Packaged Facts



# US Pet Market Outlook 2026

## Market Opportunities

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Packaged Facts Pet

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# Agenda

- Pet Market Overview
- Major Trends Impacting Growth
- Opportunities

# PET MARKET OVERVIEW
## sales, inflation, and spending

# Pet Market Sales by Sector

- Growth has slowed significantly from a peak in 2020-22.

***Pet market sector sales in billions and percent growth***

| Sector | 2025 $ Sales | 2024-25 % Change | 2020-2025 CAGR |
|---|---|---|---|
| Retail Products | $100 | 2% | 8% |
| Pet Food/Treats | $69 | 2% | 9% |
| Pet Supplies | $31 | 2% | 7% |
| Services | $55 | 4% | 6% |
| Veterinary Services | $41 | 2% | 5% |
| Non-Medical Services | $14 | 9% | 11% |
| TOTAL | $156 | 3% | 8% |

Source: Packaged Facts, *US Pet Market Outlook 2026-2027*

# Pet Market Inflation

***Pet market inflation by sector***

| Sector | 2023 | 2024 | 2025 |
|---|---|---|---|
| Pet Food and Treats* | 5.1% | -1.7% | 1.2% |
| Purchase of Pets, Pet Supplies, and Accessories | 0.1% | 1.5% | 1.0% |
| Veterinary Services | 10.8% | 6.2% | 7.1% |
| Pet Services | 0.7% | 11.5% | 5.0% |

Source: US Bureau of Labor Statistics, Consumer Price Index

Data represents December-December data

*Category was labeled “Pet Food” in 2023 and 2024

# Pet Owner Spending

- The share of owners increasing their pet spending in 2025 compared to 2024 was significantly lower than the previous two years.

***Changes in pet owners spending, year-over-year***

| Overall Pet Spending | 2021 vs 2020 | 2022 vs 2021 | 2023 vs 2022 | 2024 vs 2023 | 2025 vs 2024 |
|---|---|---|---|---|---|
| Increased | 38% | 45% | 49% | 50% | 43% |
| Stayed the same | 58% | 51% | 44% | 43% | 48% |
| Decreased | 4% | 5% | 7% | 6% | 9% |

Source: Packaged Facts January/February Surveys of Pet Owners

# MAJOR TRENDS
# impacting market growth

# WHY PET OWNERS KEEP PETS

- Companionship, love, affection, and fun are the top reasons pet owners keep pets

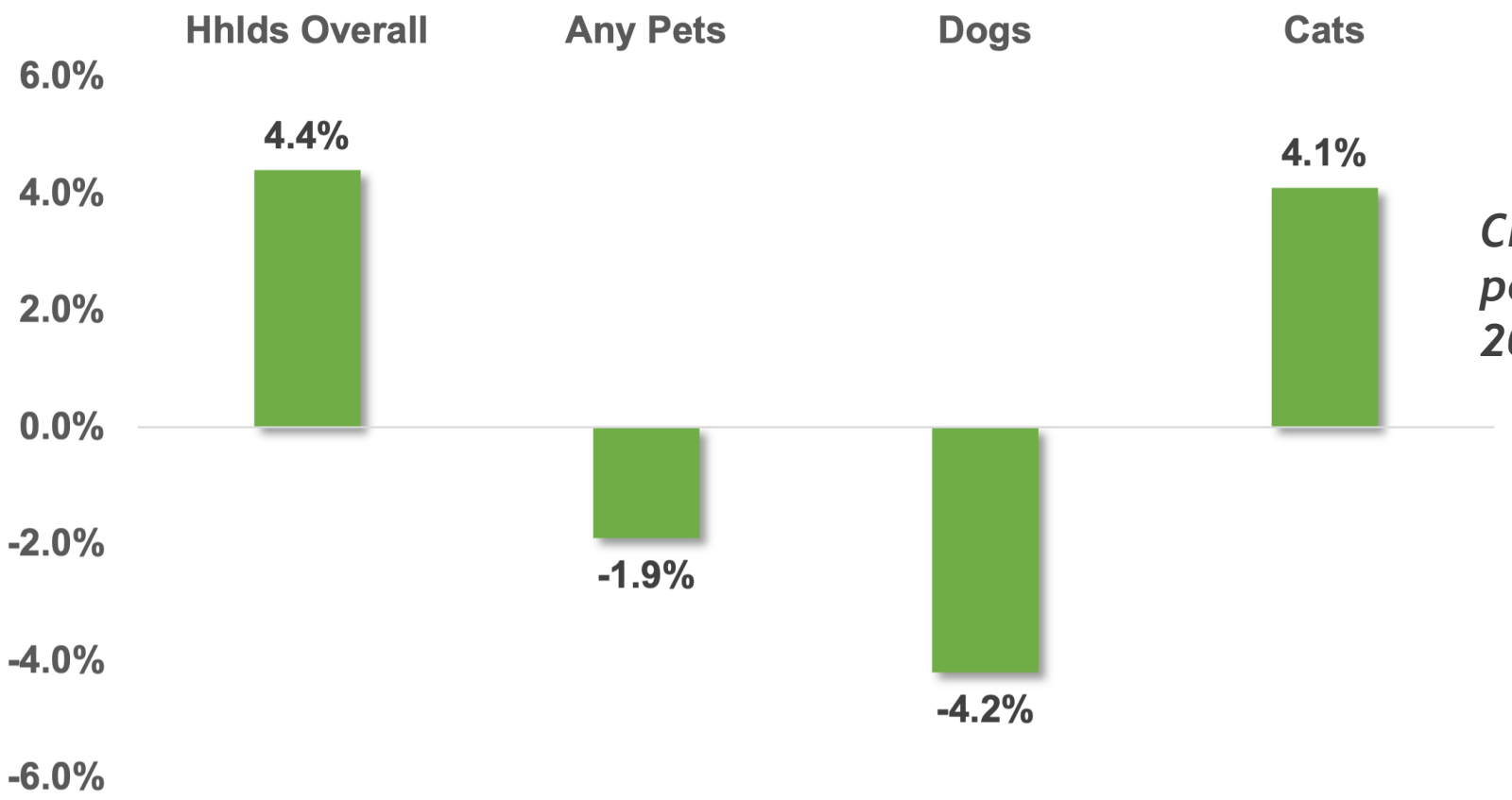
*Reasons for keeping pets*

| Reasons | Dog Owners | Cat Owners | Other Pet Owners |
|---|---|---|---|
| For companionship | 62% | 57% | 19% |
| Love this type of pet | 56% | 57% | 41% |
| This type of pet is affectionate | 43% | 42% | 10% |
| This type of pet is fun to interact with | 40% | 39% | 27% |
| This type of pet has great personality | 38% | 36% | 14% |

Source: Packaged Facts January 2026 Survey of Pet Owners

# PET POPULATION TRENDS

- The pet population has been fueling pet market growth for decades
- After a brief pandemic-related bump, the dog population has experienced declines



