

Market Outlook [November 2009]

Senior, Weight Management and Special Needs Products Also Meet the Needs of Pet Specialty Retailers

Pet retailers positioning on senior, weight management and special needs (SWM) products are on a smart growth path, since these products have yet to achieve a level of market penetration commensurate with the proportion of “qualified” pets:

- According to the American Veterinary Medical Association’s 2007 *U.S. Pet Ownership & Demographics Sourcebook*, the percentage of the U.S. dog population age 6 or more increased from 42 percent in 1996 to 44 percent in 2006, while the percentage of cats age 6 or more rose from 37 percent to 44 percent.
- According to The Association for Pet Obesity Prevention, 44 percent of dogs and 57 percent of cats were overweight or obese as of 2008, up 1 and 4 percentage points, respectively, since 2007. The APOP data also reveal that older animals have a much higher incidence of being overweight or obese.
- Packaged Facts estimates that U.S. retail sales of SWM pet products reached \$4.3 billion in 2008 and will grow by upwards of 9 percent annually through 2013. Accounting for 59 percent of 2008 sales, food is the largest category, followed by medications, assistance devices and supplements.

These trends represent yet another opportunity for pet specialty retailers to capitalize on their strong health and informational orientation. Indeed, the channel already has a leg up in the senior/weight management segment, claiming over one-third of SWM pet food sales in 2008, Packaged Facts estimates. Moreover, according to Experian Simmons data, dog and cat owners who buy light or senior foods are disproportionately likely to shop for pet products of all kinds in the specialty channel in addition to—or rather than—mass outlets.

As on the human side, the issues of pet aging and overweight/obesity are sensitive subjects to broach. But they can also be at the core of the stronger customer relationships that set pet specialty retailers apart. Making these issues into daily in-store “themes”—via signage, informational materials, broad product selections and dedicated departments—can not just help to break the ice but also help to build close and enduring relationships with pet owners facing what are oftentimes the greatest pet health challenges of all.