



Global developments and trends in the pet industry

Despite significant and enduring market shifts due to the COVID-19 pandemic, the global pet industry is expected to adapt and grow at a CAGR of 6% in the coming decade.

Nutrition

The largest shifts, in value terms, have been in pet nutrition. This market was valued at \$94.2 billion (€80.4 billion) in 2020.

Pet owners have gravitated towards healthy pet foods over the past decade, and this trend accelerated substantially in 2020 as the availability of pet healthcare became a challenge in certain regions. A key development was an increase in consumer preference for unique proteins, although traditional proteins still dominate.

Rise of brands

There has also been increased demand for trusted pet brands. The reliance on familiar brands was fuelled by growth in e-commerce. In 2020, this channel accounted for 17% of revenue in the pet care market.

Supplements

Dietary supplements for pets were in greater demand in 2020. Despite the negative effects of the pandemic on supply chains, this market witnessed steady growth. Even in the UK, which has been severely affected by lockdowns and social restrictions, the market is estimated to grow by 3.8% in 2021. Growth in the global pet dietary supplements market between 2020 and 2030 is likely to be at a CAGR of 7.1%.

Grooming

The other rapidly evolving market is pet grooming. Sales of grooming products did decline by 2.9% in 2020, due to the closure of grooming salons during lockdowns, but these closures forced owners to take a greater personal interest in their pet's grooming. As lockdowns ease over time, grooming salons are expected to make a comeback. So pet grooming

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products will be in demand in the coming years, among both pet owners and salons. In terms of products, shampoos and conditioners account for 6 in 10 pet grooming sales, with mid-range grooming products the best-selling category.

Different regions

North America accounts for a lion's share of the pet industry with 67% of US households owning a pet. The US pet care market alone was estimated to be worth \$99 billion (€84.5 billion) in 2020.

Asian and European markets have also witnessed a steady increase in pet adoption, and the pet care markets in these regions are estimated to grow at a CAGR of approximately 6% over the coming decade. This is in tune with the average estimated CAGR of 6% for the global pet industry, which is estimated to reach a value of \$343 billion (€292.7 billion) by 2030.

Adapting for the future

Most trends in the past year were in line with those previously witnessed by the industry. However, the pandemic and resultant lockdowns appear to have helped them gain momentum.

Achieving the estimated growth potential will ultimately depend on whether the industry can adapt to shifting trends, as it is unlikely that demand patterns will change. ♦



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