

[Packaged Facts Column for Petfood Industry/1st Quarter]

Healthy Convenience Foods for Pets

If human trends are any indication of what to expect in pet products—as they almost always seem to be these days—mature petfood markets like the US may be in for some significant shifts as new products sync up with busy consumer lifestyles. According to Simmons Market Research Bureau consumer survey data, almost two-thirds of American adults are trying to eat healthier foods these days, although this isn't always possible and often dictates compromises. Bearing this out, one-third of consumers admit they don't have time to prepare or eat healthy meals, 22% agree that “fast food fits their busy lifestyles,” and 21% say they often eat store-made pre-cooked meals. Narrowing the survey responses to dog and cat owners only, the percentages remain remarkably similar, signaling an emerging trend Packaged Facts believes will begin to reshape the US market in 2008: healthy convenience foods for pets.

Of course, convenience-oriented petfoods are nothing new. This trend is, in fact, analyzed in depth in Packaged Facts' February 2007 report, *Pet Food Packaging and Convenience Trends*, which notes that “several factors are converging to create dynamic opportunities for convenience, travel and portable products,” including increasing time constraints among pet owners; their tendency to seek out human-style pet products; the aging pet population (which increases the need for healthier products); and the high level of new product development. Also fueling the convenience craze is the trend whereby pet owners are increasingly allowing their pets to accompany them outside the home, venturing far beyond the parameters of the usual around-the-block walk, taking their furry friends with them to work, on errands and to visit family or friends, as well as on longer trips involving one or more nights away from home.

What's different is that petfood convenience is no longer just about products that are easy-open, resealable, single-serve, etc. Take, for example, the innovations of SmartPak, which started out on the equine side of the market with its controlled-dosing, peel-off-top, blister-pack technology. The company's products allow horse owners and caretakers to conveniently and accurately dose their animals with up to seven different supplements per feeding, while selecting from over 300 brand-name supplements. From its equine roots, SmartPak has expanded into canine supplements and complete diets, providing pre-measured dog food along with medications and supplements, with customized packs being home-delivered to dog owners every 28 days. Prior to making the monthly shipment, the company even emails the pet owner in order to allow for the adjustment of portion sizes and supplement specifications. Soon to be available for cats as well, the service costs approximately \$1.48 per day to feed a 20-pound dog.

Going a different route is another entrepreneurial upstart, Jakks Pacific, which began taking the healthy

pet convenience food show on the road during 2007, tapping into the booming pet travel cohort. By licensing popular petfood brand names like Milk-Bone and Meow Mix, Jakks has made a name for itself by extending those brands into non-food pet supplies. In late 2007, the company made its first direct push into petfood, parlaying its licensing deal with the American Kennel Club into AKC brand Natural Pet Baked Travel Convenience Meals. Packed in “fresh sealed containers for everyday convenience,” the products come with their own ready-to-use serving bowls and are touted as being “ideal for travel, doggy day care and pet hotels,” as well as good old-fashioned apartment living.

The biggest news in convenience foods for pets may be what Mars is calling a “third feeding method.” Developed through the company’s Waltham Centre for Pet Nutrition and launched in the US in February 2008, WholeMeals are promoted as being the first 100% balanced adult meal shaped like a bone, while also offering clinically proven oral care benefits and trendy ingredients including antioxidants and glucosamine. The new brand is being sold exclusively through the pet specialty channel, but Mars plans to extend the format to mass brands including Goodlife and Pedigree. Interestingly, in initial marketing materials, Mars makes no mention of WholeMeals’ compelling convenience appeal, which may be the product’s biggest ace in the hole since 21% of pet owners are so busy they rarely sit down to a family meal together, and over half saying they like the trend toward healthier fast food. After all, whether at home or on the road, what could be more convenient than a petfood that eliminates the need for a bowl?