

Premium Pet Food Drives Sales

Consumers are spending more than ever on natural food for dogs and cats

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US spending on pet care continues to rise. Why? Pet food trends follow human fancies, which means a growing focus on wellness that has extended to furry members of the family.

[Nielsen](#) saw a 36% increase in household pet food spending from 2007-2017, driven by sales of premium brands.

In 2017, consumers spent an average of \$710 on pets, per the [US Bureau of Labor Statistics](#), which, as [Quartz](#) reported, is higher than spending on cable TV.

The [American Pet Products Association](#) (APPA) estimated US pet industry sales reached \$72.13 billion in 2018, with the largest share spent on food.

US Pet Industry Sales, by Category, 2015-2018

billions and % change

	2015	2016	2017	2018	% change for 2016-2017
Food	\$23.05	\$28.23	\$29.07	\$29.88	2.9%
Veterinary care	\$15.42	\$15.95	\$17.07	\$18.26	7.0%
Supplies/OTC meds	\$14.28	\$14.71	\$15.11	\$15.51	2.7%
Live animal purchases	\$2.12	\$2.10	\$2.10	\$2.01	0.0%
Other	\$5.41	\$5.76	\$6.16	\$6.47	6.9%
Total	\$60.28	\$66.75	\$69.51	\$72.13	4.1%

Source: American Pet Products Association (APPA) as cited in press release, March 22, 2018

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This spending is shifting to digital channels. Per Nielsen figures, 21% of pet food sales occur online, up from 12% in 2017. Additionally, 25% of US consumers say they are more likely to buy pet food online than in store. And according to [One Click Retail](#), US consumers spent close to \$800 million on pet products on Amazon in H1 2018, up 30% over last year.

Look no further than online search terms to see that US consumers are concerned about their pets' nutrition. According to [Gartner L2](#) analysis, Google keyword searches on "raw" rose 32% year over year in July 2018, while dietary-related searches grew 5% and healthy/all natural by 2%.

Nielsen also found a 68% increase in dollar sales of dog food with raw food claims in 2017, and for the year ending March 2018 probiotics drove a 139% sales increase and non-GMO pet food a 29% increase.

The ecommerce space is dominated by two players: Chewy.com, [acquired by PetSmart last year](#) and Amazon, which launched a [private label](#) dog food in May called Wag.

Natural pet food brand Blue Buffalo tops organic search visibility on both platforms, according to L2. It appears in 54% of first page search results on Amazon in the dog food category and in 64% of the results on Chewy.com. Second and third place spots on both sites also belong to natural pet food brands: Wellness and Nutro on Amazon and Merrick and Hill's Pet Nutrition on Chewy.com.

It's no wonder why Purina has introduced Naturals and Pro Plan lines of pet food, multichannel retailers have been expanding the premium

brands they carry and even celebrity cooks Rachael Ray and Paula Deen have stepped into the natural pet food space to capture this lucrative market.