

## **Market Outlook [June 2009]**

### ***Health, Fun May Be Winning Cards for Discretionary Pet Products***

The good news: By and large the pet market appears to be living up to its reputation of recession resistance, with the human/animal bond acting as the greatest insulator against any severe market cutbacks. In Packaged Facts' February 2009 poll of 1,668 pet owners, only 19 percent of respondents agree that they anticipate spending less on pet food/supplies in the next 12 months, with only 5 percent agreeing a lot with this forecast and 14 percent agreeing a little. In the case of pet services, 23 percent of pet owners agree that they anticipate spending less, with 6 percent agreeing a lot and the rest a little. The same survey shows that more than nine in ten (91 percent) pet owners agree with the statement "I consider my pet(s) to be part of the family," with 73 percent agreeing a lot and 19 percent a little.

The bad news: Not all pet market categories can expect to benefit from this general recession resistance to the same degree, with the more discretionary categories likely to feel the economic crunch the most. In a pet owner poll conducted in late 2007 by public relations firm Fleishman-Hillard International Communications, pet owners reported that they would be more likely to curtail their own monthly expenses than cut back on care or supplies for their pets—but they also said they would cut back on pet luxuries if faced with economic constraints, including toys (57 percent), pet fashion (52 percent) and name-brand pet food (38 percent).

For marketers of "pet luxuries" the question therefore is how to recast products perceived as non-essential (or even frivolous) as worthwhile if not essential. Taking toys as an example, the best route to greater recession resistance, this column believes, is positioning on holistic health and wellness, such as the oral care benefits of dog chews or the cardio and stress-reduction benefits of outdoor play involving pets and other family members. Equally important during this difficult economic time is playing the good old-fashioned fun card, since impulse items able to put a smile on cash-strapped consumers' faces (without putting too big of a dent in their budgets) may—and perhaps even more than anything purely practical—be just what the doctor ordered.