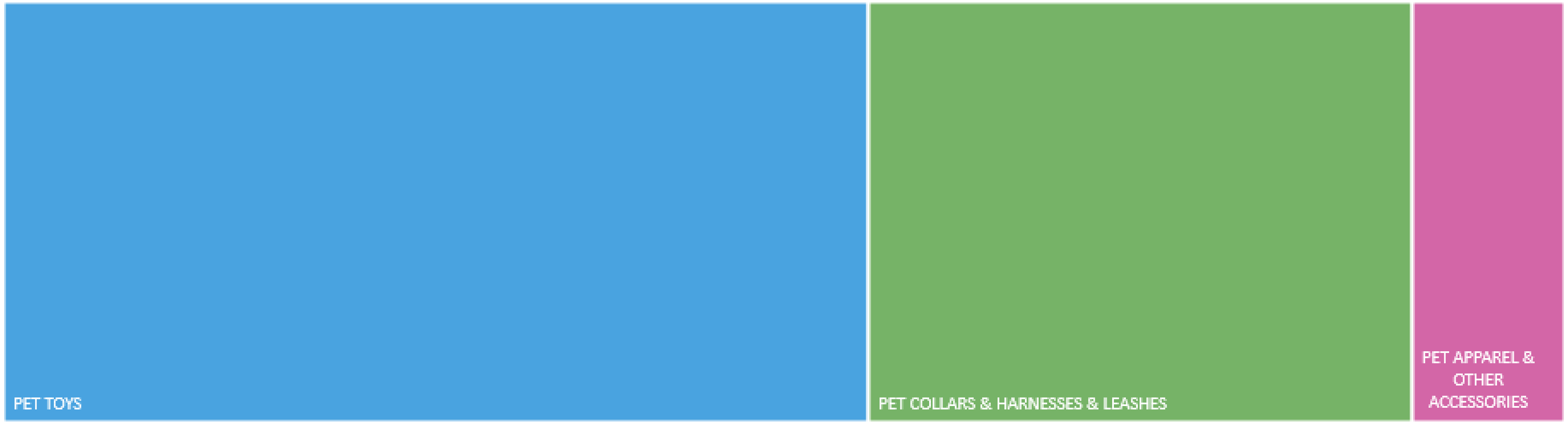
WHAT PET TOYS, COLLARS, & APPAREL CATEGORIES HOLD WHAT SHARE?

Hard goods in pet is split between Toys and Collars, with apparel making up <10% of the category

DOLLAR VOLUME BY SPINS PET TOYS, COLLARS, & APPAREL SUBCATEGORIES



LEGEND	
Category	$ Share
PET TOYS	55.4%
PET COLLARS & HARNESSES & LEASHES	34.9%
PET APPAREL & OTHER ACCESSORIES	9.8%

Category growth is concentrated in conventional and specialty & wellness positioning groups

% CHANGE VS YAGO

Positioning Group		
Conventional	Natural	Specialty/ Wellness
+23.0%	**+24.4%**	**+15.5%**

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Habitat, Travel, & Supplies Category Performance

Pet Habitat, Travel, & Supplies

+23.8%

52wk YOY Total $ Category Growth

IndiePet

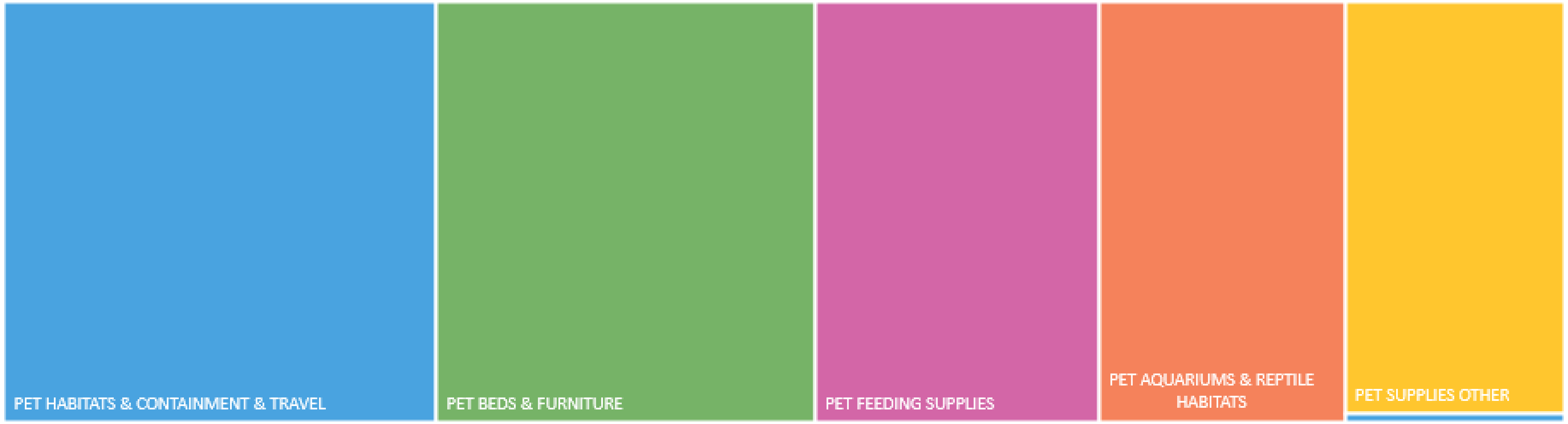
Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

