

# U.S. PET INDUSTRY TRENDS

## DIGITAL DOMINATES & QUALITY IS KING



### ONLINE PRIVATE BRANDS

Amazon and Chewy.com are promoting their own brands to disrupt the market and eliminate middleman margins.

### DIGITAL TIDAL WAVE

Consumers have gravitated toward online shopping to purchase pet products with the convenience of home delivery.



### PET MEDS DIRECT

Consumers can get custom pet medication and health supplement products delivered directly to their door from companies like 1800PetMeds.



### PERSONALIZATION

Pet parents seem to like the experience of customizing food, supplies and services for their beloved pets. Bark Box has a customized subscription offering.



### HUMAN-GRADE PET FOOD



Consumers want healthy ingredients and they're trading-up for fresh, frozen, and made-to-order diets for their pets from companies like The Farmer's Dog.

### SERVICE, SERVICE, SERVICE

There is more attention being paid to pet grooming, pet care, pet transportation, pet hotels, and many others.



## PET PRODUCT RETAIL TRENDS BY CHANNEL

### INDEPENDENT SPECIALTY PET STORES

- Sell high-end goods
- Provide a degree of guaranteed sales for operators
- Shield them from direct competition

### MASS MERCHANTISERS

- Due to size, exert higher buying power and purchase in bulk from wholesalers
- Cost savings entice price-conscious consumers
- Enable larger stores to capture higher market share

### GROCERY STORES

- Lure customers away from smaller specialty stores
- Offer the convenience of one-stop shopping
- Time-poor consumers turn to these stores to streamline and simplify errands



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