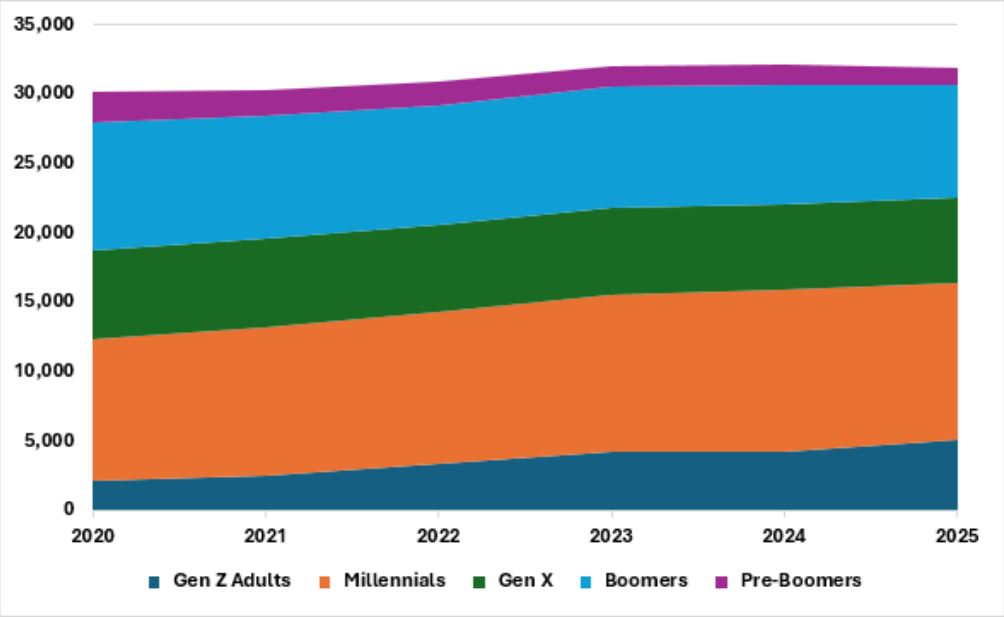

*Change in number of pet-owning households, 2019 vs 2025*

# PET POPULATION TRENDS

- Several factors are behind this shift:
  - Stalled growth in US households
  - Challenges to home ownership
    - Homeowners are more likely to own dogs
  - Affordability/Consumer Confidence
  - Generational shifts

| Expense | Average Annual Cost (Dog) | Average Annual Cost (Cat) |
|---|---|---|
| Food | $250 – $700 | $150 – $400 |
| Grooming | $50 – $500 | $0 – $200 |
| Veterinary Care | $300 – $800 | $200 – $500 |
| Toys & Supplies | $50 – $200 | $50 – $150 |
| **Total** | **$650 – $2200** | **$400 – $1250** |