WHAT PET HABITAT, TRAVEL, & SUPPLIES CATEGORIES HOLD WHAT SHARE?

Habitats and Bed/Furniture account for >52% of overall volume in the category

DOLLAR VOLUME BY SPINS PET HABITAT, TRAVEL, & SUPPLIES SUBCATEGORIES



LEGEND

Category	$ Share
PET HABITATS & CONTAINMENT & TRAVEL	27.7%
PET BEDS & FURNITURE	24.3%
PET FEEDING SUPPLIES	18.1%
PET AQUARIUMS & REPTILE HABITATS	15.8%
PET SUPPLIES OTHER	13.8%
PET POND & MARINE SUPPLIES	0.3%

Conventional and Specialty & Wellness products are driving growth in the Pet Habitat category

% CHANGE VS YAGO

Positioning Group		
Conventional	Natural	Specialty/ Wellness
+23.0%	+8.7%	+38.9%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Care & Wellness Performance

Pet Care & Wellness

+10.1%

52wk YOY Total $ Category Growth

IndiePet

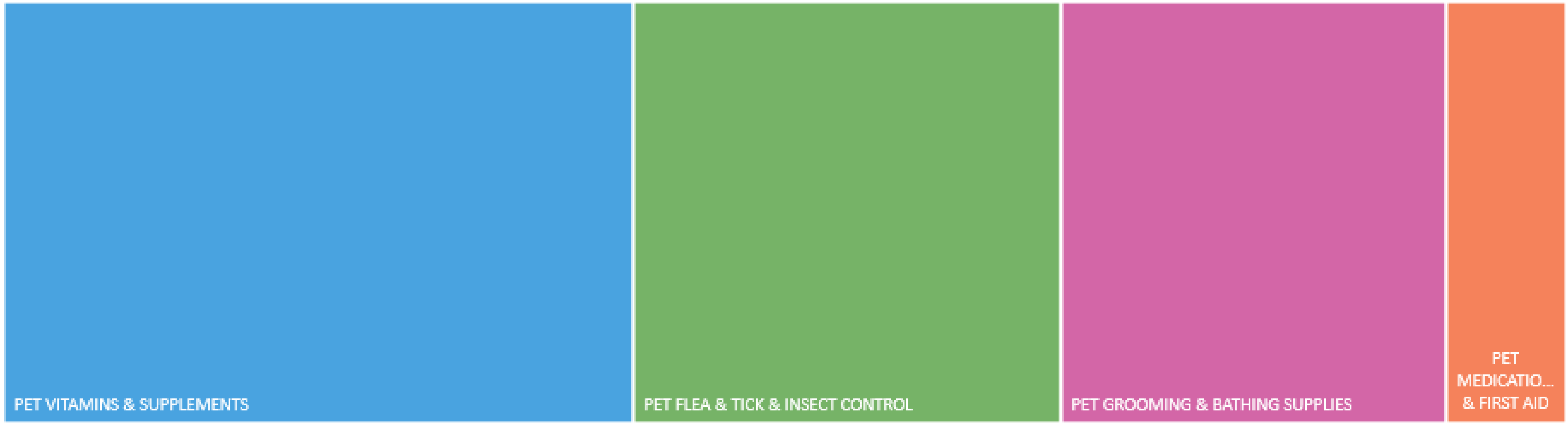
Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

WHAT PET CARE & WELLNESS CATEGORIES HOLD WHAT SHARE?

