



HUMANIZING PET FOOD:

How F&B trends are penetrating the pet food market



WHITE PAPER

Thanks to social media, new trends are shared, picked up, and shared again at lightning speed. This makes it easy for consumer trends to cross industries and geographies, creating and passing along new trends as they go. We have been witnessing the [cascading of trends](#) across categories for quite some time now.

From man's best friend to 'fur-babies'

Attitudes toward pets have changed in general over the last few decades. More than ever before, consumers today view their pets not just as animals, but as part of the family. Dogs are referred to as 'fur-babies,' and owners refer to themselves as parents, illustrating the elevated status that pets now occupy in the family unit.



The number of people living alone has also risen steadily every year, reaching [35.25 million](#) in 2017, contributing to the idea that pets are increasingly seen as fully-fledged family members. As a result, people have begun to 'humanize' their pets. Pet owners pay close attention to their companions' food tastes, habits, and special needs. This is similar to the way we manage our own diets – and our childrens' diets.

Pet food that meets human standards

To today's pet owners, it's only logical to give a beloved pet the same high-quality food and drink that they enjoy themselves. There's a feeling that it's not fair or right to feed our animals any food that is lower quality than our own. This mindset is driving a number of changes in the pet food industry, which follow similar lines as consumer demands in the F&B industry. They include:

- Increased awareness of food provenance
- Concern about additives and chemicals
- A desire for traceability and organic ingredients
- An interest in high-protein, grain-free diets

All of these are finding their way into the pet food industry. Owners are more aware of their pet's individual health needs and want to buy products that



HUMAN TASTES

Taste enhancers like sauce or other flavorings are entering the pet food market.



Source: [Link](#)

proactively cater to their wellbeing. New products that treat and reduce a multitude of ailments have entered the market. Nutritional supplements such as pet probiotics make sure that dogs, cats, and other furry friends get all the nutrients they need for optimal physical and emotional development.

Consumers are also interested in the growing range of pet treats. Human indulgences like chocolate cake and taste enhancers like sauce or other flavorings are entering the pet food market in versions developed exclusively for pets. [Fifty-five percent of pet owners](#) are willing to give up their own treats like chocolate, so that their pet can have high-quality, enhanced-experience food.

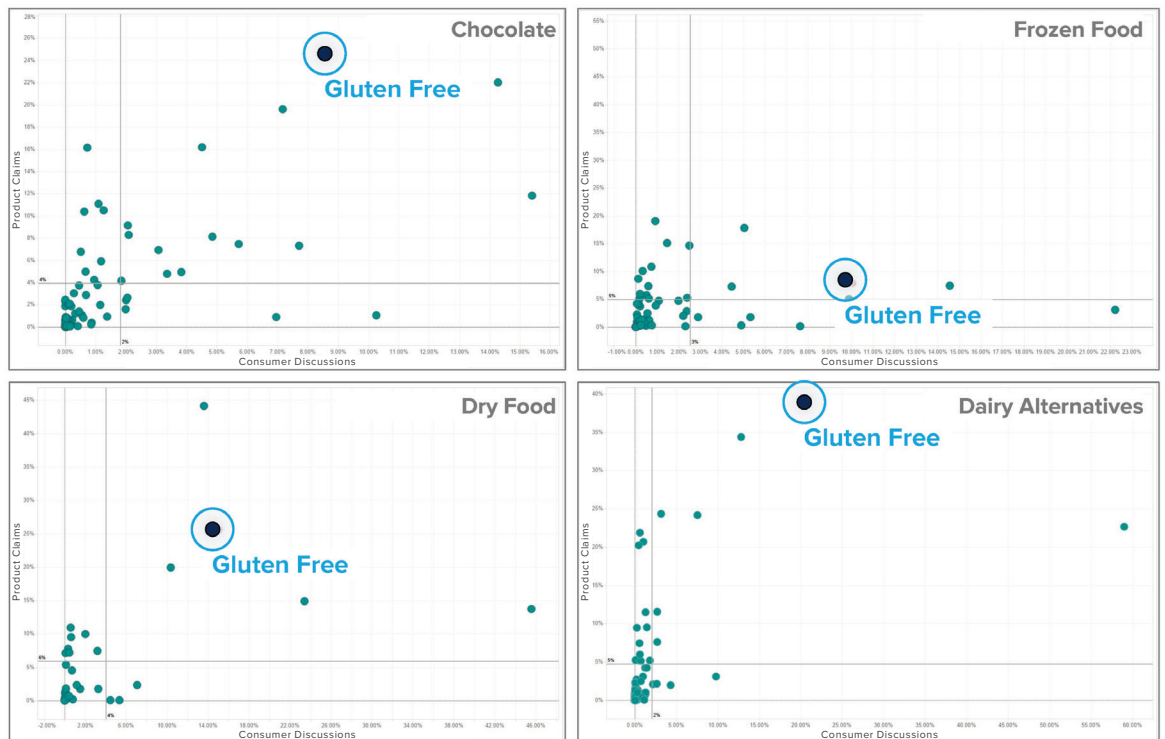
Trend-cascading in the pet food industry

