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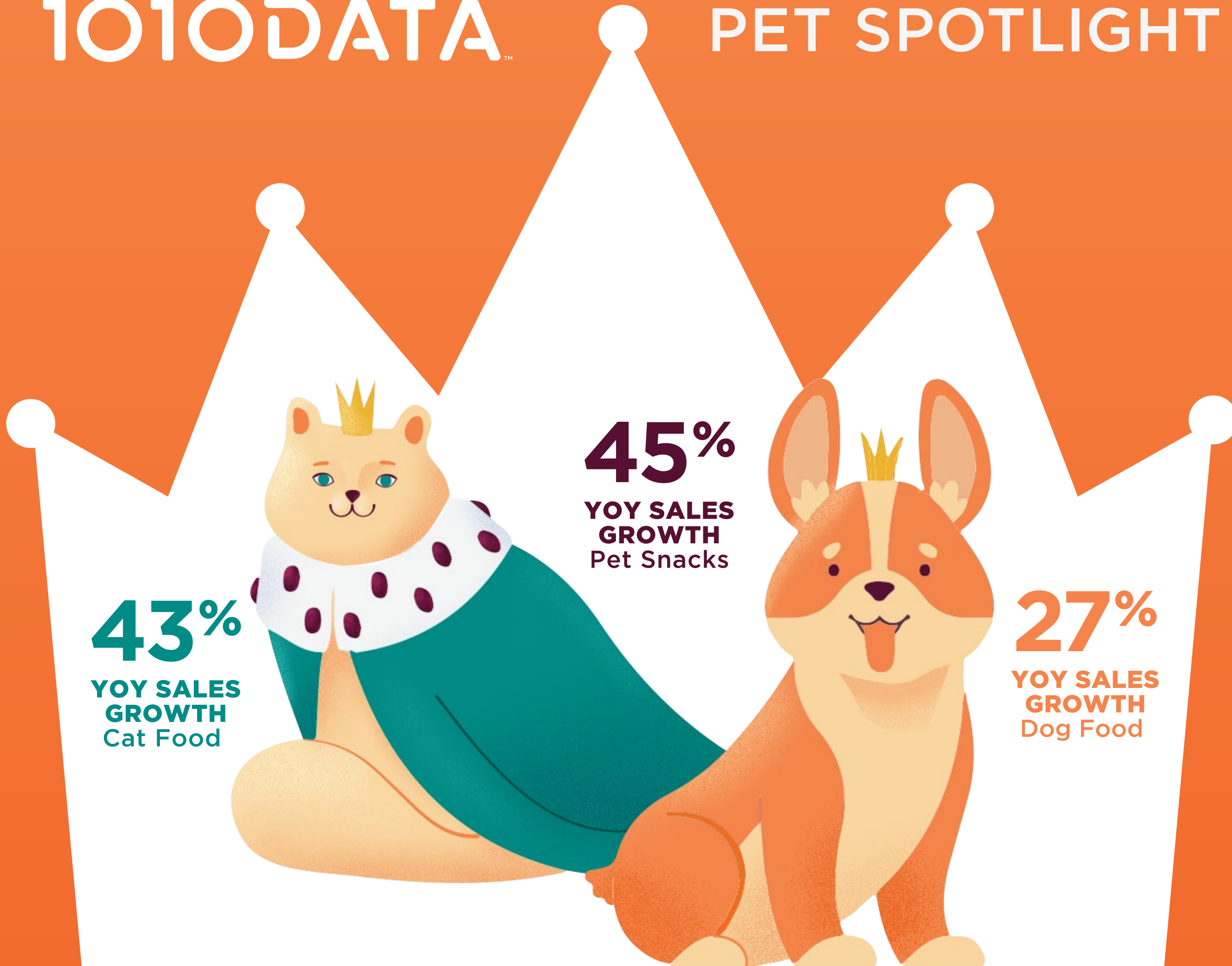
PET SPOTLIGHT | SEPTEMBER 2021

