IndiePet
Independent & Neighborhood Pet Retail Association

SPINS

IndiePet Insights Powered by SPINS

SPINS is the official Data Partner of IndiePet

November 2021 | Period Ending October 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:

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Fromm Family Foods
Grandma Lucy's
Grizzly Pet
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Nature's Logic

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Naturals
Nulo Pet Food, Inc.
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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.

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SPINS Pet Channel

Definition

- Pet stores carrying pet food and treats. These stores tend to focus on differentiated and locally sourced products
- Have multi-pet offerings with a strong focus on cat and/or dog owners
- Includes banners with 5-200 stores
- Represents about $1.2B in total sales
- Encompasses approximately 1,100 stores

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OCTOBER 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 throughout the year.

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

Member Insights powered by SPINS

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

SPINS Neighborhood Pet		SPINS Regional Grocery		SPINS Multi Outlet	
+13.1%	+12.4%	+0.3%	+3.0%	+0.01%	+5.9%
Unit Growth YoY	Dollar Growth YoY	Unit Growth YoY	Dollar Growth YoY	Unit Growth YoY	Dollar Growth YoY

INSIGHTS

- ✓ SPINS Neighborhood Pet retailers have continued to gain momentum in 2021, with double digit unit and dollar growth YoY for the latest 52 weeks ending 10/3/21
- ✓ Shoppers prioritized the convenience and affordability of Conventional products last year, but have gravitated back to Natural and Specialty & Wellness products in 2021
- ✓ Regional and Independent Grocery (RIG) and Multi Outlet (MULO) have exhibited higher prices, reflected by dollar growth outpacing unit growth YoY

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 10/3/21

Brands Driving Growth In Neighborhood Pet

Member Insights
powered by SPINS

SPINS Neighborhood Pet Channel: Brands 52 Week YoY

+13.1%
Unit Growth

+12.4%
Dollar Growth

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

SPINS Neighborhood Pet, SPINS Regional Grocery and Conventional Multi Outlet Channel (powered by IRI)
52 Weeks Ending 10/3/21

Category Performance

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SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

SPINS Pet Category Performance

SPINS Pet
+12.4%
52wk YoY Total $ Category Growth

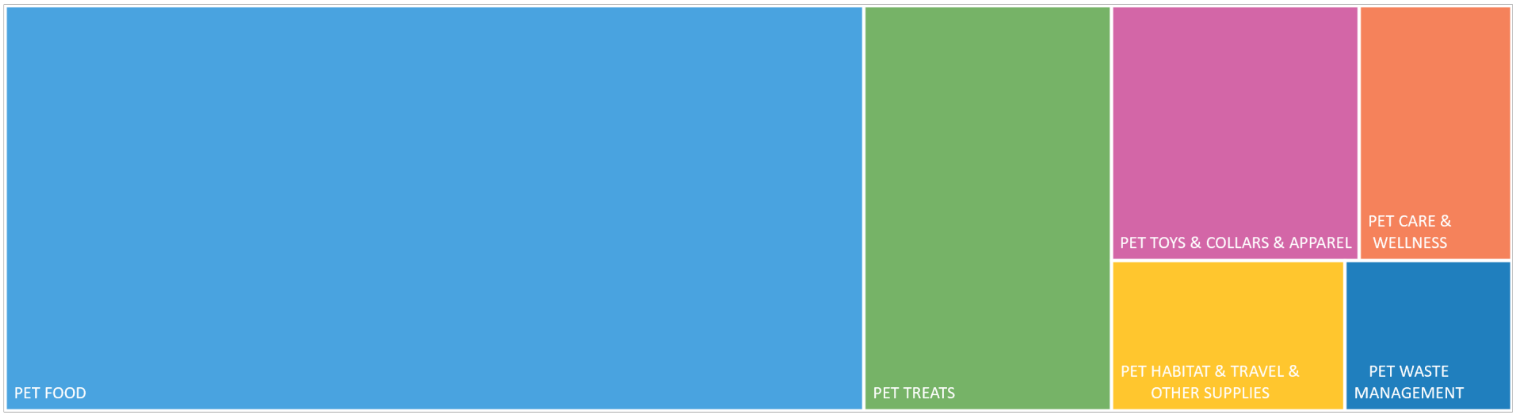
IndiePet

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	57.0%
PET TREATS	16.4%
PET TOYS & COLLARS &...	10.3%
PET CARE & WELLNESS	6.4%
PET HABITAT & TRAVEL &...	5.7%
PET WASTE MANAGEMENT	4.1%

WHAT CATEGORIES ARE DRIVING GROWTH IN SPINS PET?