**Source: Institute for Environmental Research and Education (IERE)**

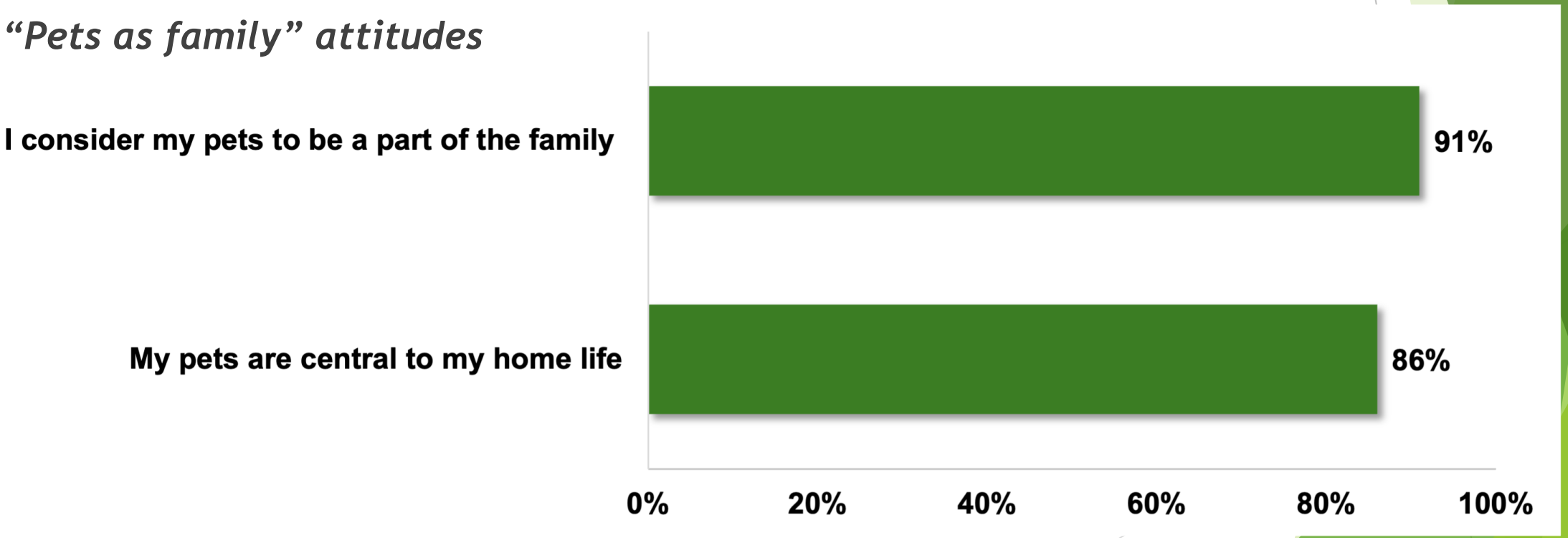



***Dog-owning household population by generational cohort, 2020-25 (thousands)***

Source: Packaged Facts, *US Pet Market Outlook, 2026-2027*; MRI-Simmons

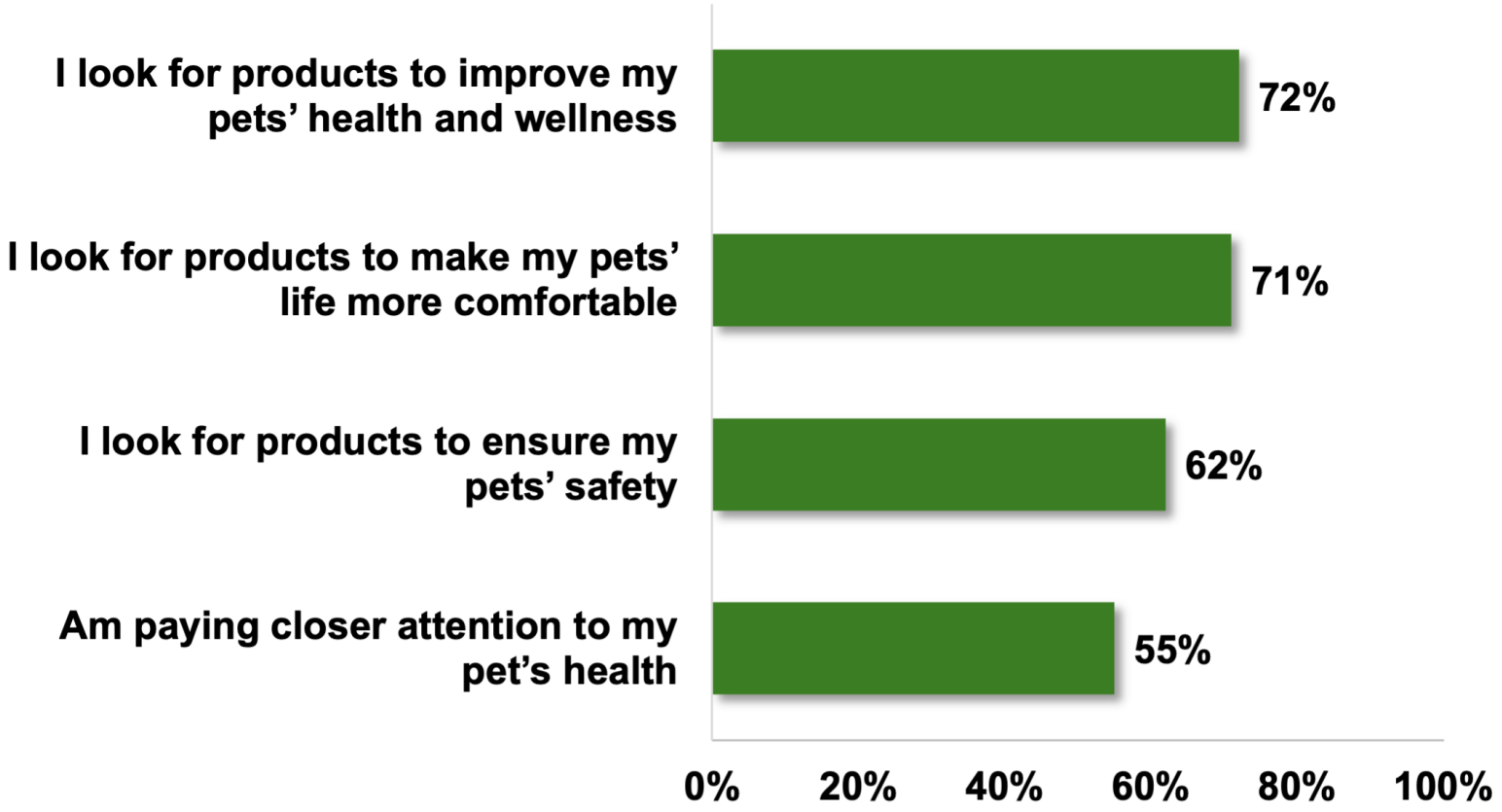
# PETS AS FAMILY

- The vast majority of pet owners view their pets as parts of the family
- Pets are viewed as central to the household
- This close relationship is why pet owners are willing to spend on their pets



# HEALTH AND WELLNESS

- Because pet owners view their pets as family members, they want to keep them as heathy as possible
- Products across all categories that focus on health and wellness are more likely to appeal to pet owners




*Attitudes towards pet health and wellness*

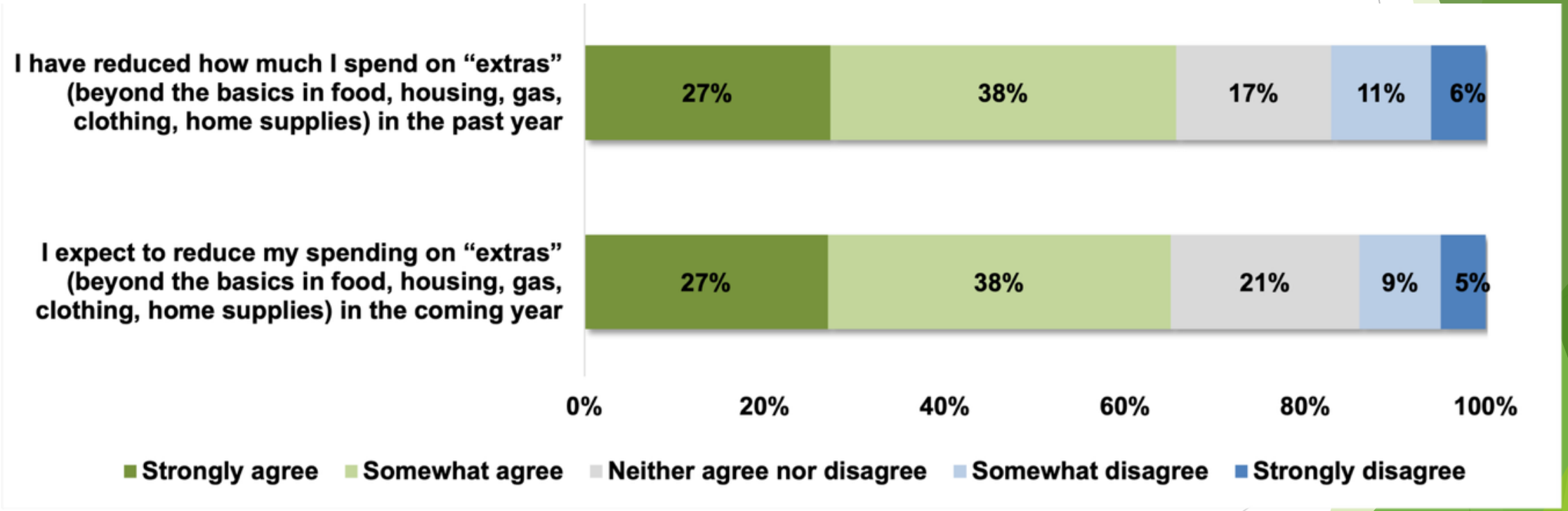
# OPPORTUNITIES

# VALUE

# The Importance of Value

- Pet owners are cutting back on “extras” and want the products they are spending on to provide the most value possible

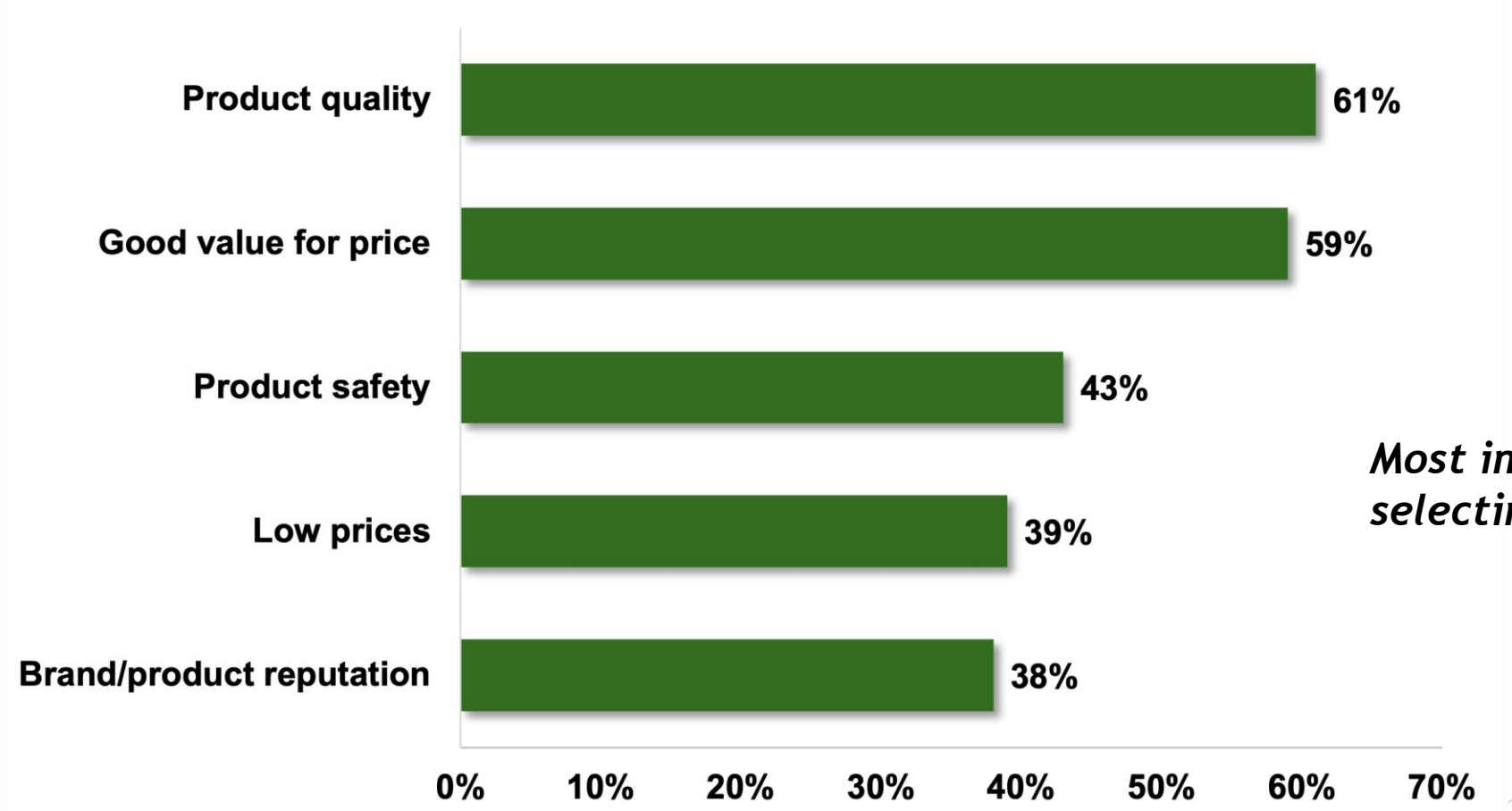
***Spending on “extras”, historical and expected***




