



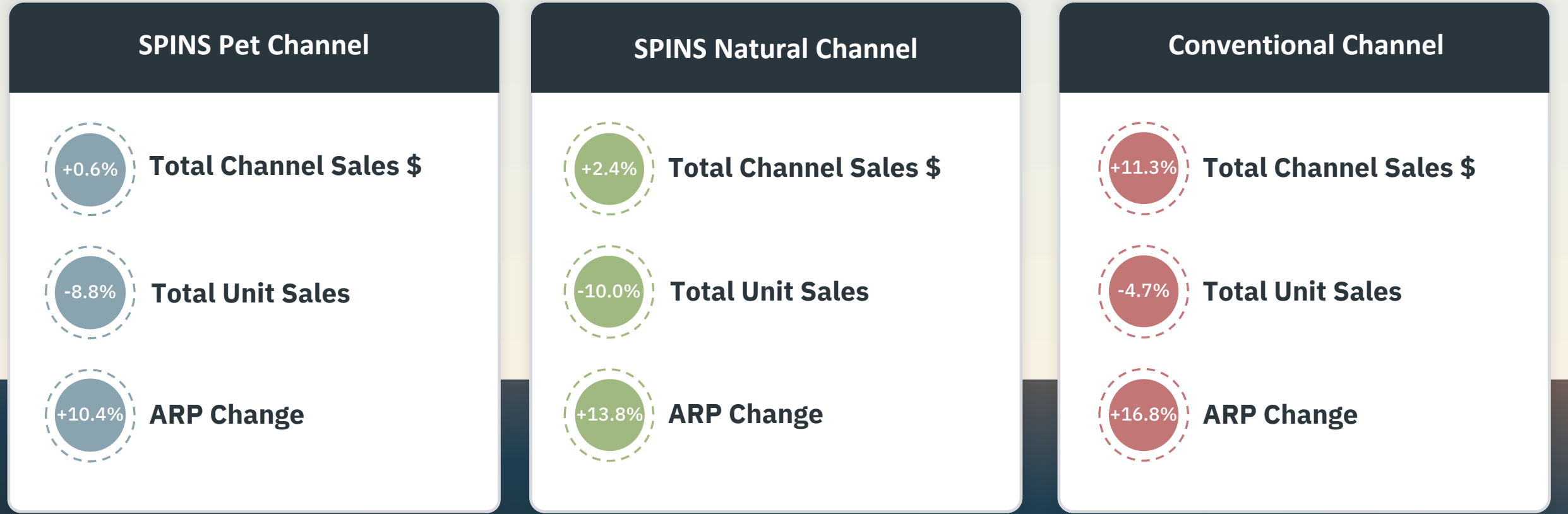
Insights Report

November 2023

The Effects Of Inflation On The Pet Industry

Double digit increases in ARP due to inflation has impacted pet parent shopping behavior resulting in a decrease in YOY unit sales across all channels.