Pet Care & Wellness volume driven by share in Vitamins & Supplements, Flea & Tick, and Grooming & Bathing Supplies

DOLLAR VOLUME BY SPINS PET CARE & WELLNESS SUBCATEGORIES



LEGEND

Category	$ Share
PET VITAMINS & SUPPLEMENTS	40.3%
PET FLEA & TICK & INSECT CONTROL	27.4%
PET GROOMING & BATHING SUPPLIES	24.7%
PET MEDICATIONS & FIRST AID	7.6%

Growth in the category is driven by Natural and Specialty/Wellness positioned brands, with trends in products that are Non-GMO and Organic

% CHANGE VS YAGO

Positioning Group			Labeled Non-GMO	Labeled Organic
Conventional	Natural	Specialty/ Wellness	Non-GMO Product Claim	Organic
+6.6%	+12.1%	+17.5%	+21.9%	+10.2%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Waste Management Performance

Pet Waste Management
+12.8%
52wk YOY Total $ Category Growth

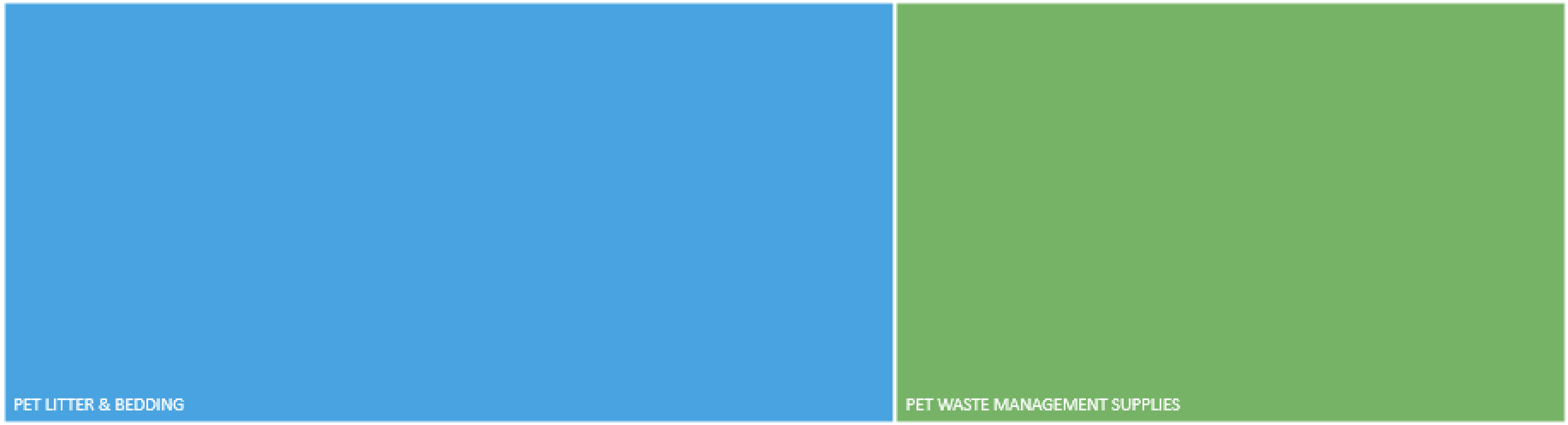
IndiePet
Independent & Neighborhood Pet Retail Association

Member Insights powered by SPINS

WHAT PET WASTE MANAGEMENT CATEGORIES HOLD WHAT SHARE?

Since rise in adoption rates in 2020 and continued stay at home protocols, waste management continues to experience growth

DOLLAR VOLUME BY SPINS PET WASTE MANAGEMENT SUBCATEGORIES



LEGEND

Category	$ Share
PET LITTER & BEDDING	57.2%
PET WASTE MANAGEMENT SUPPLIES	42.9%

Customers are looking for budget friendly products in the segment, with conventional products driving growth

% CHANGE VS YAGO

Positioning Group		
Conventional	Natural	Specialty/ Wellness
+22.7%	-4.7%	+1.3%

Key Category Insights

- ✓ In the latest 52 weeks, **Pet consumables continue to be the main driver of volume** in SPINS Pet
- ✓ Pet Food has had ups and downs since pandemic stock up LY, however, rebounded in 2021, with 52 week growth at 2.8%. The category is being driven by **new interest in frozen/refrigerated foods, and growth in puppy food due to adoption rate increases LY.**
- ✓ Owners are turning to more **conventional affordable pet food**, along with **specialty & wellness foods that adhere to a specific diet type**
- ✓ In Pet Treats, owners are turning to **non-animal based product selections** for their pets, with **peanut butter** as a source of protein
- ✓ **Hard Goods, and Wellness categories are driving continued growth** in the channel since LY 2020
- ✓ With continued work from home, **owners are buying more toys and accessories** for their pets to be entertained at home
- ✓ Owners are purchasing more care & wellness products for their pets. **Customers are looking for affordability, specialty & wellness (products geared for specific health focus i.e. joint health), non-GMO, and organic products in the Pet Care & Wellness categories.**
- ✓ Pet Habitat, Travel, & Supplies, and Waste Management continue to see growth YoY, concentrated in conventional affordable goods