Source: Packaged Facts January 2026 Survey of Pet Owners

# The Importance of Value

- Quality and value are the most important factors impacting purchase decisions




*Most important factors when selecting pet products*

Source: Packaged Facts January 2026 Survey of Pet Owners

# Premiumization 2.0

# Pet Food Premiumization

- Households earning $70K or more account for over two-thirds of overall pet market spending.
- Annual expenditures on pet food increase steadily up the income ladder.

***Amount spent on pet food by household income, 2025***

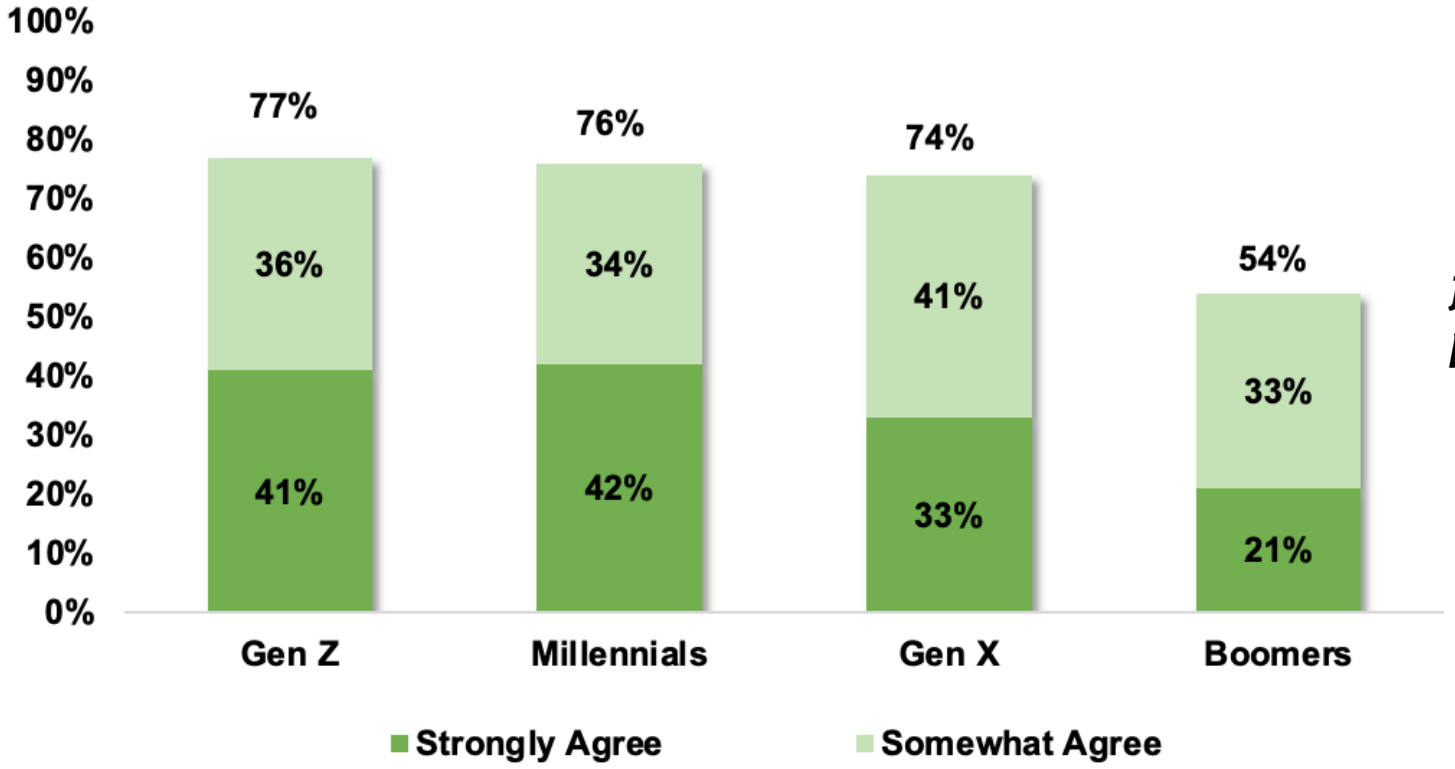
| Amount spent | Household Income | | | | |
|---|---|---|---|---|---|
| | <$30k | $30k-$59k | $60k-$99k | $100k-$149k | $150k+ |
| <$200 | 27% | 24% | 20% | 18% | 15% |
| $200-$299 | 13% | 11% | 11% | 11% | 9% |
| $300-$499 | 14% | 16% | 16% | 16% | 15% |
| $500+ | 23% | 26% | 32% | 37% | 41% |

Source: Packaged Facts, *US Pet Market Outlook 2026-2027*; MRI-Simmons Fall 2025 survey

# Omnichannel/Omnimarket

# Omnichannel/Omnimarket

- Younger generations are more likely to seek out a single source for pet care.
- Single source petcare can mean greater customer loyalty.
- Combining product types—including consumables, for subscription/DTC appeal—with vet/pet services is increasingly essential for major players.