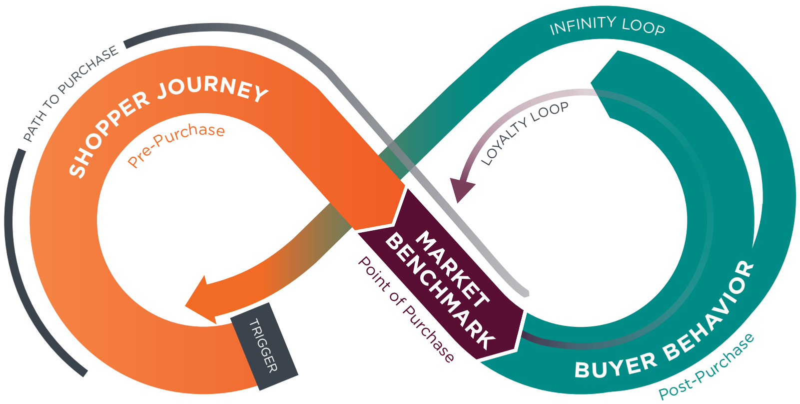


PETS REIGN SUPREME

Aligned with the rising rates of eCommerce sales, the Pet Supplies category has experienced overall online growth of **35%** this year – even higher in sub-segments such as Pet Snacks and Cat Food. Consumers are leveraging the convenience of automated, subscription-based ordering and are rapidly adopting click-and-collect methods including Buy Online, Pick-Up in Store (BOPIS). Another emerging trend is the progression of natural Pet food brands. Organic, raw, and “human-grade” product lines are some of the fastest growing segments in the category. This Spotlight provides further insight to the online trends seen within Pet through the pandemic and into 2021.

Source: 1010data Market Intelligence eCommerce Panel Year-Over-Year Growth from June 2020 through May 2021

ANSWER PRESSING BUSINESS QUESTIONS



Online Consumer Decision Journey

Leveraging the 1010data eCommerce Suite

To conduct the Pet category analysis, we used insights found within the various stages of the Online Consumer Decision Journey to understand how the activity within each phase informs a different part of the holistic online shopping experience. With this broadened view, you can significantly strengthen decision-making and drive better outcomes.

SHOPPER JOURNEY
Pre-Purchase

Search Insights reveal which terms and keywords are driving sales for a given category
Comparison Shopping shows what brands, merchants and products are considered and purchased
Conversion Rates help identify features and attributes that reduce friction-to-purchase

MARKET BENCHMARK
Point of Purchase

Site, Category & Brand Benchmarks identify which retailers and categories are driving sales to help build partnerships
Item-level Detail assess assortment opportunities to expand product offerings and identify emerging trends
Top Brands & Merchants track sales and market share shifts of both established players and new entrants

BUYER BEHAVIOR
Post-Purchase

Online Share of Wallet follows customer spending for both a targeted brand and its competitors
New, Lost, Retained Customers breaks out specific purchasing behavior and conversions to different products
Basket Analysis identifies connections between unique brands and the associated lift in total basket sales

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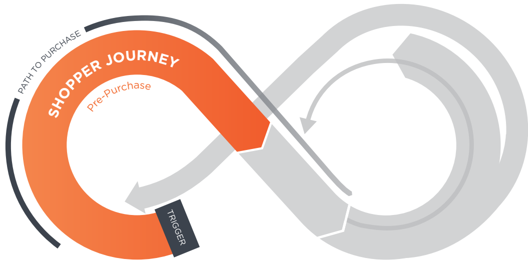


SHOPPER JOURNEY

Uncovering the “Why” Behind Pre-Purchase Behaviors via Search Terminology & Comparison Shopping

Rank	Top Search Term - Dog Food	Top Search Term - Cat Food
1	dog food	cat food
2	wet dog food	wet cat food
3	dry dog food	dry cat food
4	canned dog food	friskies wet cat food
5	pedigree dog food	fancy feast
6	purina one dog food	friskies canned cat food
7	pedigree wet dog food	fancy feast canned cat food
8	purina dog food	canned cat food
9	iams dog food	kitten food
10	pure balance dog food	sheba cat food