Attribute Spotlight

Key Forms/Product Types Driving Growth

Product Type	Dollars	Dollar %Growth Yago
Freeze Dried	$27m	+16.7%
Dehydrated	$44m	+6.7%
Jerky & Meat Snack Dog Treat	$35m	24%
Wet Food Dog & Cat	$140m	+7.5%
Bully Sticks Dog Chew	$14m	+8%
Toppers & Mixers Dog Food	$14m	+25%

Total US – Neighborhood Pet Channel – 52 Weeks – Period Ending 7/11/2021

Key Wellness/Functional Ingredients

Member Insights powered by SPINS

Dollars	Dollar %Growth Yago
$8.7m	0.6%

CBD

On the Rise in Recent Weeks:
+19.9% 24 Weeks
+22.6% 12 Weeks

Dollars	Dollar %Growth Yago
$499k	+67%

Pumpkin

Top Performing Categories:

- Pet Treats
- Pet Care & Wellness

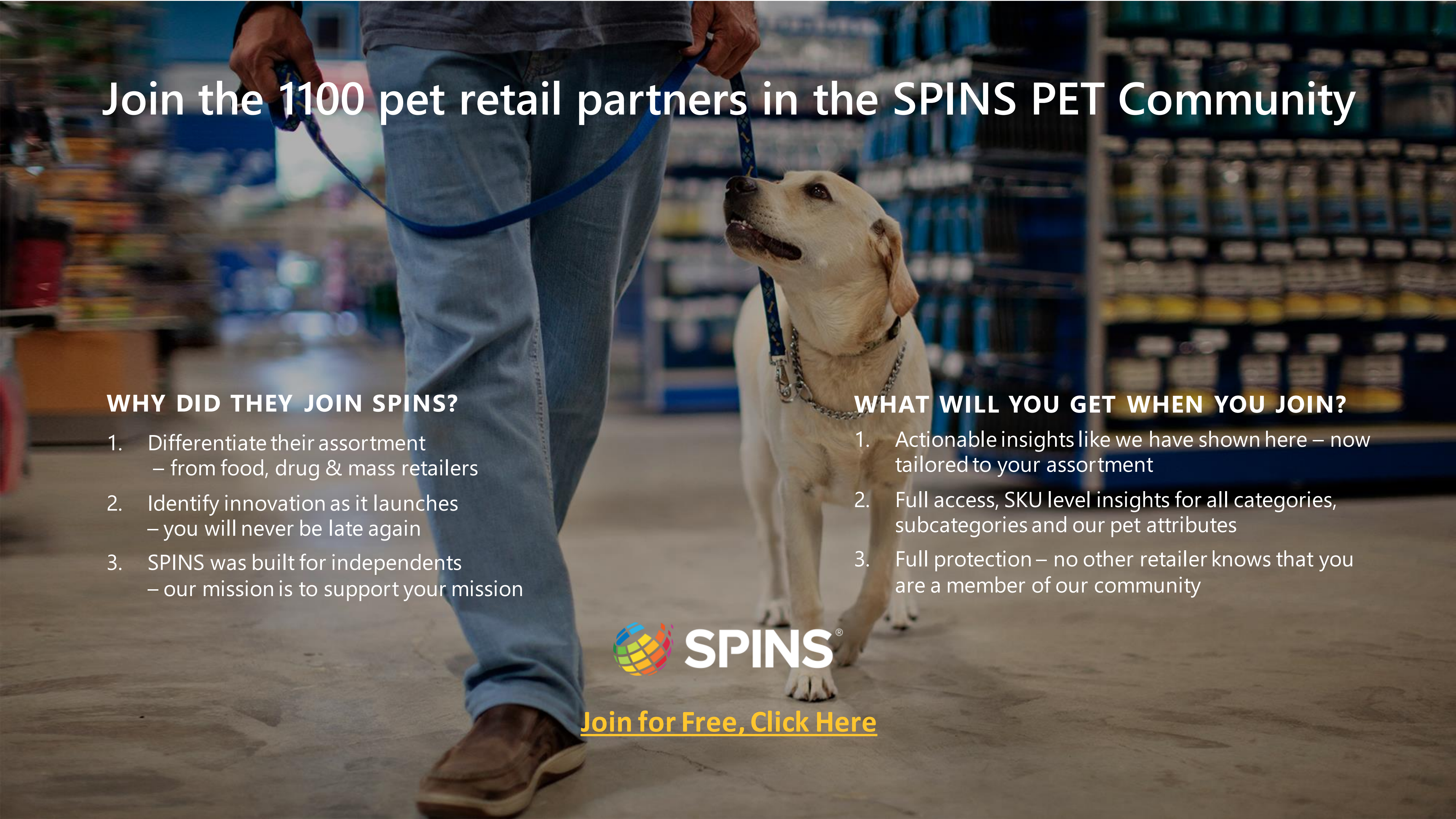
Dollars	Dollar %Growth Yago
$2.9m	+32%

Fish Oil Concentrate

Dollars	Dollar %Growth Yago
$1m	+12.5%

Glucosamine

Total US – Neighborhood Pet Channel – 52 Weeks – Period Ending 7/11/2021



Join the 1100 pet retail partners in the SPINS PET Community

WHY DID THEY JOIN SPINS?

1. Differentiate their assortment – from food, drug & mass retailers
2. Identify innovation as it launches – you will never be late again
3. SPINS was built for independents – our mission is to support your mission

WHAT WILL YOU GET WHEN YOU JOIN?

1. Actionable insights like we have shown here – now tailored to your assortment
2. Full access, SKU level insights for all categories, subcategories and our pet attributes
3. Full protection – no other retailer knows that you are a member of our community

SPINS®

[Join for Free, Click Here]

Appendix

The Data Parameters Behind Our Reports

IndiePet
Independent & Neighborhood Pet Retail Association
Member Insights powered by SPINS

Retail Channels

NEIGHBORHOOD PET (PET)

Stores that sell primarily food and treats while offering pet care and wellness, waste management, toys, collars, habitat, travel with a focus on dogs and cats.

EXAMPLE RETAILERS: healthyspot, PetPros, Choice Pet

REGIONAL & INDEPENDENT GROCERY (RIG)

Traditional full format grocery stores with at least $2MM ACV, and less than 40% of UPC-coded sales from natural/organic/specialty products.

EXAMPLE RETAILERS: Busch's, Grocery Outlet Bargain Market, Harding's Friendly Markets