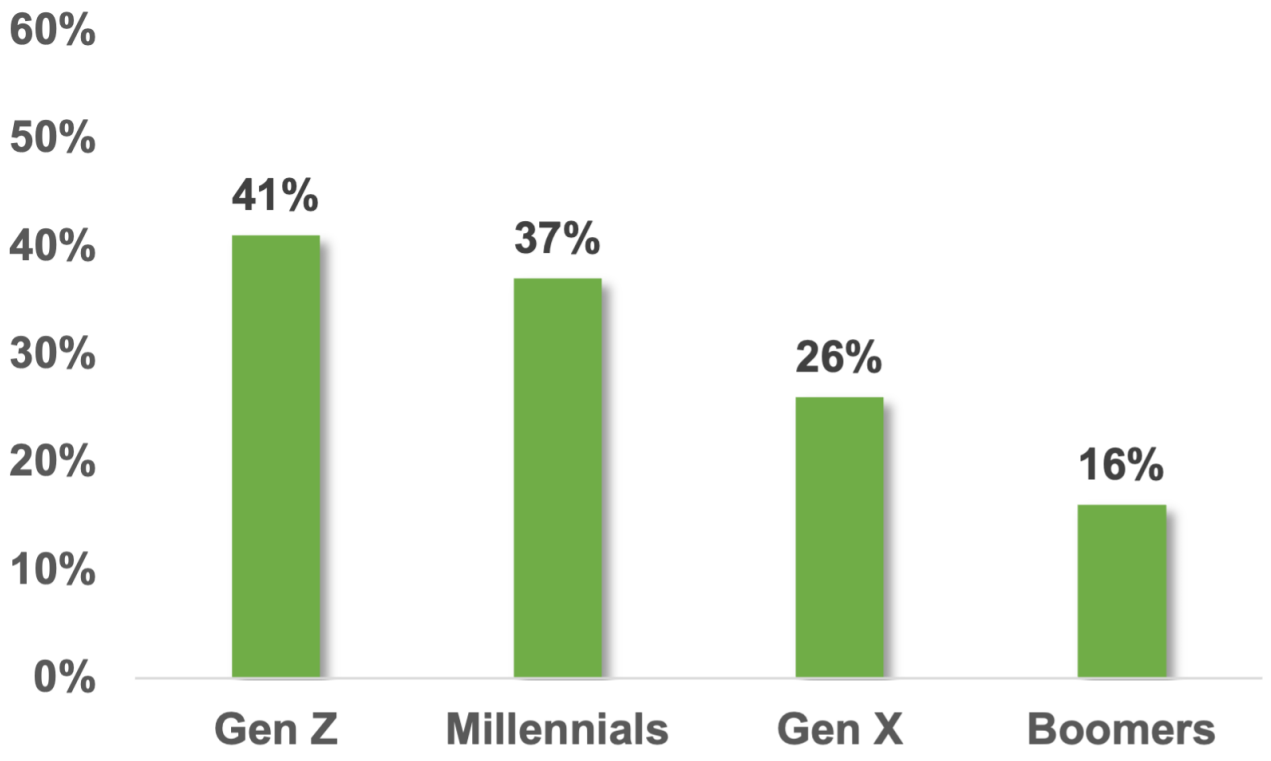

*"I like the idea of single source for pet care, including pet products and pet services"*

Source: Packaged Facts January 2026 Survey of Pet Owners

# Omnichannel/Omnimarket

- Younger generations are more fluid (and less loyal) shoppers.

***Share of pet product shoppers who significantly changed where/how they bought pet products in 2025***

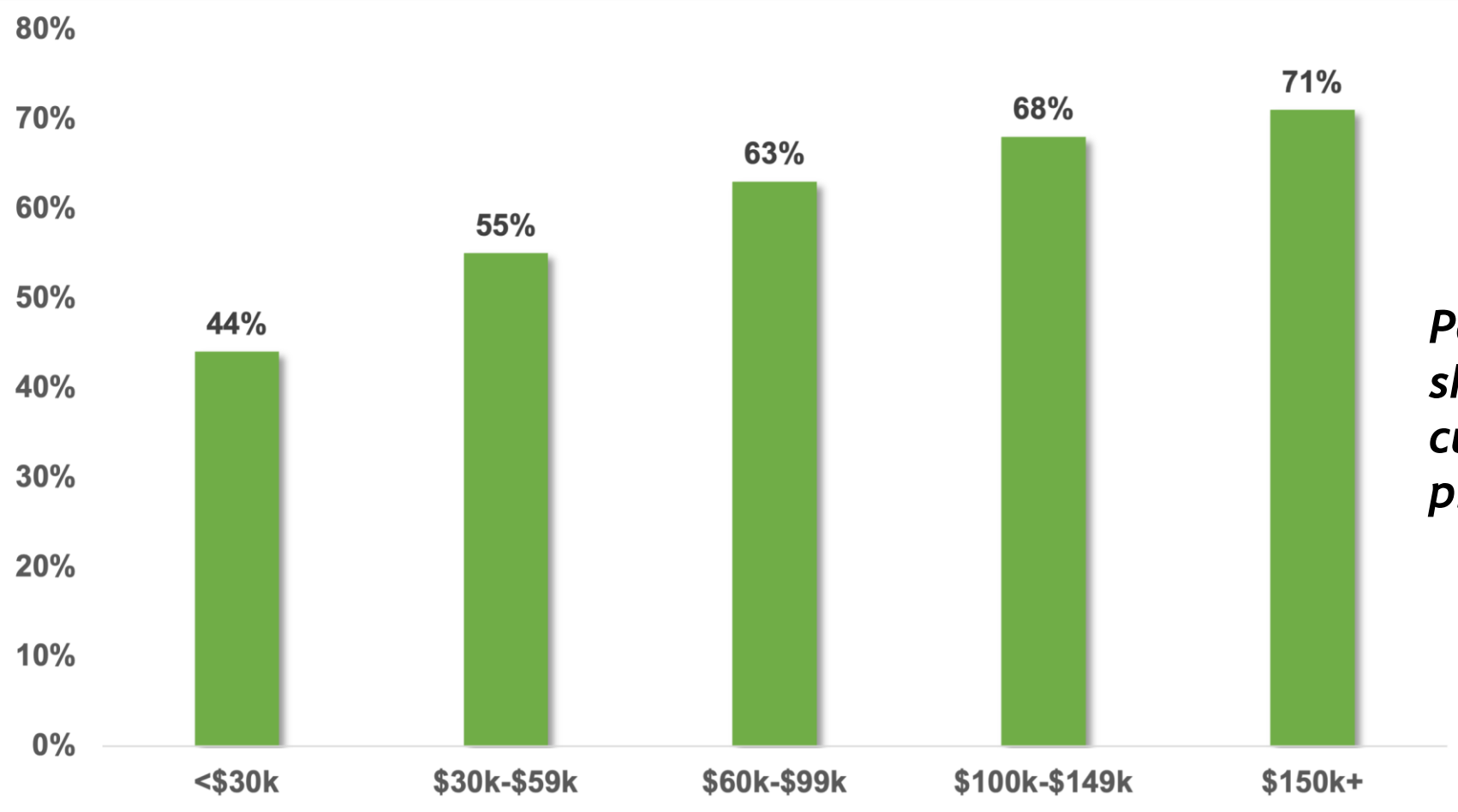



Source: Packaged Facts January 2026 Survey of Pet Owners

# Customer Loyalty

# Customer Loyalty: Income

- Rewards program usage rises up the income ladder




*Percent of pet product shoppers using any type of customer loyalty/rewards program*

Source: Packaged Facts January 2026 Survey of Pet Owners

# Customer Loyalty: Private Label

- **Rising usage rates for private label and continued macroeconomic uncertainty signal opportunities for retailers (and competition for branded products).**

***Store brand usage rates by dog or cat product category, 2019 vs. 2025***

| Category | 2019 | 2025 |
|---|---|---|
| Dry Dog Food | 9% | 11% |
| Wet Dog Food | 9% | 11% |
| Dog Treats | 15% | 19% |
| Dry Cat Food | 7% | 8% |
| Wet Cat Food | 7% | 8% |
| Cat Treats | 5% | 5% |
| Cat Litter | 13% | 16% |

Source: Packaged Facts, *US Pet Market Outlook 2026-2027*; MRI-Simmons Fall 2019 and Fall 2025 surveys