Channel Sales 52 Weeks Ending 10/08/23

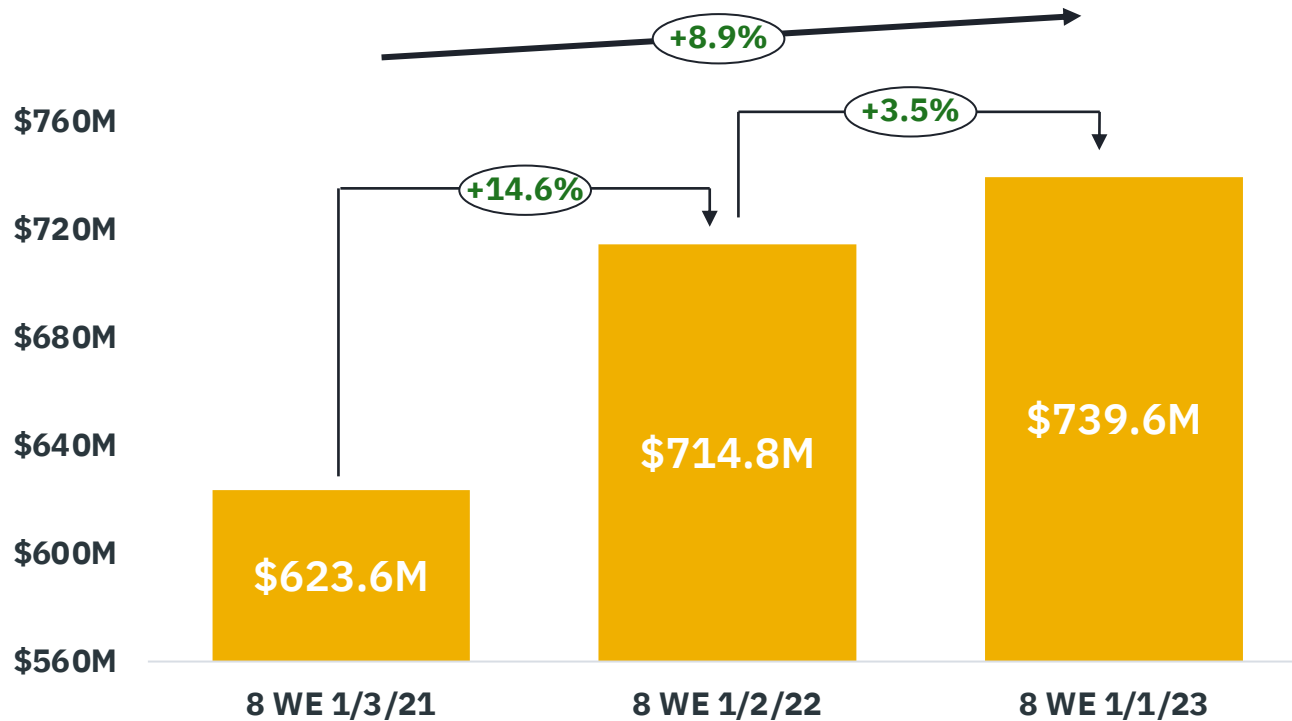


Holiday 2021 Had The Largest Boom In Pet Shopping



Holiday purchasing hit its strongest peak during holiday 21, with inflation taking its toll on shopper spend last holiday.

Total SPINS Pet Channel Growth During Holiday's 8 Weeks Ending Through New Year



UNIT %CHG, 2YA

+8.3%

8 WE 1/2/22

UNIT %CHG, YA

-10.6%

8 WE 1/1/21

SPINS Pet Holiday Performance - Category

Category	\$ Chg 2YA	\$ Chg YA	U Chg 2YA	U Chg YA
Pet Food	17.1%	9.6%	11.3%	-10.1%
Pet Treats	13.1%	-0.1%	5.0%	-10.8%
Pet Toys & Collars & Apparel	14.5%	-4.4%	5.9%	-11.5%
Pet Habitat & Travel & Other Supplies	7.9%	-8.1%	-1.1%	-14.5%
Pet Care & Wellness	8.0%	-7.6%	6.3%	-9.4%
Pet Waste Management	10.7%	-2.6%	4.1%	-11.1%

Holiday Statistics and Trends



Inclusion

“**More than 80%** of pet owners said they were “*very likely*” to purchase a **gift for their pet**”



“**34%** of respondents said they would purchase a gift for their dog during the holidays, while **22%** said they would buy gifts for their cat”

Humanization

Millenials and Gen Z are either deciding that they don’t want to have children or delaying having children. A pet is a great substitute for that.

“**When holidays or special events come, you don’t want to get gifts for your child and not for your pet.**”

Steven Cunix
Associate Partner at Kearney

Capitalizing on the Trend

Stocking holiday-related pet products could be a big opportunity for retailers



Per Cunix, brick-and-mortar retailers stand to gain through the in-store events they offer, especially during the holiday season



Holidays Just Aren't For Humans Anymore

From fun stocking stuffers, to holiday themed treats, make your pets feel they are part of the festivities with flavors inspired by Thanksgiving and Christmas and with colorful toys and apparel.

Fun Holiday Displays



Holiday Advent Calendars, Candy Canes, and Cookies



Brands are becoming more **creative with ingredients and packaging** geared towards the holidays for pets

Flavors of the Holidays



Treats include holiday focused ingredients, including **pumpkin, apples, ginger, peanut butter, carob, cranberry, & peppermint.**