CONVENTIONAL MULTI OUTLET (MULO)

A joint venture with IRI Worldwide comprised of over 105,000 retail locations spanning Grocery, Drug, Mass, Dollar, Military, and Club.

EXAMPLE RETAILERS: Walmart, Kroger, Albertsons

Products

Department, Category, Subcategory or Attribute

Positioning Groups

Natural Positioning - This grouping identifies products from naturally positioned brands, including those that offer certain ingredient standards, and/or environmental and sustainable mission-driven benefits.

Specialty & Wellness Positioning – Grouping products perceived as artisanal, premium, locally crafted, or products that stress "functionality", better-for-you or sustainability elements.

Conventional Positioning - Brands include those that have been recognized as the standard or iconic brands in mass food, drug and grocery outlets.

Timeframe

52 Weeks (Current & Yago)

Measures

Dollar Volume (Current & Yago)
Dollar Share
Growth Percentage (Unit and Dollar)

The Pet Channel Hierarchy

SPINS offers full pet coverage by category and subcategory

- **Pet Channel**
  - **Pet Treats**
    - Pet Treats Dog
    - Pet Treats Cat
    - Pet Treats Other
    - Pet Rawhides & Animal Chews
  - **Pet Food**
    - Pet Food Dog
    - Pet Food Cat
    - Pet Food Bird
    - Pet Food Other
    - Pet Food Reptile & Small Animal
    - Pet Food Fish
  - **Pet Care & Wellness**
    - Pet Flea & Tick & Insect Control
    - Pet Grooming & Bathing Supplies
    - Pet Medications & First Aid
    - Pet Vitamins & Supplements
  - **Pet Habitat & Travel & Other Supplies**
    - Pet Aquariums & Reptile Habitats
    - Pet Beds & Furniture
    - Pet Feeding Supplies
    - Pet Habitats, Containment & Travel
    - Pet Pond & Marine Supplies
    - Pet Supplies Other
  - **Pet Toys & Collars & Apparel**
    - Pet Toys
    - Pet Collars, Harnesses, & Leashes
    - Pet Apparel & Other Accessories
  - **Pet Waste Management**
    - Pet Litter & Bedding
    - Pet Waste Management Supplies

The SPINS Product Intelligence Behind Our Reports

Member Insights powered by SPINS

SPINS attributes, including product ingredient and package claim data, are overlaid across the Neighborhood Pet channel, creating new insights.

