Omnichannel shoppers drive pet category growth

How to optimize measurement
to maximize sales

NielsenIQ

The pet care category is exploding with new brands, launches, and buyers. NIQ Omnishopper and Omnisales data can help track sales and evolving buyer behavior.

The red-hot pet category has grown non-stop since the pandemic's start. While stuck inside quarantining, consumers turned to pets for companionship; more households adopted new furry friends, while established pet owners upgraded their food and supplies from new brands and shopping channels.

On the adoption front, one out of every five U.S. households acquired a cat or dog within the first year of the pandemic, according to data from The American Society for the Prevention of Cruelty to Animals. Nearly 1 million pets were rescued from shelters in 2021, which marked the highest U.S. pet adoption rate in six years. Droves of owners have also signed up for pet-themed subscription boxes like Kong Box and BarkBox, and opted for automatic shopping reminders and repeat orders via Amazon and Chewy as a convenient way to have pet food and supplies delivered or to try new pet products at home.

There has also been a conscious approach to pet care growing concurrently with the health and wellness movement as consumers research food product labels, wanting only the best for themselves and their pets. Whether they are startup brands or established pet care brands, pet manufacturers have started dabbling in wellness-focused products that use trending human-grade ingredients and claims.

Omnichannel shoppers are driving most of the action across all categories in the CPG space—85%[1] of all CPG dollar sales now come from omnishoppers that make purchases both online and in-store. But in the pet category specifically, online-only shoppers are leading the growth.

Since March 2020, when the COVID-19 pandemic began, shoppers in the pet category have greatly increased their online shopping habit. Addressing the total pet care department, online sales in the U.S., from March 2019 to March 2020, exceeded $13 billion, and then they grew dramatically. Online sales the following year for the same period amassed more than $20 billion online, and for the 52 weeks ending in March 2022, online sales jumped even higher to $24.5 billion.[2]
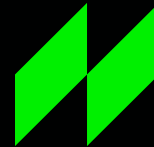
Online pet care sales are soaring
Online pet care sales by year

13 billion — March 2015-2020
20 billion — March 2020-2021
24.5 billion — March 2021-2022
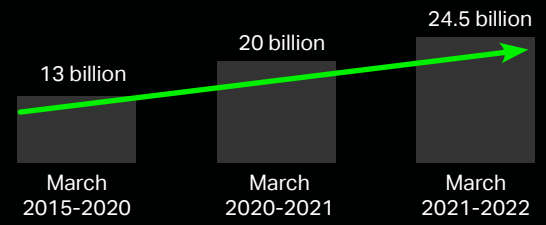
With these sales drivers in place, pet care has become an opportunity-filled category for brands to dig in and learn more about these new pet owner shoppers and how they're buying.

What our omnichannel data **says**

In the 52 weeks ending March 27, 2021, U.S. shoppers spent nearly $60 billion on total pet care products online and in-store, up 15.7% compared to the same period a year prior. And for omnishopper sales results through March 2022, sales passed $68 billion, up 14.7%.[3]

How pet brands can use omnichannel data

Winning online business is especially critical for pet brands because these consumers are reducing their time in brick-and-mortar stores. Carrying home heavy bags of dog food or large litter boxes isn't ideal, and pet care customers have seen the convenience of online shopping and direct shipping to their door. Our data shows that customers are making fewer shopping trips to brick-and-mortar locations to buy pet products due to people turning to e-commerce and purchasing more per trip than they used to. Using NielsenIQ Omnishopper and NielsenIQ Omnisales data, brands can optimize their strategies around these shopping moments.

The online leap

The overall growth in pet care, particularly online, could have enormous implications for the category's future, making it vital for manufacturers and retailers to stay on top of sales data across all the channels shoppers use.

For example, NielsenIQ Omnishopper data shows a 21.1% decline in brick-and-mortar-only trips between the periods of October 2019 to March 2020 and the next year – October 2020 to March 2021. Between those two periods, there was also a 14.2% decline in the number of total brick-and-mortar buyers. On the online side, however, when comparing those two periods, trips increased by 132.7% and the number of online-only buyers increased 73.6%.[4]

While in-store-only purchases of products across the pet care department continue to represent the largest share ($43.7 billion as of March 2022), online is a major part of this category's great success.[5]

And the growth is even more substantial when compared to results pre-pandemic. For the 52 weeks ending March 2020, total U.S. online sales for the pet care department passed $13 billion, but those numbers for the same period two years later show an 86.5% jump in sales, totaling $24.5 billion.[6] Again, not as much as the in-store total but a dramatic increase.

But it's not enough to know how much money consumers are spending and where. In a crowded category, pet manufacturers must understand customer motivations and preferred shopping behaviors more deeply, and omnichannel data can drill into categories across the total pet department.