Toys, Collars, and Apparel are Experiencing the Highest **Growth** by Category

% CHANGE VS YAGO

Pet Food	Pet Treats	Pet Toys, Collars, & Apparel	Pet Care & Wellness	Pet Habitat, Travel & Other Supplies	Pet Waste Management
+8.5%	+17.2%	+25.1%	+11.0%	+19.5%	+15.1%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Food Category Performance

Pet Food
+8.5%
52wk YOY Total $ Category Growth

IndiePet

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	78.9%
PET FOOD CAT	18.1%
PET FOOD REPTILE & SMALL ANIMAL	1.6%
PET FOOD OTHER	0.5%
PET FOOD BIRD	0.7%
PET FOOD FISH	0.2%

Pet food growth is driven by trends in refrigerated/frozen, natural and specialty products, and puppy/kitten food

% CHANGE VS YAGO

Storage Type		Positioning Group		Age	Form		
Shelf Stable	Refrigerated/ Frozen	Natural	Specialty	Puppy/Kitten	Dry	Wet	Dehydrated
+7.3%	+14.4%	+6.1%	+15.3%	+24.3%	+5.4%	+14.0%	+8.1%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Treats Category Performance

Pet Treats
+17.2%
52wk YOY Total $ Category Growth

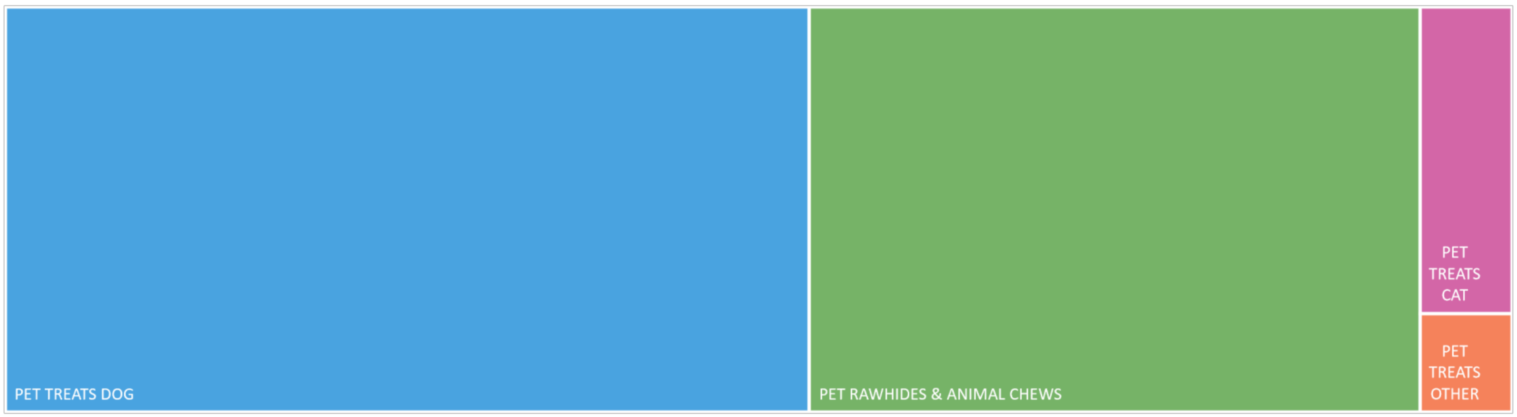
IndiePet

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	53.4%
PET RAWHIDES & ANIMAL CHEWS	40.5%
PET TREATS CAT	4.6%
PET TREATS OTHER	1.5%

Specialty & Wellness products are driving growth in the subcategory, while Beef-based treats have rebounded

% CHANGE VS YAGO

Storage Type	Positioning Group		Animal Type		Form		
Shelf Stable	Natural	Specialty/ Wellness	Beef	Not Animal Based	Dry	Soft Chew	Dehydrated
+7.9%	+15.2%	+29.7%	+23.7%	+23.8%	+26.4%	+27.5%	+30.1%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Toys, Collars, & Apparel Category Performance

