

A smiling woman with dark hair is lying on a bed, holding a smartphone. A small white dog is lying next to her, yawning with its mouth wide open. The background shows a blurred outdoor setting with greenery and a building.

March 2024

Q3 2023 Pet Trends Report

Consumers look to cut spending and embrace convenience as private label products and online sales shape today's pet marketplace trends. Private label and online sales trends are shaping today's pet marketplace as consumers look to cut spending and embrace convenience.

NIQ

Pet food sales hit a new high, both online and in-person

Throughout 2023 consumers faced continual economic challenges, with frequently changing interest rates and higher prices. The US Pet Care department felt the effects of inflation with a total average unit price increase of 9.1% compared to the previous year. While this helped drive dollar sales up (+17% in Pet Food in 2023¹, resulting in \$50 billion in total sales) consumers hit their tipping point and backed off their purchases overall. Pet Care unit sales fell by 3.4%.



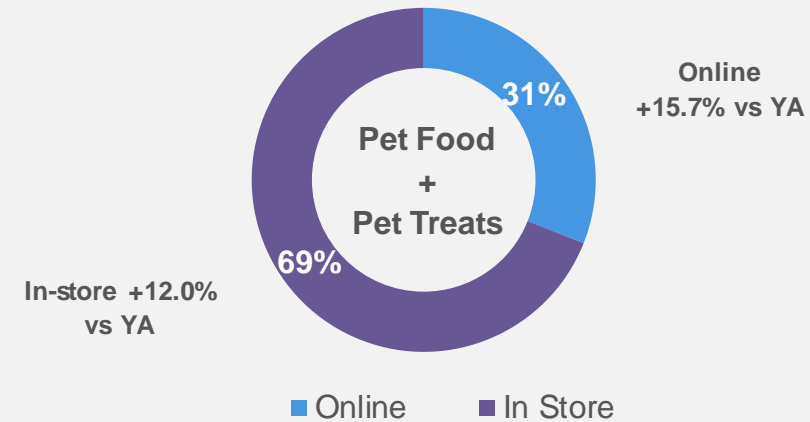
What channels are consumers turning to?

Today, consumers crave convenience more than ever. In a market that offers no shortage of convenient ways to shop, online sales are driving new trends when it comes to Pet Food.

Consumers now have the digital resources to research and select the best option for their pet, and as more and more view pets as “part of the family,” owners are spending time selecting the right option, with the right benefits, and the right cost.

Source: NielsenIQ 2023 Pet Overview Study

While in-person purchases at brick-and-mortar stores predominantly carry the industry, holding a 69% share, online Pet Food sales are growing – and fast.



Virtual sales hold a much smaller share of the market, yet consumers are growing more interested in completing pet food purchases online, with online food sales growing 15.7% from last year¹.

What's on the menu?

Today, the pet consumer has endless choices at the shelf. Both in-store and virtual shelves are abundant with brands, styles of food, flavors, prices, and more. What types of products did pet consumers gravitate towards in 2023?

Dogs

Dog Food reached \$26 million in sales last year, with Dry Food accounting for more than 50% of total sales.

Though Dog Treat sales dipped in Q3-2023, there are clear leading flavor attributes: Chicken and Beef are the top 2 Dog Treat flavors, representing about 30% of total Dog Treat sales.

Cats

All segments of Cat Food – Dry, Wet, and Treats – are growing quickly, with double-digit growth compared to last year. They are growing double digits from last year in part lapping a prior year with supply chain issues. Wet food saw the highest volume of sales, with no surprise, as cats traditionally prefer this style. Like dogs, cats opt for chicken when it comes to treat time, with this trusted flavor accounting for more than 1/3 of Cat Treat sales.