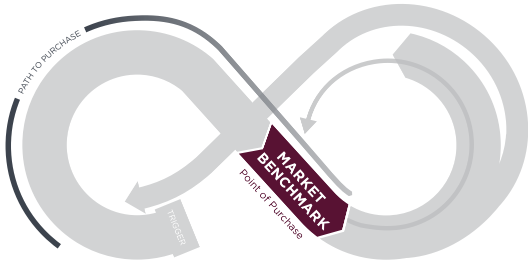
Brand Awareness & Loyalty Prove Vital

Taking a closer look at dog and cat food searches that resulted in a product being added to cart, we can see brand awareness playing a strong role. Pedigree and Purina led the way for dog food while Friskies and Fancy Feast held the similar spots for cat food.

Extending this to comparison shopping and ultimate conversions for dog food, we can see that for purchases in which different brands were considered (product page views), Pedigree and Purina were at the top once again. Additionally, the Top 5 dog food brands experienced an **88% or higher conversion rate** when one of their products was considered.

Pedigree	Purina ONE	Rachael Ray Nutrish	Purina Beneful	Hill's Science Diet
13.8%	8.6%	6.6%	6.5%	5.7%

Source: 1010data Market Intelligence eCommerce Panel Year-Over-Year Growth from June 2020 through May 2021

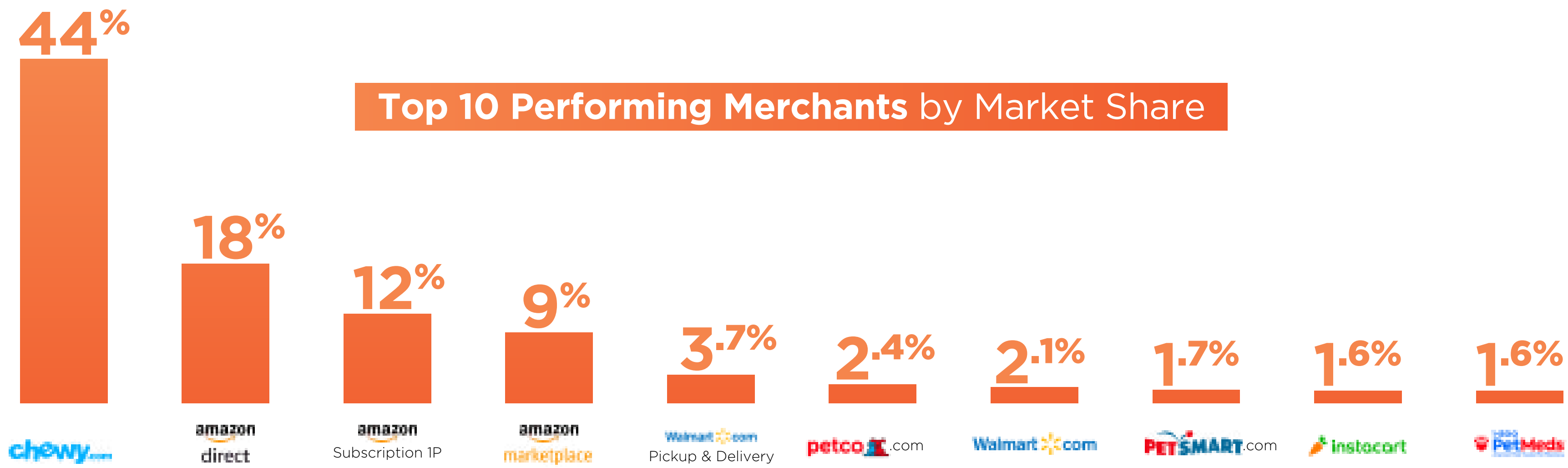


MARKET BENCHMARK
MERCHANT PERFORMANCE

Assessing the Competitive Landscape and Discovering Key Drivers Within Pet Supplies Purchases

Some Things Remain The Same...