Pet Toys, Collars, & Apparel
+25.1%
52wk YOY Total $ Category Growth

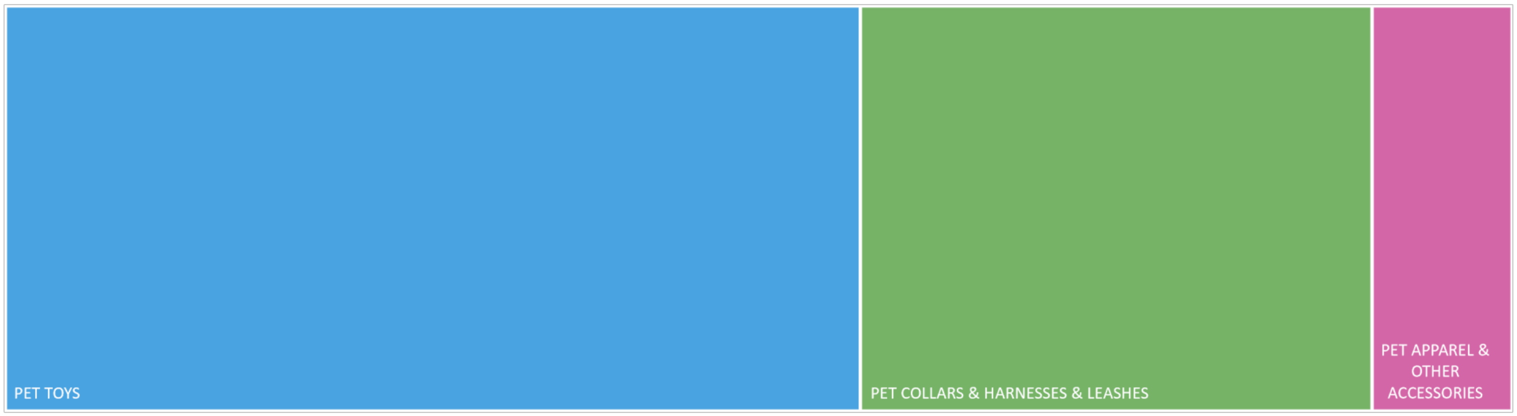
IndiePet

Member Insights powered by SPINS

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	56.8%
PET COLLARS & HARNESSES & LEASHES	34.0%
PET APPAREL & OTHER ACCESSORIES	9.3%

Category growth has been boosted by increases in each positioning group, but particularly Natural products

% CHANGE VS YAGO

Positioning Group

Conventional	Natural	Specialty/ Wellness
+25.2%	+31.8%	+20.4%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Habitat, Travel, & Supplies Category Performance

