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Cat Litter A Nearly \$2 Billion Market in the U.S.

One of the largest pet supplies categories, cat litter is highly consolidated and ostensibly mature. Valued at \$1.8 billion as of 2009 by Packaged Facts estimates, the category represents over two-fifths (43%) of cat supplies retail sales, with litter accessories contributing another 4%. According to Experian Simmons, approximately one-fifth of U.S. households purchased cat litter in 2004, and by 2009 this number had crept up to 22%, representing over four-fifths (84%) of cat owners. By product type, consumer usage skews heavily toward scoopable (58%), compared with 24% for regular clay and 4% for crystal formulations, and with natural/alternative products (pine, wheat, corn, paper) accounting for about 5% of sales across all product types. The more sophisticated the litter type, the more likely it is to be sold in the pet specialty channel, where the bulk of natural/alternative sales occur.

The top four cat litter marketers accounted for 80% of IRI-tracked sales in 2009, with private label kicking in another 15%. Nestlé Purina (Tidy Cats, Tidy Scoop, Yesterday’s News) leads the pack, at 31%, followed by Clorox (Fresh Step, Scoop Away) at 29%, Church & Dwight (Arm & Hammer) at 15%, and Oil-Dri Corp. (Cat’s Pride, Jonny Cat) at 5%. While there were no major share shifts from 2006 to 2009 at either the marketer or individual product level, it is telling that two marketers of natural litter—Nature’s Earth (Feline Pine) and GPC Pet Products (World’s Best Cat Litter)—place high among the leading dollar sales gainers in 2009 vs. 2008. On the value side, it’s also telling that private label posted the biggest increase by far, gaining \$4.2 million in 2009.

Top Marketers of Cat Litter by Share of IRI-Tracked Sales: 2009 (percent)

	2009
Nestlé Purina Petcare Co.	31.4%
Clorox Co.	29.3%
Church & Dwight Co.	14.8%
Private Label	14.5%
Other	5.1%
Oil-Dri Corp.	4.9%

Note: Figures are based on IRI sales tracking through U.S. supermarkets, drugstores and mass merchandisers other than Walmart. 2009 figures are for the 52 weeks ending July 12, 2009.

Natural Litter Going Strong

The fastest-growth area of the cat litter category is the small but dynamic natural/alternative niche. Although smaller marketers continue to lead the segment, major marketers are beginning to enter the market and to stretch the “natural” boundaries by positioning clay litters as such. Church & Dwight’s Arm & Hammer Essentials Clumping Cat Litter, which debuted in 2009, is formulated with a proprietary blend of 100% natural, biodegradable corn fibers combined with Arm & Hammer Baking Soda. A traditional (clay) contender is Oil-Dri Corp’s Cat’s Pride Natural Scoop extension, which is touted as a “breakthrough discovery in natural odor elimination [that] features a natural botanical ingredient derived from fruit and vegetable extracts, delivering safe yet powerful odor control that keeps your cat’s litter box fresh, clean and healthy the natural way.” The high degree of consumer and marketer interest in natural and alternative litters dovetails with eco-friendly appeals, since many natural litters are made of biodegradable ingredients. For example, American Colloid advertises its paper-based Premium Choice litter as “Pet Friendly, People Friendly, and Earth friendly.”

The multiple cat trend is also in force on the natural side, as seen in Pet Care Systems’ 2009 addition of SweheatScoop Multi-Cat, and in the 2009 recasting of GPC Pet Products’ World’s Best Cat Litter Extra Strength Multiple Cat Formula as Multiple Cat Clumping Formula, complete with classy new packaging.



Convenience Is King

Cat litter accessories are all about convenience. Accordingly, automated litter boxes continue to gain ground in the market, as seen in the 2009 entry of Automated Pet Care Products' Litter-Robot, which features a self-cleaning cycle and is billed as superior to comparable products ("No other automatic litter box is as durable or manages odor as effectively"). Other convenience-oriented products include cat litter scoops that are sturdier and more ergonomic, litter boxes with rounded corners for easier scooping, litter boxes with side storage compartments, disposable trays that slide inside the box, and litter/litter box combinations that are portable and disposable. Many accessories are also designed to aid with odor-control, as with Jarden Animal Solutions' new Bionaire enclosed litter box featuring a built-in air purifier.

Because many litter box accessories are plastic, recycling is a growing issue in the segment, with several companies taking noteworthy "green" steps. Among these are Automated Pet Care Products, whose new Eco-Unit Litter Robot is made from 100% recycled plastic, and Duskocil/Petmate. Petmate, too, has been moving toward using higher contents of recycled plastics in its litter pans to make them more environmentally friendly and to produce less waste material during the manufacturing process.

Innovation Continues

Despite its size and level of maturity, the cat litter category continues to exhibit dynamism. This is not surprising given that the largest players—Nestlé Purina, Clorox, and Church & Dwight—all massive consumer packaged goods companies with deep marketing and new product development pockets. The cat litter upshot is a steady stream of heavily advertised valued-added line extensions that has gone on for years, including multi-cat, scoopable, scented, and so on. According to IRI, these newer variations were among some of the biggest 2008-2009 dollar gainers, including Clorox's Fresh Step Expressions scented litter (up \$6.2 million) and Church & Dwight's Arm & Hammer Essentials natural litter (up \$5.0 million).

Beyond product variations like multi-cat, scented, and natural, ever more specialized litter types continue to appear. These included products designed to attract cats with litter box aversions, litters for senior cats, and litters that read PH levels in urine for cats prone to UTIs (urinary tract infections). Dr. Elsey's Precious Cat line—which is perhaps best known for its Cat Attract litter—offers two Precious Cat varieties: #1 Long Haired Cat Litter, which features fine particles to prevent bacterial growth and help prevent kidney failure, urinary and uterine infections; and #1 Litter for Senior, Arthritic, Overweight & Pregnant Cats, which uses larger granule sizes designed to not adhere to or discolor long-haired cat's fur. In addition, several companies offer diagnostic products, including Health Meter Early Detection Cat Litter (Nullodor USA) and Pet Ecology Scientific Professional Cat Litter (Pet Ecology). Looking ahead, Packaged Facts expects to see additional specialized litter types, including those capable of “pre-diagnosing” multiple health conditions.