As we look at merchant performance through May of this year, Chewy.com remains king with over **44% market share** for Pet Supplies, however, they have **lost about 2.5 share points** from the year prior. Amazon held the next three spots via their Direct, Subscription and Marketplace channels respectively with primary growth coming from Subscription.



50% of all **omni-channel** merchant orders are **click-and-collect**

While Others Are Changing

Delivery remains the primary fulfillment option at over **90%** of orders across all online merchants. However, a very different story arises when you break out omni-channel merchants (having both on-line presence and physical stores) as about **50% of all orders are click-and-collect such as BOPIS**. These trends signify consumers are shifting towards fulfillment alternatives outside of delivery and show an enhanced openness to repeatable purchases via subscription.

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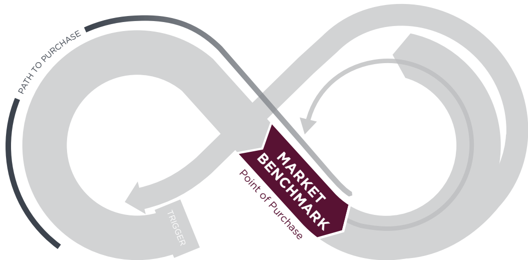
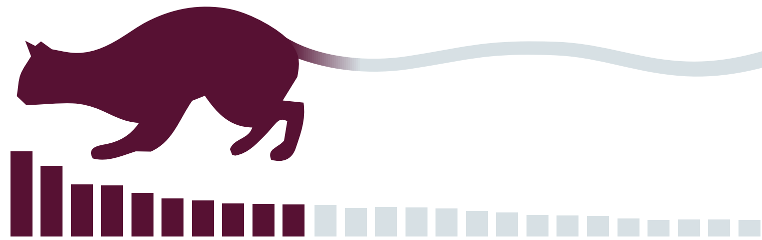


MARKET BENCHMARK
BRAND PERFORMANCE

Assessing the Competitive Landscape and Discovering Key Drivers Within Pet Supplies Purchases