Total Pet Care Department – Beyond Food

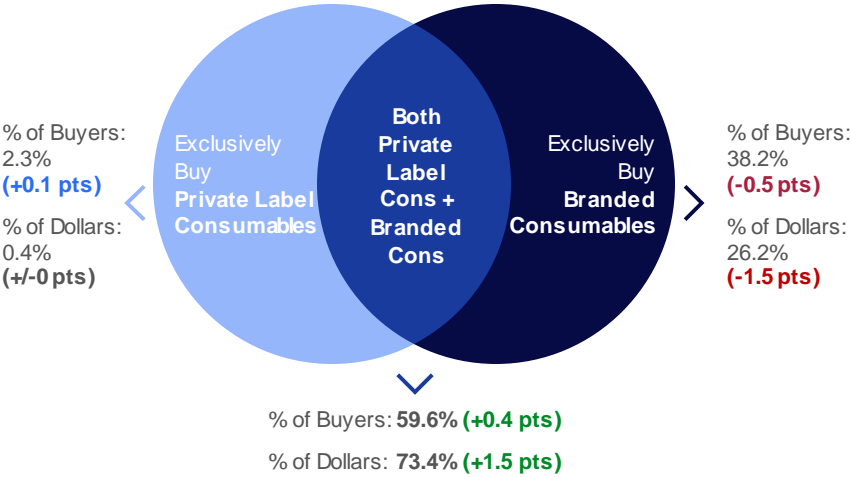
Recent NIQ research estimates that total Pet Care department sales across the omnichannel will exceed more than \$80 billion in 2024, with brick-and-mortar driving more than half of this spend². Retailers across the board are growing their online ordering and delivery services to tap into the omnichannel pet shopper. This puts pet products at the fingertips of consumers, so they are able to browse, order, and receive items to their door.

Private label vs. Branded

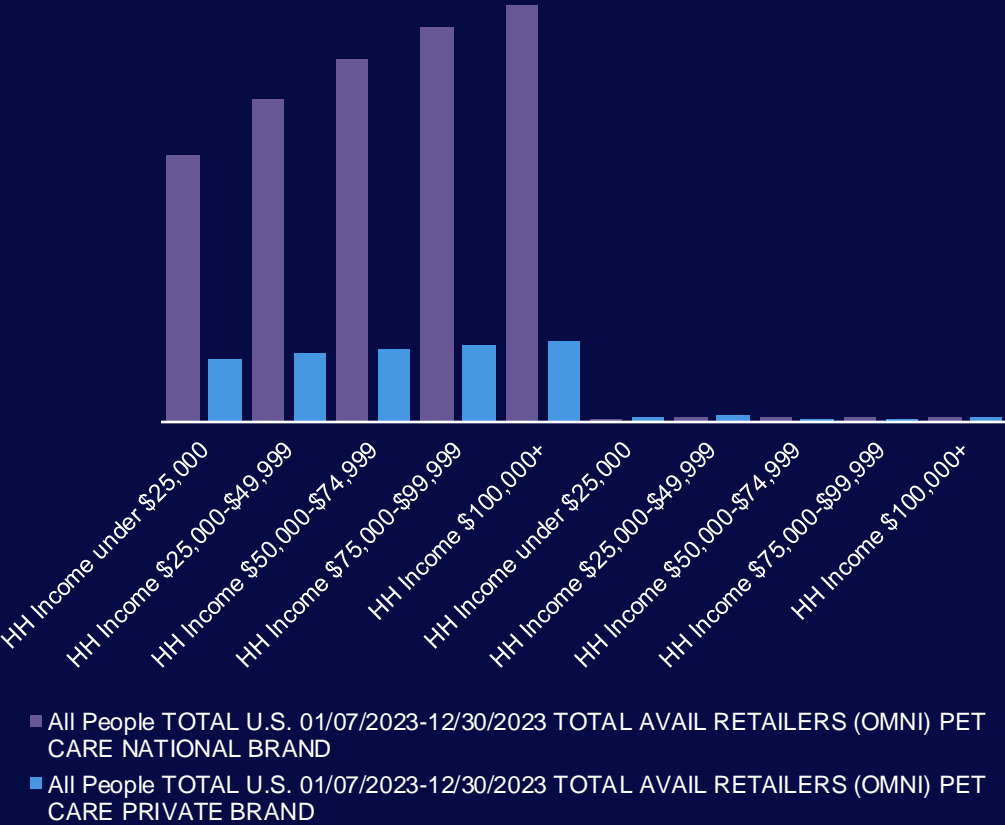
Private label is gaining traction

As inflationary pressure continues to mount, consumers are looking for ways to save as 90% have changed some type of shopping behavior to manage expenses. 39% of these consumers list the purchase of private label consumables as a top saving strategy⁴.

