



Pet industry in South East Asia – from pet lovers to pet parents

The pet industry is making leaps and bounds across the globe and South East Asia is no exception. Today, as pet owners treat their pets more like family members, they spend a lot of money to give them the utmost care.

Key to a flourishing sector

The South East Asian pet industry is expected to reach the \$1.4 billion (€1.2 billion) mark by 2020, with a healthy annual growth rate of around 7%. Pet owners, not only from the high-income group but also from the middle-income group, are increasingly demanding more organic, healthy and nutritious food, among other pet services. Over the years ahead, a flourishing e-commerce system, rapid urbanisation and a greying population will remain critical to the pet industry boom.

Having said all that, retailers will need to move from economy and mid-priced food and non-food items to premium ones, if they are to continue to encourage pet owners to spend more and enjoy enhanced quality. Ensuring a good consumer experience in online and brick-and-mortar stores will enable customers to benefit from both platforms.

The era of pet tech

As science and technology give us insights into people's canine and feline companions, it seems there

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is more to their lives than just sleeping, eating and being cute. Those cunning cats and loyal dogs are understandably now pampered like tiny hairy humans, and this humanisation trend has triggered a domino effect in the technology sphere, with huge amounts of money invested in pet tech start-ups all over the world.

South East Asia is no different. Cats and dogs are getting all the attention in households in several countries in the region. With urbanisation gaining pace, pet parents are tending to go for smaller pets, yet the spending on their well-being is growing. And while technology will never replace the companionship of a pet, it can make living with pets simpler in numerous ways – from nutrition to smart cameras.

Promising pet apps

As the pet tech industry grows in South East Asia, there are two start-ups that focus on serving animals in a particularly innovative way.

Peto in Indonesia offers a pet-focused smartphone app providing on-demand professional pet services such as in-home pet care solutions and a store where customers can purchase pet essentials and have them delivered to their door.

The Malaysian platform JomPaw provides a range of professional pet care services including walking, training, and even a pet taxi.

Different markets in one region

While Singapore is leading the South East Asian pet industry with the greatest number of pet tech operations, Thailand and Malaysia are closing in, as their pet industries evolve into successful sectors. However, frontier markets like Cambodia and Myanmar are yet to roll out the red carpet for pet tech start-ups.

Recession proof industry?

While the COVID-19 pandemic has put a dent in the retail industry in South East Asia, certain sectors have survived, and even thrived, thanks to lockdowns. Among these is the pet industry.

New market entrants are actively looking for counter-cyclical categories amid the pandemic. Foolproof business models include a unique delivery mechanism, a clear value proposition, and a competitive pricing framework. But venture investors must make sure they integrate sector specialists, including trained pet professionals, into their advisory panel to substantiate product concepts and medical claims, and to lend credibility to a new business.

Unprecedented growth

Although it might seem astonishing that an industry can benefit from a pandemic-induced recession, the South East Asian pet industry is set to have a surprisingly successful year. With more people adopting pets, owners spending more time with their pets – and a great deal of money to improve their pets' health and lifestyle – the pet industry in this region is expected to experience unprecedented growth during these tough economic times. ♦



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