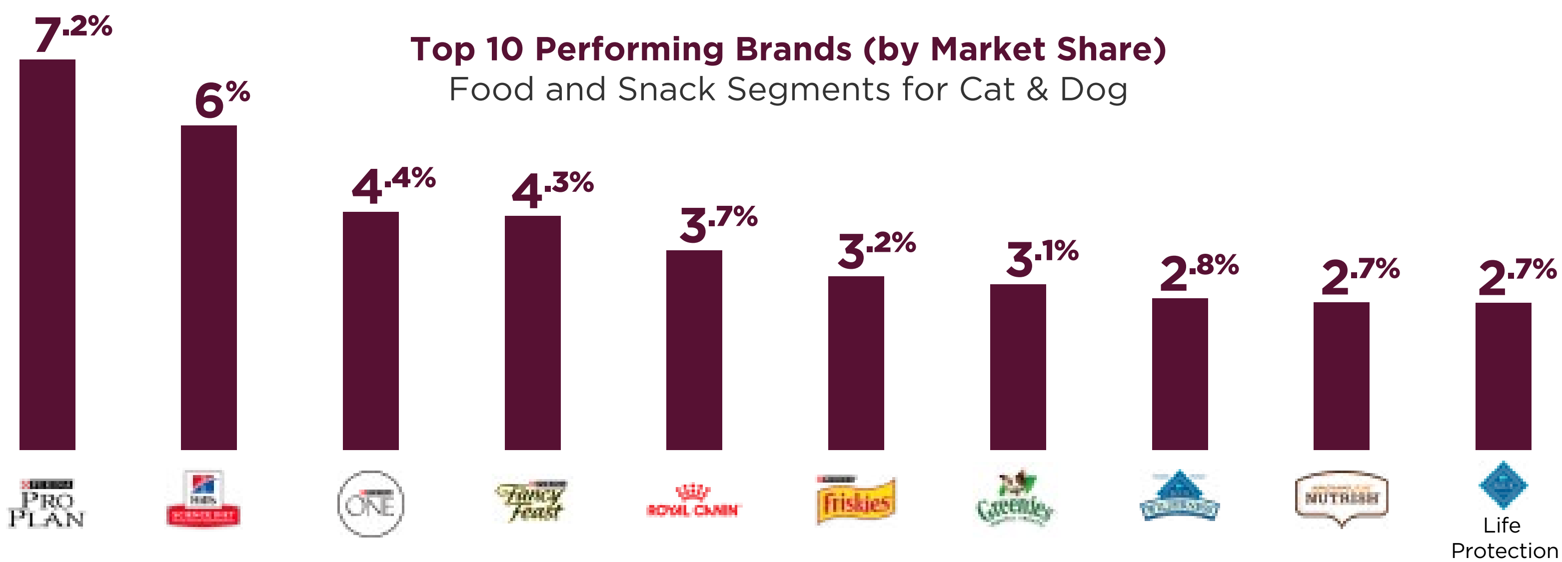
Beware The Long Tail

The Top 4 Cat & Dog brands in the sub-segments of Food & Snacks have experienced market share gain over the prior year. Interestingly though, **the Top 10 brands only account for about 40% of sales.** What we see is a diverse and competitive landscape that represents **60%** of sales outside of the Top 10 and provides ample opportunity for the long tail brands.



Top 10 Performing Brands (by Market Share)

Food and Snack Segments for Cat & Dog



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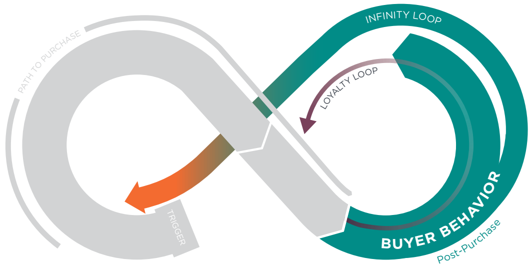


SHOPPER BEHAVIOR

Understanding Post-Purchase Consumer Behaviors Increases Retention Rates

Full Moon Rising

The number of pet owners increased dramatically during the pandemic for different reasons including companionship and the ability to care for pets while working at home. These new owners, who focused on health and immunity boosting products due to the pandemic, are most likely also investing in natural products for their pets. Organic, raw, and "human-grade" product lines are some of the fastest growing segments in Pet as customers are branching out from established market leaders to switch to new, healthier alternatives.

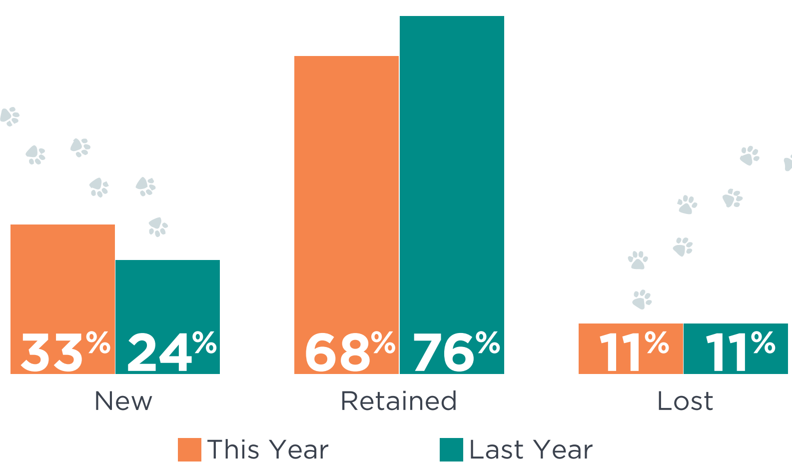
FULL MOON

Increased share of new customers by **33%** this year

New, Lost, Retained Customer Comparison
for Full Moon

Brands Customers Are Switching From:

Greenies
SmartBones
Whimzees
Dogswell



Brands Customers Are Switching To:

SmartBones
Greenies
DreamBone
HALO

Source: 1010data Market Intelligence eCommerce Panel Year-Over-Year Growth from June 2020 through May 2021