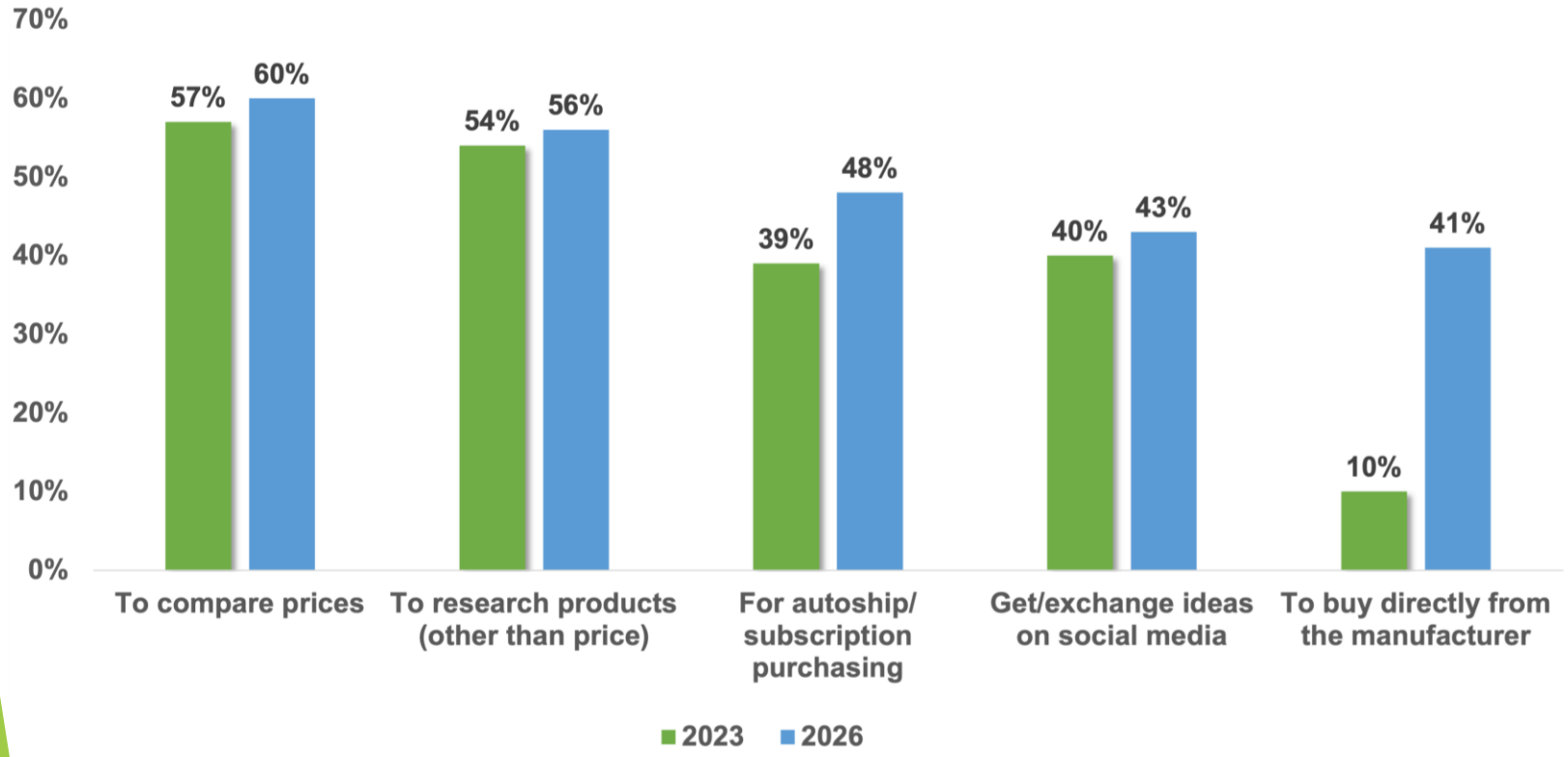
# AI’s Role in Customer Loyalty

- Predictive personalization based on past purchases and web searches
- 24/7 virtual assistance and chatbots
- Proactive health monitoring—wearables, transmission to health care provides
- Optimized services scheduling—bookings, check-ins, reminders, etc.
- Enhanced customer experience—streamlined marketing via personalized campaigns, email offers, etc.
- Cost reduction

# Direct-to-Consumer and Autoship/Subscriptions

# DTC: Impressive Growth

- **E-commerce share of retail pet product sales jumped from 24% in 2019 to 41% share in 2026.**
- **Huge increase in DTC from 2023 to 2026 (potentially crimping retail subscription shopping).**