How pet brands can use omnichannel data

By leveraging NielsenIQ Omnisales and Omnishopper data, pet brands can see which channels their customers shop from most and which aren't doing well. For example, a brand could study the percentage of shoppers who bought their dog food exclusively online, in-store, and through both channels and how those behaviors shifted before and after the pandemic. Data accuracy and reliability are critical for brands when tracking this kind of shopper behavior across channels.

4 Source: Omnishopper TL Pet Food through March 22
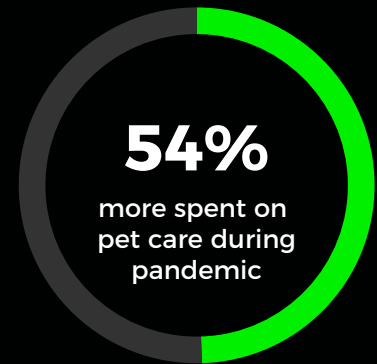5 Source: CWS – Pet Care Dept. 52 WE 3/26/2022
6 Source: CWS – For the 52 weeks ending 3/28/2020
7 Source: NIQ Omnishopper Pet Care

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What our omnichannel data says

The omnishopper demographic experienced substantial growth in pet alongside online-only growth. People buying pet care products both online and in-store spent 54% more than they did before the pandemic, they made 41% more trips, and the omnishopper group itself grew by 28%.[7]

54% more spent on pet care during pandemic

41% more trips made to purchase pet supplies

**28%** more people buying pet care products in-store & online

Humanizing pets

One way pet brands can capture new online-only audiences is by focusing on product attributes that motivate purchases. While consumers have for many years been increasingly "humanizing" their pets, this trend was accelerated by the pandemic. The pet category has also been influenced by an overall interest from shoppers in products, especially food, that is healthier for their pets or better for the planet. While shoppers consider the usual factors such as price, value, brand recognition, availability, and packaging, they also factor in an emotional component when buying for their furry family members.

Retailers know this and are launching their own brands to meet the expectations of these shoppers. In 2021, Target launched Kindfull, a private-label dog and cat food brand that promises a high-quality and healthy option made with sustainably sourced ingredients. Amazon also has its own brand of pet food, Wag, that promotes wholesome claims like "no added artificial flavors," "farm-raised" ingredients, and "whole grain." Those launches show that large brands are paying more attention to what consumers search for and ultimately buy.

In fact, NielsenIQ data shows a rise in sales of products with attributes that are "human grade" or "ancient grain," highlighting the "humanization" shift. Sales of products that claim to contain "ancient grains" were up 213% in 2021 compared to two years prior. Studying online search term rankings also showed a rise in searches for human grade food terms such as "raw," "vegan," "protein," "CBD," "probiotics," and "pumpkin."

Understanding consumers' purchasing routines and habits is crucial for maintaining share and identifying new selling opportunities. Knowing when a consumer is most likely to make a purchase allows manufacturers to promote new subscription models or new product launches and reach those shoppers in the channels they're used to.
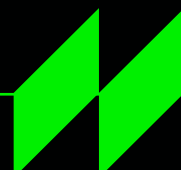
What our omnichannel data says

When comparing early-COVID (October 18, 2019 through March 31, 2020) and mid-COVID (October 18, 2021 through March 31, 2022) time frames for shopping patterns, we can see that pet food sales specifically saw a significant increase in omnichannel sales. Omnichannel shoppers increased sales by 66.4% between those two periods. There was also a 47.1% increase in the total number of omnichannel trips between those two time periods. NielsenIQ data shows brands what types of products shoppers are looking for and how they buy them. [8]

► Total e-commerce market:

78.5% Amazon

How pet brands can use omnichannel data

NielsenIQ Omnichannel data can dig into specific retailer sales and uncover their strengths and weaknesses by category. It can also drill down into channels, categories, and subcategories to reveal even more about pet care customers and their buying habits.

8 Source: Omnishopper TL Pet Food through March 22

How NielsenIQ can optimize strategies in pet

Pet care's explosive growth means that pet care is a highly competitive category, especially for smaller brands and manufacturers trying to establish a customer base and gain market share. To succeed in such fierce competition, manufacturers must know what they're up against.

NielsenIQ Omnisales and Omnishopper data provide in-depth, accurate shopper information and deep channel sales insights that can help brands avoid being blindsided by any changes in their category. The NielsenIQ data sets break down sales by channel, category, subcategory, and more.

Learn more about optimizing your omnichannel strategy by reading the report, **"What's your brand's winning move this year? Optimizing your omnichannel strategy."**

Get in touch with our sales team to get started on optimizing your business for omnishoppers in pet care.