Pet Habitat, Travel, & Supplies
+11.0%
52wk YOY Total $ Category Growth

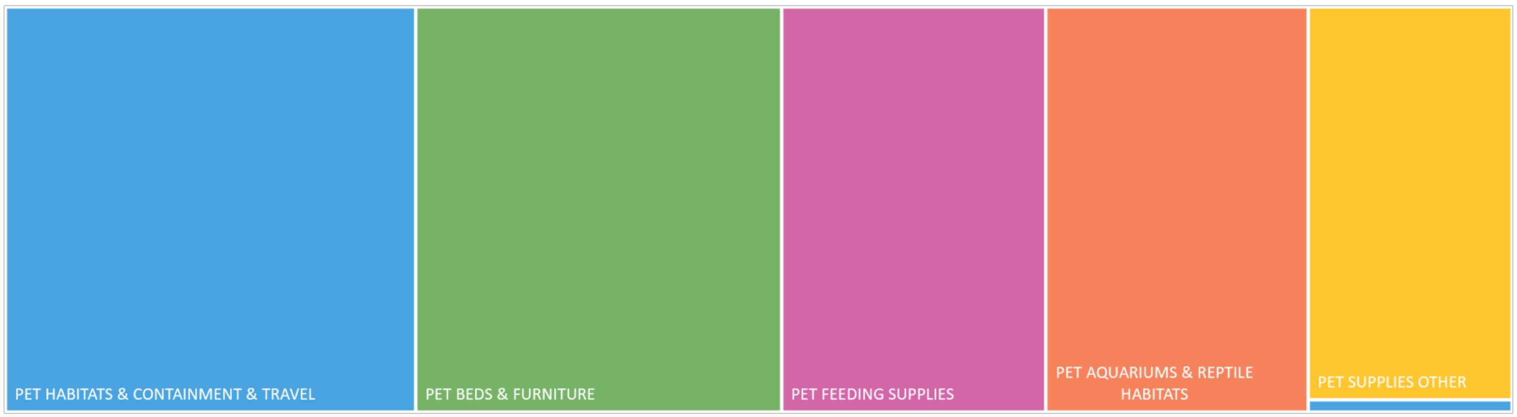
IndiePet

Member Insights powered by SPINS

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

Habitats and Bed/Furniture account for >50% of overall volume in the category

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



LEGEND

Category	$ Share
PET HABITATS & CONTAINMENT & TRAVEL	27.2%
PET BEDS & FURNITURE	24.3%
PET FEEDING SUPPLIES	17.5%
PET AQUARIUMS & REPTILE HABITATS	17.4%
PET SUPPLIES OTHER	13.1%
PET POND & MARINE SUPPLIES	0.4%

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

% CHANGE VS YAGO

Positioning Group		
Conventional	Natural	Specialty/ Wellness
+18.3%	+8.6%	+37.4%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Care & Wellness Performance

Pet Care & Wellness
+19.5%
52wk YOY Total $ Category Growth

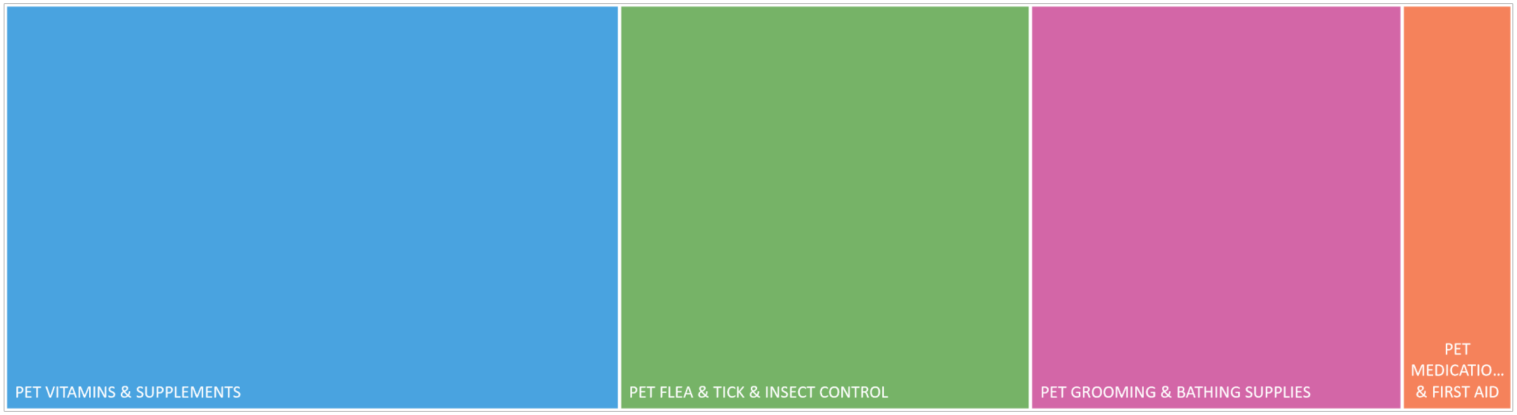
IndiePet

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	40.8%
PET FLEA & TICK & INSECT CONTROL	27.3%
PET GROOMING & BATHING SUPPLIES	24.7%
PET MEDICATIONS & FIRST AID	7.3%

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
+3.9%	+17.0%	+16.0%	+32.9%	+19.2%