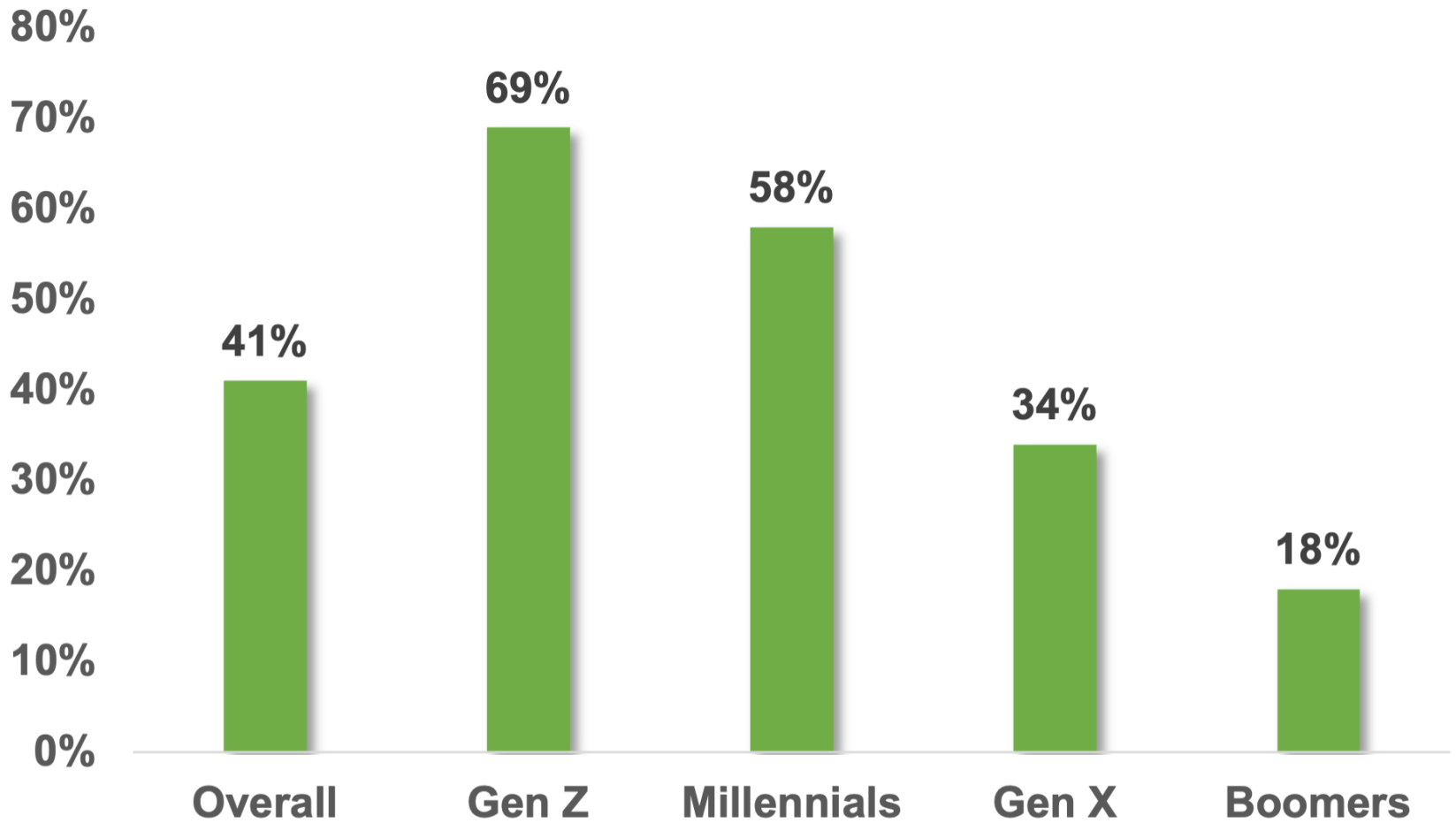



***Use of the Internet for pet product shopping, 2023 vs. 2026***

Source: Packaged Facts January 2026 Survey of Pet Owners

# DTC: Generations

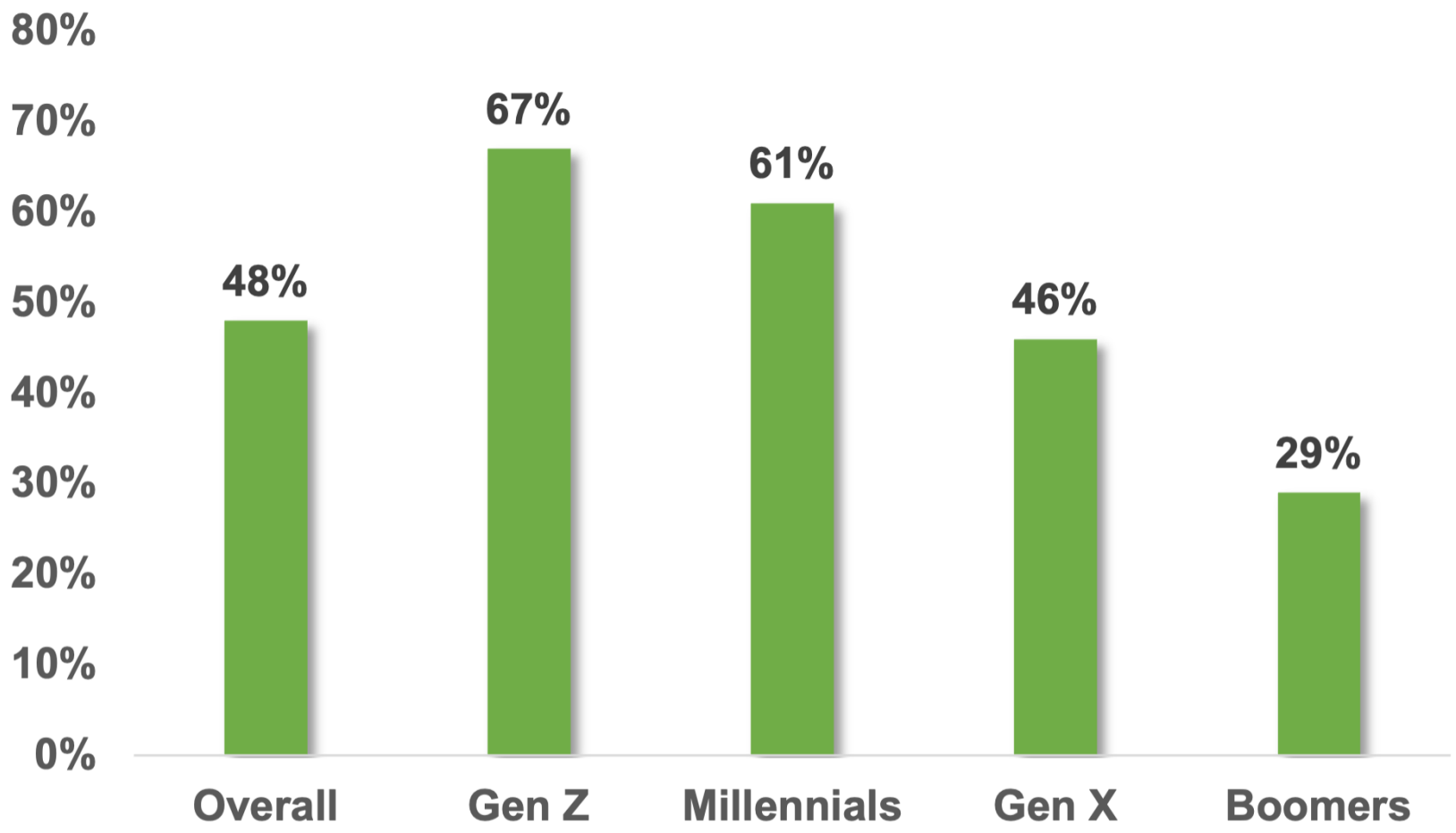
***Share of shoppers using any type of pet product DTC service, by generation***




Source: Packaged Facts January 2026 Survey of Pet Owners

# Autoship/Subscriptions: Generations

***Share of shoppers using any type of pet product autoship/subscription service,***

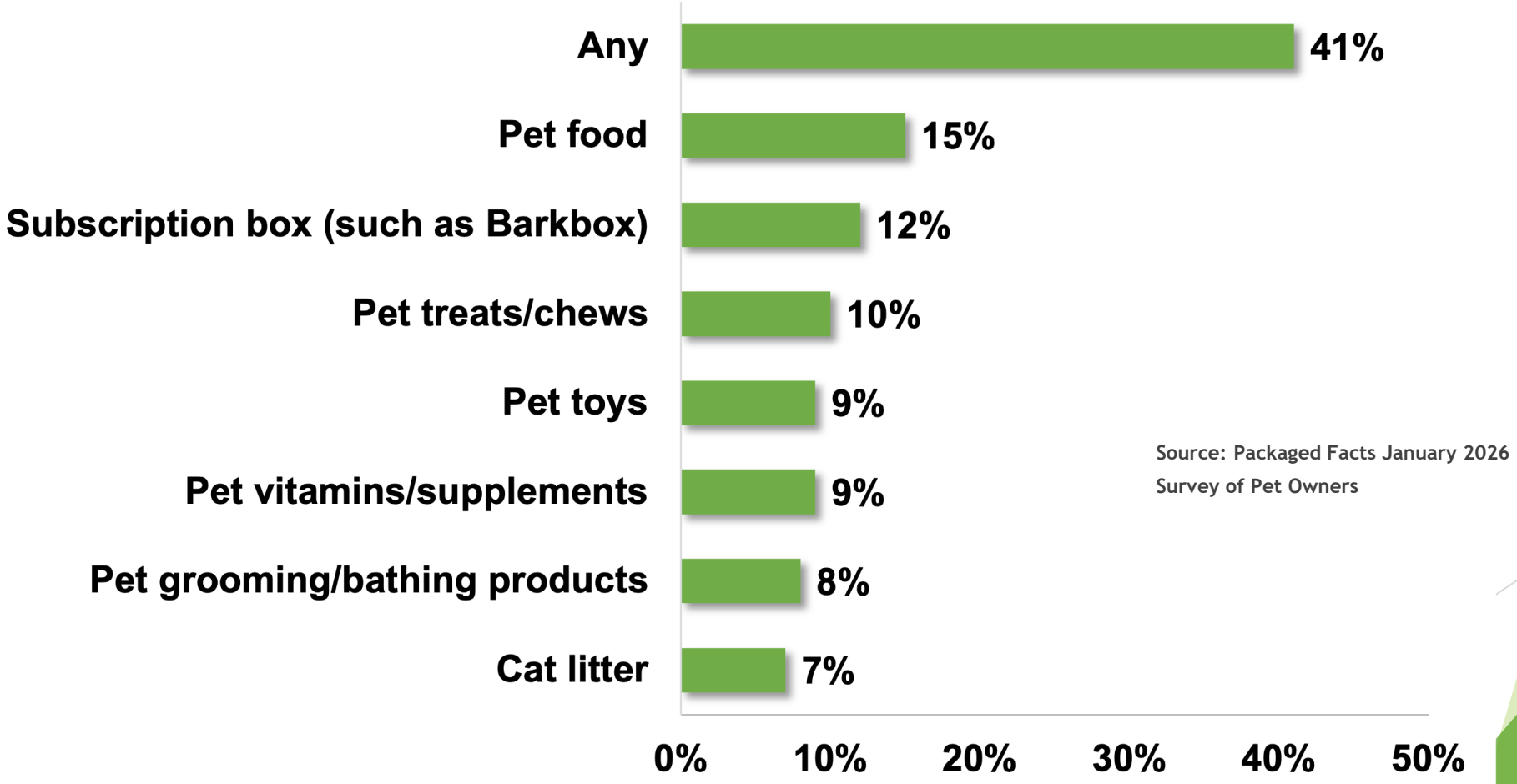



Source: Packaged Facts January 2026 Survey of Pet Owners

# DTC Purchase Rates by Product

- Pet food remains at the forefront of DTC sales, primarily driven by fresh pet food

