

Japan's pet market on the rise



As one of the biggest markets in the Asia Pacific region, Japan is fascinating to analyse.

Land of cats and dogs

In 2020, Japan's pet market was worth \$14.8 billion (€12.4 billion), up by 3.4% compared to 2019. It is expected to grow at a rate of 4.9% by 2022. Most pet supplies are purchased through home centres, discount stores and, increasingly, e-commerce channels – with Amazon Japan in the lead.

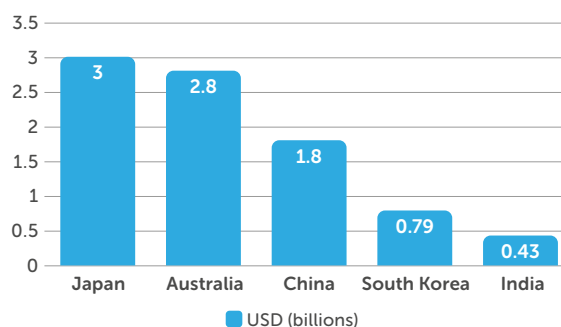
Dogs and cats are the primary pets in the country, at 8.5 million and 9.6 million respectively in 2020. As a result of COVID-19, prices for puppies and kittens remained high the whole year, instead of the usual summer season discounts. Japan is the 5th largest market globally for dog ownership and 10th for cat ownership.

Fish and birds are more popular as small pets for Japanese households than rabbits and hamsters, but even then Japan does not rank among the top 20 global markets in these categories.

Pet food sales

In 2020, pet food sales within the Asia Pacific region reached \$18.2 billion (€15.2 billion), with Japan comprising the majority, at \$3 billion (€2.5 billion).

Pet food market in APAC



44% of Japan's total pet food consumption in 2020 came from imports, led by Thailand (33%), the US (16.4%) and France (16%), so there is still a strong reliance on non-domestic products. Despite this high level of import, Japanese pet owners are inclined to purchase locally manufactured goods, as they present a higher level of trust in terms of food safety and security.

Dry versus wet

In 2019, dry dog food accounted for 67.3% of total dog food sales. While this category saw a 5.1% year-on-year decrease, wet dog food increased by 8.1%. In terms

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of cat food, dry offerings also dominated, at a 63.9% share. However, semi-moist cat food experienced a significant increase of 365% compared with 2018, and other wet foods also saw a boost.

Pet life indoors

Due to limited outdoor space, especially in city-based apartments, many Japanese pet owners keep their pets inside most of the time. This applies to 90.4% of cats and 84.7% of dogs, creating a higher demand for products that address deodorisation and hygiene.

Increased focus on premium

Japanese consumers are willing to spend money on high-quality premium food and are always on the lookout for products that can meet the nutritional requirements of their pets. Those labelled as free of allergens and preventing sickness are particularly gaining popularity. This is reflected in brand names, such as Inaba's Zeitaku (meaning 'luxury'), and Unicharm's Gran Deli.

Sales of larger bags of pet food have declined, in favour of select items with a high price that more appropriately meet a pet's individual needs. In 2019, the premium pet food segment was worth \$687.5 million (€575.6 million), a 3.7% increase on 2018. As premium becomes the norm, brands are launching 'super premium' lines that emphasise further added benefits, such as organic and gluten-free ingredients. ♦



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