SPINS 52 WEEK NEIGHBORHOOD PET CATEGORIES

Pet Waste Management Performance

Pet Waste Management
+15.1%
52wk YOY Total $ Category Growth

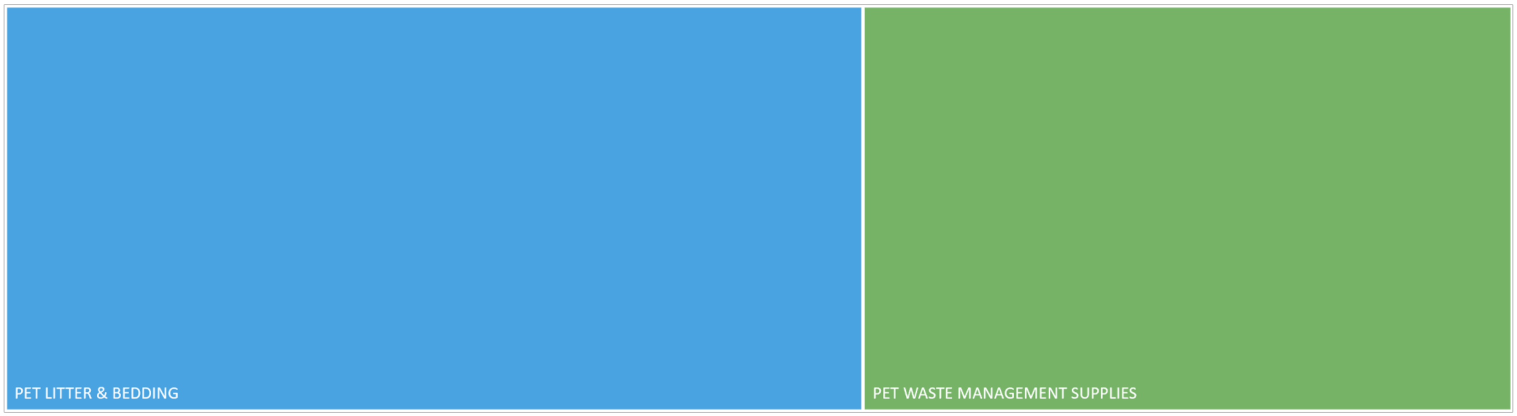
IndiePet

Member Insights powered by SPINS

WHAT PET WASTE MANAGEMENT CATEGORIES HOLD WHAT SHARE?

Since the rise in adoption rates in 2020, waste management continues to experience growth

DOLLAR VOLUME BY SPINS PET WASTE MANAGEMENT SUBCATEGORIES



LEGEND	
Category	$ Share
PET LITTER & BEDDING	56.9%
PET WASTE MANAGEMENT SUPPLIES	43.1%

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

% CHANGE VS YAGO

Positioning Group		
Conventional	Natural	Specialty/ Wellness
+21.0%	**+3.8%**	**+10.8%**

Key Category Insights

- ✓ In the latest 52 weeks, **Pet consumables continue to be the main driver of volume** in SPINS Pet
- ✓ Pet Food has rebounded in 2021, with 52 week growth at 8.5%. The category is being driven by **interest in frozen/refrigerated foods, and growth in puppy food due to adoption rate increases LY**
- ✓ Owners are returning to **natural options for pet food**, after prioritizing the convenience of **conventional pet food** during the height of the pandemic
- ✓ In Pet Treats, beef-based products have rebounded to nearly match the strong growth of **non-animal based treat selections** for pets
- ✓ **Habitat, containment, and travel items, along with bed and furniture products** make up a majority of the supplies subcategory, with their growth potentially signaling continued new pet ownership
- ✓ To keep them entertained, **owners are buying more toys and accessories** for their pets
- ✓ Owners are purchasing more care & wellness products for their pets. **Customers are looking for natural or specialty & wellness (products geared for specific health focus i.e. joint health), non-GMO, and organic** products in the Pet Care & Wellness categories
- ✓ Waste Management continues to see growth YoY, with **conventional positioned** products outpacing natural positioned options

Attribute Spotlight

ATTRIBUTE SEEKERS

Key Forms/Product Types Driving Growth

Member Insights powered by SPINS

Category	Dollars	Dollar %Growth Yago
Freeze Dried – Form	$32.8m	+22.4%
Dehydrated – Form	$44m	+8.2%
Soft & Chewy – Form	$65m	21.8%
Frozen - Storage	$58.3m	+12.7%
Refrigerated – Storage	$4.4m	+33.3%
Shelf Stable – Storage	$1.1b	+12.2%

Refrigerated – Storage: Pet Food – +39.9%

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

ATTRIBUTE SEEKERS

Key Wellness/Functional Ingredients

Member Insights powered by SPINS

	Dollars	Dollar %Growth Yago
CBD Pet Care & Wellness – +20.3% Growth	$9.1m	+13.7%
Labeled Non-GMO	$30.4m	+23%
Probiotic	$3.3m	+20.2%
Labeled Gluten Free Pet Treats - +24.4%	$19.2m	+24.9%

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

Member Insights
powered by SPINS

Retail Channels

SPINS 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:

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:

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:

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.

APPENDIX

Definitions

Member Insights powered by SPINS

Brand Positioning

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.

Example Brands:

PURINA

Stella & Chewy's

Hill's SCIENCE DIET

APPENDIX

Definitions

Member Insights
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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”

APPENDIX

Definitions

Member Insights
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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.