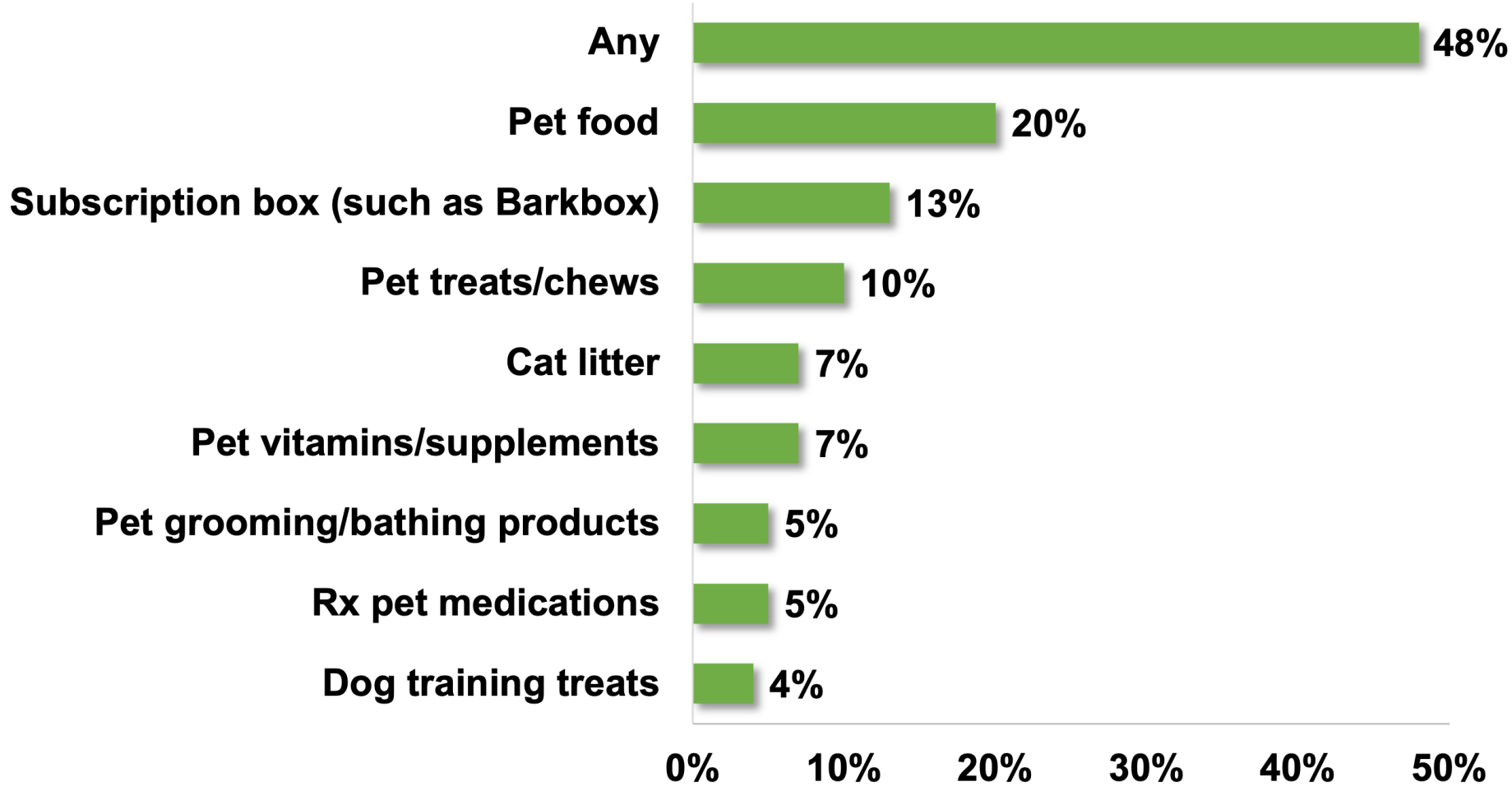
*Direct-to-consumer purchasing rates by key pet product types*




Source: Packaged Facts January 2026 Survey of Pet Owners

# Autoship Purchase Rates by Product

*Autoship/subscription purchasing rates by key pet product types*




Source: Packaged Facts January 2026 Survey of Pet Owners

# Pet Health and Longevity

# Senior Pet Ownership Rates

- Half and dog- and cat-owning households have senior pets.

*Percentage of Dog-Owning and Cat-Owning Households with a Senior Pet (Age 7+)*

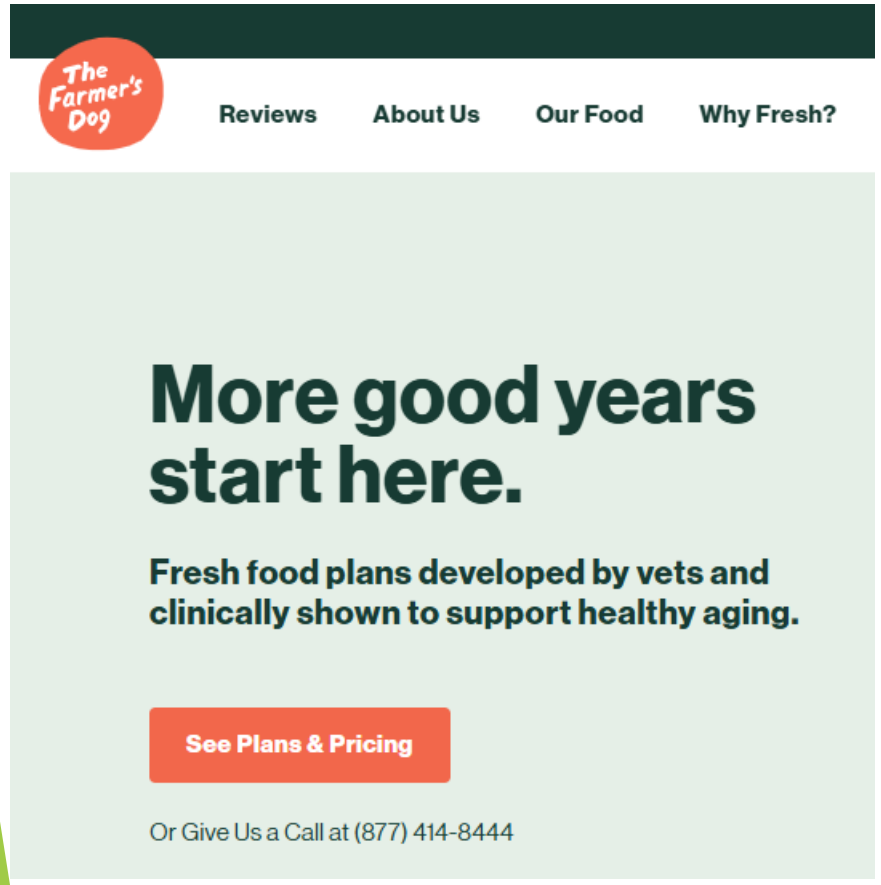
| Type | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Dog | 51% | 51% | 54% | 54% | 52% | 52% | 52% |
| Cat | 49% | 53% | 54% | 52% | 50% | 51% | 50% |

Source: Packaged Facts, *US Pet Market Outlook 2026-2027*; MRI-Simmons Fall 2019 - Fall 2025 surveys

Packaged Facts

# Focus on Healthy Aging

- New Study from The Farmer's Dog shows that fresh food can support healthier aging in dogs.
- Pet supplements and pet food marketers are focusing on longevity - "healthspan"






# THANK YOU!

Any questions?

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