

Market Outlook [September 2008]

Celebrity Pet Market Involvement Only Just Beginning

U.S. pet market advertising spending rose 6.1 percent in 2007 to \$520 million, placing pet supplies 26th on the list of advertised categories, according to TNS Media Intelligence. Why then, are we not seeing more celebrity endorsements? An even better question, why are we not seeing more of them given the success of PetMed Express? True, not all of PetMed Express's success can be attributed to its much-loved spokeswoman Betty White, since the company's adspend far exceeds that of PetSmart and Petco combined. But Betty is at least one of the major dots connecting to PetMed's meteoric rise not just as "America's Largest Pet Pharmacy" but as a brand in its own right. Also true, the pet market is not absent other celebrities, with first-to-minds including Paul Newman and Dick Van Patten. Other than Betty, though, one is hard-pressed to come up with a major celebrity standing directly behind a pet product in major media.

As of mid 2008 that is beginning to change, as evinced by Cesar Millan's new line of Dog Whisperer-themed merchandise. Also weighing in is Ellen DeGeneres. Perhaps even more than Millan's licensing deals, Ellen's market entry is intriguing since she now owns a stake in Halo, Purely for Pets. Halo is majority owned by private equity fund manager Pegasus Capital Advisors, which is expanding the holistic pet food's national footprint, suggesting we may soon see TV commercials featuring Ellen taste-testing the human-grade pet food. Another celebrity pet lover—as well as a vocal believer in holistic pet care—is Oprah Winfrey.

Connecting these two dots yields the suggestion that the relative absence of stars from the pet market firmament hasn't been due to lack of advertising budgets or imagination, but rather to a lack of enthusiasm for yesterday's products. It's easy to believe that Betty White really believes in the health-related pet products she hawks—but it's even easier to believe that Ellen really *really* believes in Halo, or that Oprah really is a raw pet food devotee (she has said so on her show). And as holistic products continue to gain ground, expect to see more pet-loving celebrities signing on. At the top of this column's star-studded list is Martha Stewart, whose many successful housewares lines make a Martha-branded lineup of cushy-but-practical pet products seem, well, only natural, especially if organic and eco-friendly.