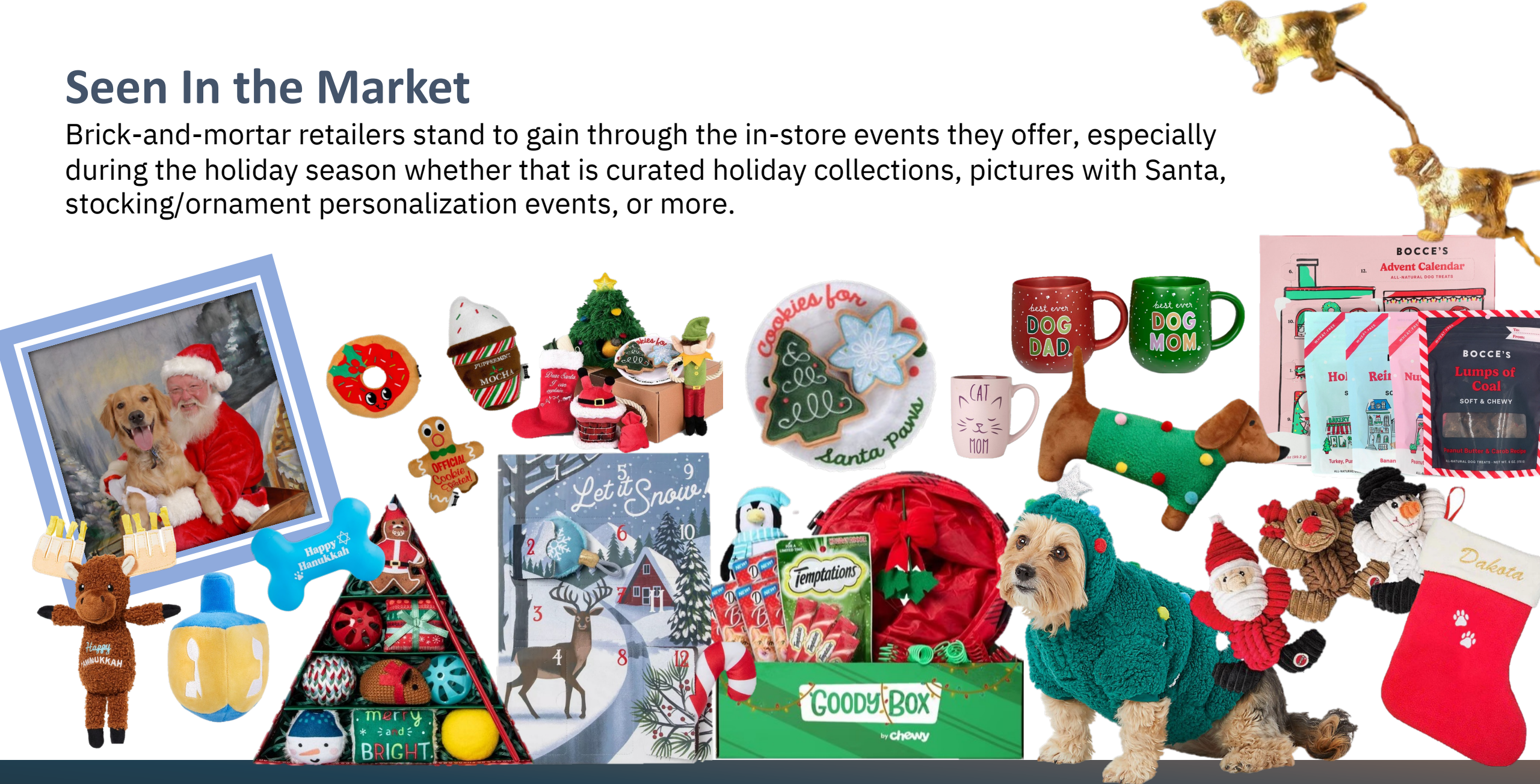
Colorful Toys & Apparel



Holiday themed toys and apparel are available in vibrant colors to include your pets in holiday spirit!

Seen In the Market

Brick-and-mortar retailers stand to gain through the in-store events they offer, especially during the holiday season whether that is curated holiday collections, pictures with Santa, stocking/ornament personalization events, or more.



Sustainability Takes Front Seat in 2024



Pet parents are looking for pet food and treats that explore new and innovative ingredients, including alternatives to beef & chicken, sustainably sourced products, and no-waste.

Alternative Proteins



**Jiminy's
Chewy Cricket Treats**

- **Cricket-Based treat as an alternative to animal proteins**
- Sustainable, Humane, great for food sensitivities
- Crickets are great source of fiber, iron, protein, healthy omegas, and vitamins

Sustainable Sourcing



**Icelandic+
Hand Wrapped Cod Skin Treats**

- **Single ingredient, sustainably fished, air-dried treats.**
- Full of omega-3 fatty acids for healthy skin + coat.
- 100% Natural, no preservatives.

Upcycled Ingredients



**Shameless Pets
Upcycled Treats & Dental Sticks**

- **Uses Upcycled fruits and sunflower meal as a base for treats for 0 waste**
- Free from grain, corn, and soy, contain no artificial flavors
- 6 bags purchased = 1LB of food rescued to reduce greenhouse gas emissions

Growing Opportunities in Pet Nutrition

As pets transform from “companions” to valued family members, pet parents are increasingly interested in a variety of nutritional products to help support their health and wellbeing.

Functional Supplements



Cosequin Hip & Joint Maximum Strength Plus MSM Chewables

Indulgent Treats/Toppers



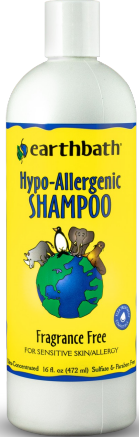
Bocce's Bakery Toppers & Treats

Transparency/Traceability



Open Farm Dehydrated Beef Treats

Sustainable Benefits



Earthbath Hypo-Allergenic Shampoo



THANK YOU!

**Reach out to rbrobst@spins.com
with any questions**
