

How Best to Appeal to 'Pet Parents'

Acosta's report offers shopper and retailer statistics while also suggesting ways to achieve sales lift

By Ed Finkel

Estimates say 80 million U.S. households (60% of the population) have dogs, cats or other pets. And these households spent about \$30 billion on their pets in 2015, according to Mintel research, with that number expected to rise to \$38 billion by 2020.

That obviously presents opportunities for pet brands and retailers, but how can they best reach pet owners through path-to-purchase and in-store marketing? A recent "Hot Topic Report" from Jacksonville, Florida-based sales and marketing agency Acosta titled "The Pet Parenting Boom" attempted to answer these and related questions through a May 2016 online survey of 673 U.S. pet owners ages 18 and up.

The report shows that the retail pet channel continues to grow. There is expected to be more than 14,000 stores that cater to the channel by 2018. Walmart, PetSmart, Amazon.com, Petco and local grocery stores are the top five destinations for pet products other than food.

Price, variety of products and convenience are the top drivers for pet owners' retail selection. Nearly half of pet owners say they remain loyal to their preferred brand of pet food, regardless of coupons or other details, although they do search for sales using digital tools like retailers websites or apps.

Colin Stewart, senior vice president at Acosta, was particularly struck by the finding that the pet aisle in grocery and mass channels is larger than many top categories, including carbonated soft drinks, cheese, candy, milk and beer. He also said it's noteworthy that many shoppers are looking for healthy solutions for their pets. "The opportunity related to health and wellness is big across the store and aligns with many categories," he says.

Pet Parent Behavior

Pet owners have a deeply emotional connection to their pets, the Acosta report confirmed. Nearly all (94%) consider their pets part of the family, 80% treat them like children, 50% include their pets in family holiday card photos, and 42% allow their animals to sleep in their beds (while 48% provide separate pet bedding). Nearly half (46%) buy products they think will bring their pets a wellness benefit, while 36% spend more than \$500 annually on pet medical expenses and \$200 per year on regular grooming.

This "parent" behavior differs somewhat by generation, according to the report. In delaying childbirth more than other generations, the report says, Millennials almost seem

Ways to Win

The Acosta report provided several suggestions for brands and retailers to "win" with pet shoppers:

Put an emphasis on irresistible impulse purchases and merchandising to match.

Understand and attune your strategy to the "parent" emotions and need to nurture.

Use specific appeals aimed at Millennials to prompt purchase.

Offer improved shopability through "concierge" services to carry packages to vehicles.

Use tie-ins to pop culture such as family movies or theme parks.

Allot sufficient shelf space to recognize pet food as a "marquee" category.

Differentiate your store with pet care services.

to be replacing human babies with fur babies, at least for a while. Among Baby Boomers, nearly all (94%) say they talk to their pets on a daily basis, compared with 64% of Generation Xers and 47% of Millennials.

Millennials are most likely to take regular photos of their pets (67%) and upload those photos to social media (63%), and half of them buy their animals birthday gifts. And while two-thirds of all pet owners purchase treats and half purchase toys, 60% of Millennials buy such non-essential items at least once per week.

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Colin Stewart, senior vice president, Acosta

Launching a Campaign

To leverage this research in launching a path-to-purchase campaign, Stewart suggests brands and retailers note that pet ownership varies by geography and neighborhood. "It is possible to target high incidence of dogs, cats and other

pets," he says. "This is a category where shoppers will look for a specific variety, and a one-size-fits-all can limit the assortment. By clustering stores and achieving the right assortment – coupled with the right messaging outside of the store – retailers can drive traffic to the aisle."

When laying down the path to purchase, the report shows that marketers need to keep in mind how "highly emotional" the category is for shoppers. Stewart says that provides "retailers and manufacturers a great way to connect with shoppers and drive retailer loyalty. Many brands within the aisle have high loyalty as shoppers will tend to repeat-purchase a brand that their pet likes. One large opportunity is around the incremental impulse purchase opportunities" like treats.

In conceiving and creating in-store displays and merchandising, brands and retailers should keep in mind the report's finding that pet food and supplies are destination-specific categories, Stewart says. "When the household is out of dog food, it creates a trip," he says. "Because of the high purchase incidence of the aisle, an endcap can be a good signal for shoppers to navigate to the aisle. Center store has been challenged for retailers, and pet can be a destination aisle to draw shoppers to center store." 

What factors go into your decision to shop at your preferred destination for pet products?



When it comes to pet food, which of the following activities do you typically do?