Private label Pet Consumable sales saw a 21.5% dollar sales increase across all channels, compared to just 11.1% for branded products⁴. Though the majority of consumers will typically consider and purchase either category, private labels are attracting new households much faster.



Consumers who typically turn to branded consumables are shifting gears – they are considering and purchasing private labels in response to continued wallet strain. Even the wealthiest households are reevaluating what they purchase, spending 35% more on private label goods than the least wealthy households.



Source: NielsenIQ 2023 Pet Overview Study

Consumers shop their values

Pets are increasingly viewed as family, and as Americans nurture closer relationships with their pets, demand grows for products that promote health and wellness, and reflect “better for you” personal lifestyle choices.

Sustainability Concerns Shift Cat Litter Sales

Across all categories, Litter sales are growing by double digits. Cat owners continue to tap into their own personal ethos, and this is influencing what they deem as valuable for their pet. Increased awareness around a product’s impact means the demand for new options grow – from biodegradable, to plant-based, odor-reducing, and beyond.

The Clumping variety accounts for more than 80% of the market, but growing sentiment around sustainability sees the Non-Clumping segment grow by over 20% as new materials emerge as viable, planet-friendly options

Top 3 Clumping Materials	% Category Total \$	\$ % Change YoY
Clay	93.2%	+11.4%
Corn	3.7%	+35.6%
Wood/Plant	0.8%	+20.9%

Top 2 NON-Clumping Materials	% Category Total \$	\$ % Change YoY
Clay	43.0%	+14.1%
Crystal	40.0%	+35.6%
Pine	7.0%	+19.7%



Shifting Values Impact Aquatics

Across every category, Aquatic sales are down – Fish Food declined by more than 5% and supplies by 11.7%³. Life-related stresses may be prompting pet owners to turn to more comforting and engaging animals. However, as new generations – and opinions – emerge, ethical considerations around the ownership of aquatic wildlife might impact overall ownership, and the sales of aquatic goods.

