

Market Outlook [May 2009]

Cross-Market Opportunities in Aquatics

With so much of the action these days centered around dogs and cats, the aquatics segment sometimes gets short shrift, in part because fish owners comprise a smaller chunk of the U.S. population. According to Simmons Market Research Bureau consumer survey data for 2008, almost half of U.S. households (49.4 percent) own dogs or cats, compared with the 7.9 percent who own fish, percentages that equate to 55.8 million and 8.9 million households, respectively. However, marketers and retailers who do not pay the humble fish-owning contingent its full due may be missing opportunities not just in aquatics but in much broader areas. Consider for example that 12.1 percent of households own fish *and* other types of pets, and that this fish-owning fold amounts to almost one-third (32.1 percent) of all multiple pet households.

What should interest pet market players more than the sheer number of fish owners is the slices of the population they represent. First, fish owners inhabit the high-income demographics that are largely driving sales, being 40 percent more likely than pet owners overall to earn \$100K-\$149K as sole pet owners (i.e., those with fish only), and 24 percent more likely to earn \$75K-\$99K as multiple pet owners. Whereas kids have been diminishing in importance in the pet market overall, they remain key in the fish world, where enthusiasts are far more likely to have children than pet households overall, with fish-only households 112 percent above average for having three or more kids and 135 percent more likely to have children under age 6. Minority groups including Hispanics and Blacks, while underrepresented as pet owners overall, also tend to be big on fish.

Pet market participants considering the longer-term picture should therefore view aquatics not just as a segment apart, but as a doorway to the key demographics upon which the overall pet industry depends, and ideally also to a lifetime of multiple pet ownership among the youngest Americans. In this vein the future will, this column predicts, involve far greater integration between the dog/cat and “other animal” segments of the market, with companies like Mars and Tetra (the latter currently part of Spectrum Brands) and Nestlé Purina and Central Garden & Pet perhaps coming together as the market continues its steady march toward ever greater consolidation.