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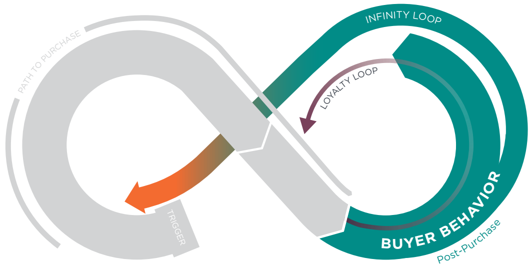


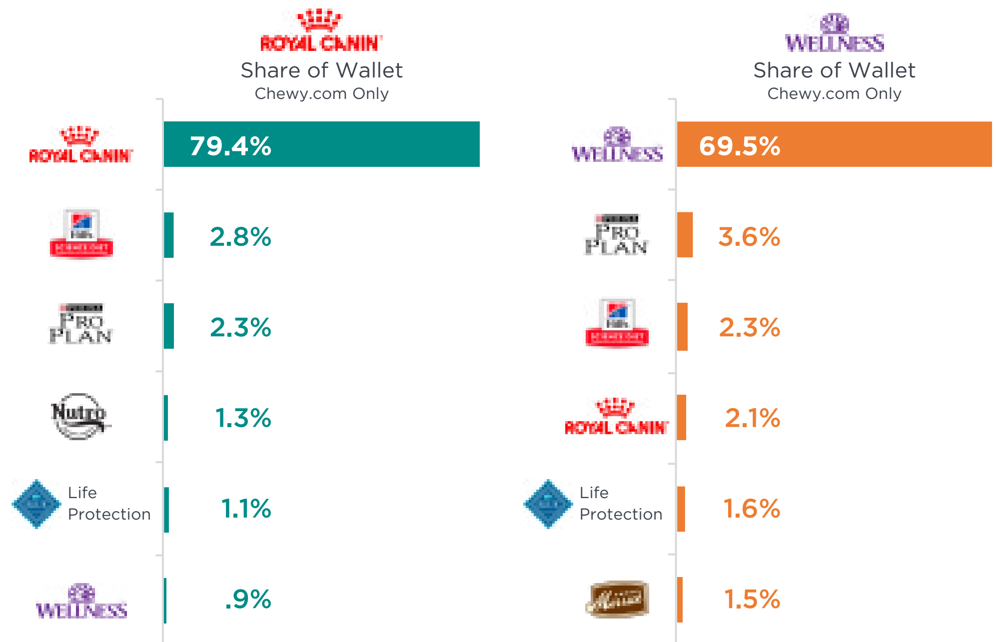
SHOPPER BEHAVIOR

Understanding Post-Purchase Consumer Behaviors Increases Retention Rates

A Matter of Loyalty

Our Share of Wallet report shows how shoppers allocate their spend across different categories or brands. This metric is used to calculate how much of a customer's spend for a product goes to a specific brand, and how much of that spend goes to competitors within the same category. It can often be understood as a loyalty indicator.

In this case, Wellness shoppers allocate more of their wallet to purchasing other dog food brands compared to Royal Canin shoppers. The top brands that both Wellness and Royal Canin shoppers also buy are Hill's Science Diet and Pro Plan. Increasing wallet share is a more efficient and cost-effective way to boost revenue compared to market share and can be achieved through focused customer loyalty strategies.



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HOW CAN WE HELP YOU STAY AHEAD OF SHIFTING, ONLINE CONSUMER TRENDS?

The statistics in this Pet Spotlight were generated by the 1010data eCommerce Suite, which offers access to our timely data updates across the broadest category coverage in the marketplace. Companies leverage our data intelligence solutions to better understand digital shopping behaviors and monitor brand performance within today's online consumer journey from the path-to-purchase and beyond.

Contact info@1010data.com for more information.

eCommerce Data Although 1010data utilizes multiple panels that track millions of panelists, 1010data is projecting up to the total U.S. population. Panel-based projections are not intended to perfectly correlate to actual sales on an absolute dollar sales basis. The strength of 1010data's ecommerce data lies in share performance and trends over time.

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