Consumers Opt for Pet Wellness Over Pet Fun

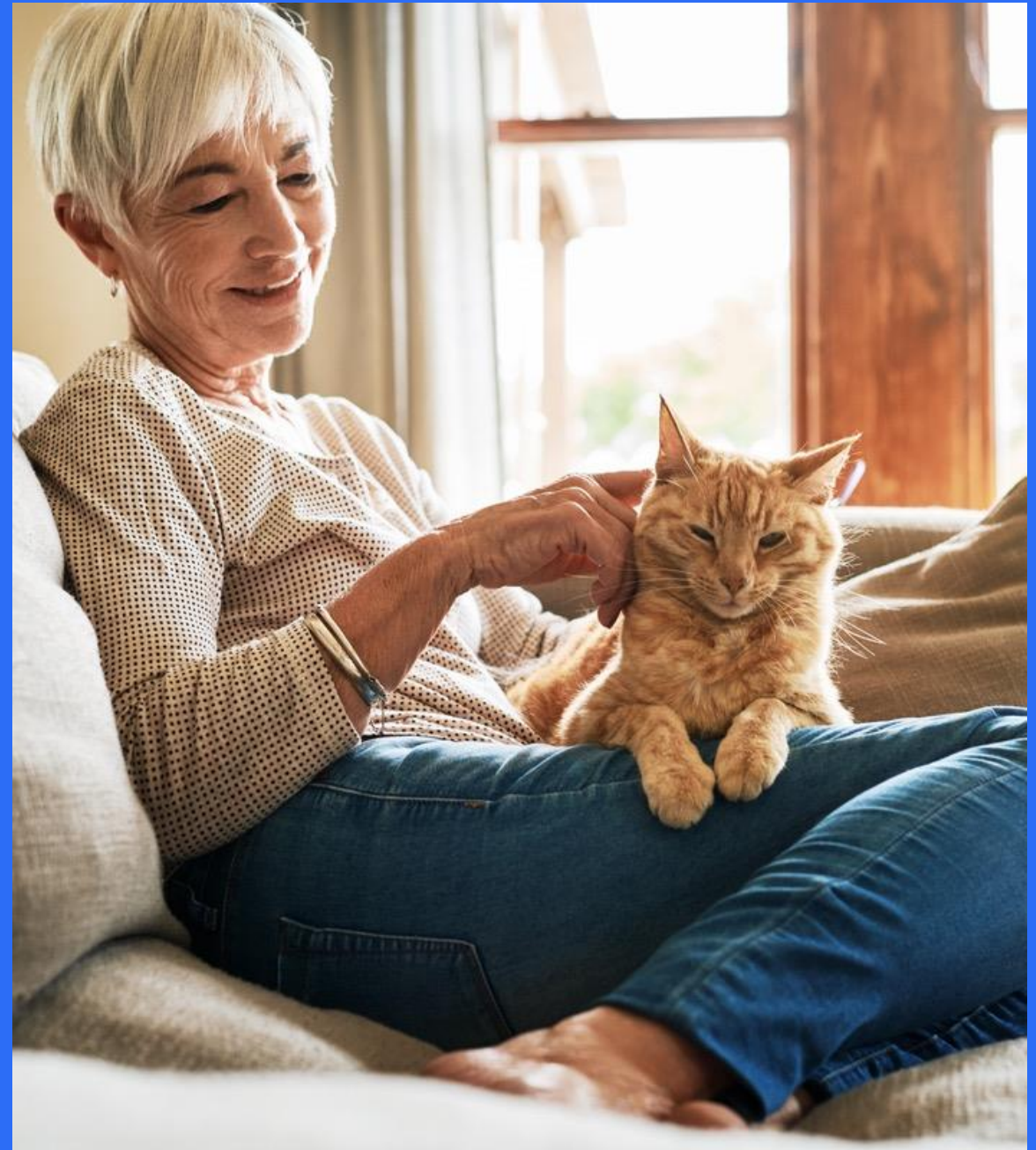
Plush toy, chew toy, dog toy, cat toy – however it's packaged, Toy sales are down for all species. Consumers are cutting back, and pet playtime might not be so essential for many pet owners who are prioritizing spending on essentials like food and wellness supplies. Consumers are cutting back on non-essential items due to essentials (Consumables, etc.) taking a larger share of the pet shopper's wallet. Cat Toys saw a 3% decline, Plush Toys for dogs held relatively steady, and overall Small Animal Pet toy sales dropped by 20.4%³.

How NIQ can help

NIQ has the most complete coverage of Pet market consumer intelligence and insights across the Pet industry. Our suite of solutions aligned to the Pet market offer robust coverage to deliver in-depth insights. We are the chosen partner of manufacturers comprising 90% of all branded pet sales, selected by both WPA (World Pet Association) and APPA (American Pet Products Association) for critical market measurement and the exclusive insights provider for WPA. We offer Pet retailers, brands and manufacturers all the data they need to stake their claim in the Pet industry.

Request a consultation >

1. NielsenIQ Omnisales, Total Dog & Cat Food & Treats, Latest 52 Wks 10/07/23 **(Slide 6)**
2. NielsenIQ OmniSales Measurement; Total US In-Store + Total US Online during 3 years, 10 Months Cal Yr 2023, Cal Yr 2022 - w/e 12/31/22, and Cal Yr 2021 - w/e 01/01/22
& NielsenIQ RMS Measurement, Total US Pet Care, Pet Food, Pet Supplies, Pet Treatments, Cal Yrs 2020 – 2022, 10 Months Cal Yr 2023 **(Slide 1)**
3. NielsenIQ, Latest 52 Wks 10/07/23 **(Slide 9)**
4. NielsenIQ RMS Discover (US NIQ Total Store Inc Fresh – 444 Weekly Synd), Total xAOC + Pet Specialty, 52 W/E 11/18/2023 **(Slide 3)**





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About NIQ

NIQ is the world's leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. In 2023, NIQ combined with GfK, bringing together the two industry leaders with unparalleled global reach. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.

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