PRODUCT BASICS

- SPINS Brand
- SPINS Company
- SPINS Item Description

PRODUCT CLASSIFICATIONS

- SPINS Category
- SPINS Department
- SPINS Positioning Group
  - Natural Positioning
  - Specialty & Wellness Positioning
  - Conventional Positioning
- SPINS Subcategory

NATURAL CLAIMS

- Labeled Organic (95-100%)
- Labeled Non-GMO
- Certified Non-GMO Project Verified

SOCIAL CONSCIOUSNESS CERT.

- Certified B Corporation

PRODUCT FACTS

- Age (puppy, senior, etc.)
- Form (wet, dry)
- Packaging Type
- Storage (frozen, refrigerated)

GENERAL INTOLERANCES

- Ingredient – Grain
- Labeled Grain Free
- Labeled Gluten Free

FUNCTIONAL INGREDIENTS

- Fish Oil Concentrate
- Flax Seed Oil
- Chia Seed/ Chia Oil
- CBD
- Glucosamine Chondroitin Combo
- Glucosamine
- Probiotic
- Chlorophyll / Chlorella
- Hemp Seed
- Pumpkin

PET WELLNESS INGREDIENTS

- Whole Beef
- Whole Buffalo
- Whole Chicken
- Whole Duck
- Whole Lamb
- Whole Salmon
- Whole Turkey

GUARANTEED ANALYSIS

- Crude Fat
- Crude Fiber
- Crude Moisture
- Crude Protein

DIETS

- Raw
- Animal Type

DID YOU KNOW?

Only SPINS offers insights into what motivates pet parents to buy by combining product intelligence with sales data.

Definitions

Brand Positioning

Example Brands:

CONVENTIONAL

- These brands typically have a large footprint in and emerge via traditional conventional retailers
- Brands include those that have been recognized as the standard or iconic brands in Food, Drug, and Mass retail outlets

NATURAL

- The Natural Positioning Group includes a wide range of products that appeal across the "natural" spectrum
- Products in the Natural Positioning Group reach a wide range of retail markets and shoppers.
- This grouping captures products from naturally positioned brands, including those that offer certain ingredient standards, and/or environmental and sustainable mission-driven benefits.

SPECIALTY & WELLNESS

- The Specialty & Wellness Positioning Group is comprised of two distinct ranges of products:
- Products that stress "functionality" as well as products promoting other better-for-you or sustainability elements but have limited appeal to the core natural consumer.
- Products perceived as artisanal, premium, locally crafted, or culturally unique such as international or imported products.

Definitions

Age Attributes

PUPPY/KITTEN (Age)

Identifies the primary age group a product is marketed for based on label claims and intended use

Animal Type Attributes

BEEF

This attribute evaluates the ingredient statement and identifies products containing beef and beef derived ingredients. This attribute does not identify products or ingredients which contain artificial beef flavors, generic and nonspecific casings and collagen casings often found in sausage links.

NOT ANIMAL BASED

Identifies products that are clear alternatives to animal-derived products like meat and dairy

Label Claim Attributes

ORGANIC

Identifies the amount of certified organic ingredients in a product

NON-GMO

Identifies products with a label claim of or equivalent to “GMO Free”

Definitions

Form Attributes

DEHYDRATED
Ingredients are cooked at a lower temperature using warm air to remove moisture without compromising natural nutrients and enzymes.

DRY
Ingredients are cooked at a high temperature to remove moisture content and may be extruded/baked (kibbles) or flaked.

HARD CHEW
Solid and crunchy texture requiring firm biting and chewing before swallowing.

MOIST
Ingredients have higher moisture content and may be sealed in cans, foil trays, or pouches.

SOFT CHEW
Semi-solid formulation requiring minimal chewing before swallowing.

Storage Type Attributes

REFRIGERATED
Must be stored at a low temperature to ensure safe consumption and maintain freshness.

SHELF STABLE
Packaged in a sealed container that can be safely stored at room temperature.