1 Gluten- and Grain-Free

In the F&B industry, gluten-free and free-from products have dominated the shelf for at least five years, becoming a staple good in every household. There are dozens of product offerings in response to increased consumer demand, from dairy alternatives and confectionery, to dry and frozen foods, as this trend is now well-established in the market.

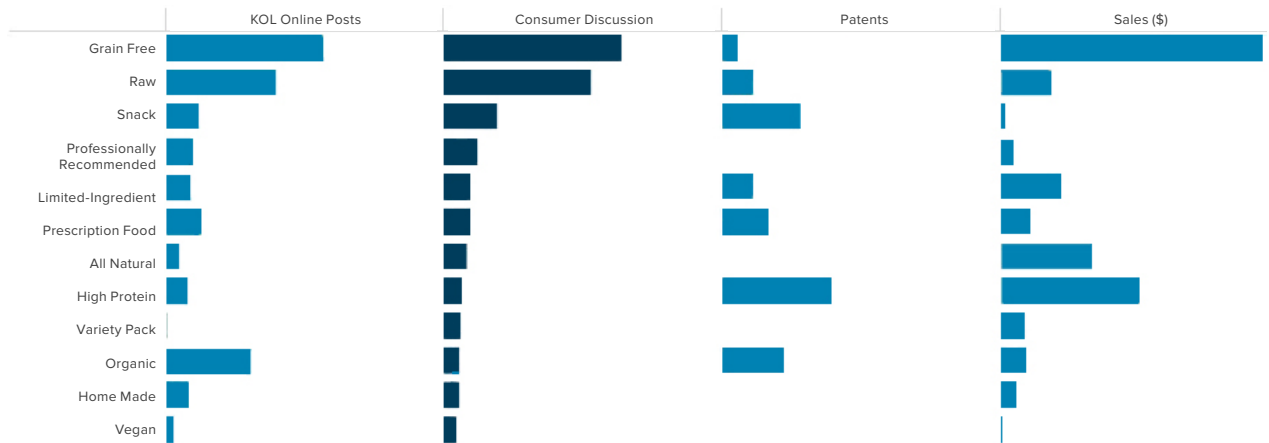
As we can see from the illustration below, gluten-free has reached different levels of maturity in terms of market offering versus consumer demand across various F&B categories. From very mature in chocolate to lesser so in frozen food, gluten-free should be seen as an opportunity for growth in these categories.

Gluten-Free Market Offerings versus Consumer Discussions in Various F&B Categories



When it comes to the pet food industry, grain-free products have really only taken off in the last two years. Consumer discussion in general, and among key opinion leaders, along with the value of sales, all show a massive jump in interest in grain-free foods. Once the gluten-free trend plateaued in classic F&B categories, we witnessed grain-free taking off in pet food. There is still some hefty debate as to whether this type of diet is actually [healthy for our pets](#). On the one hand, we cannot imagine ancestral dogs eating their way through corn fields, but on the other hand, grain-free seems to improve allergies, which is similar to humans moving to a gluten-free diet.

Top Market Trends Highlighting KOL, Consumer Discussions, Patents and Sales Volume in Pet Food (US, UK, Aus Data, Dec. 2016-Nov. 2018)



– Signals Playbook™ Insights

THE RISE OF PALEO

This trend is led by a desire to return to a time of simpler and cleaner foods.



Source: [Link](#)

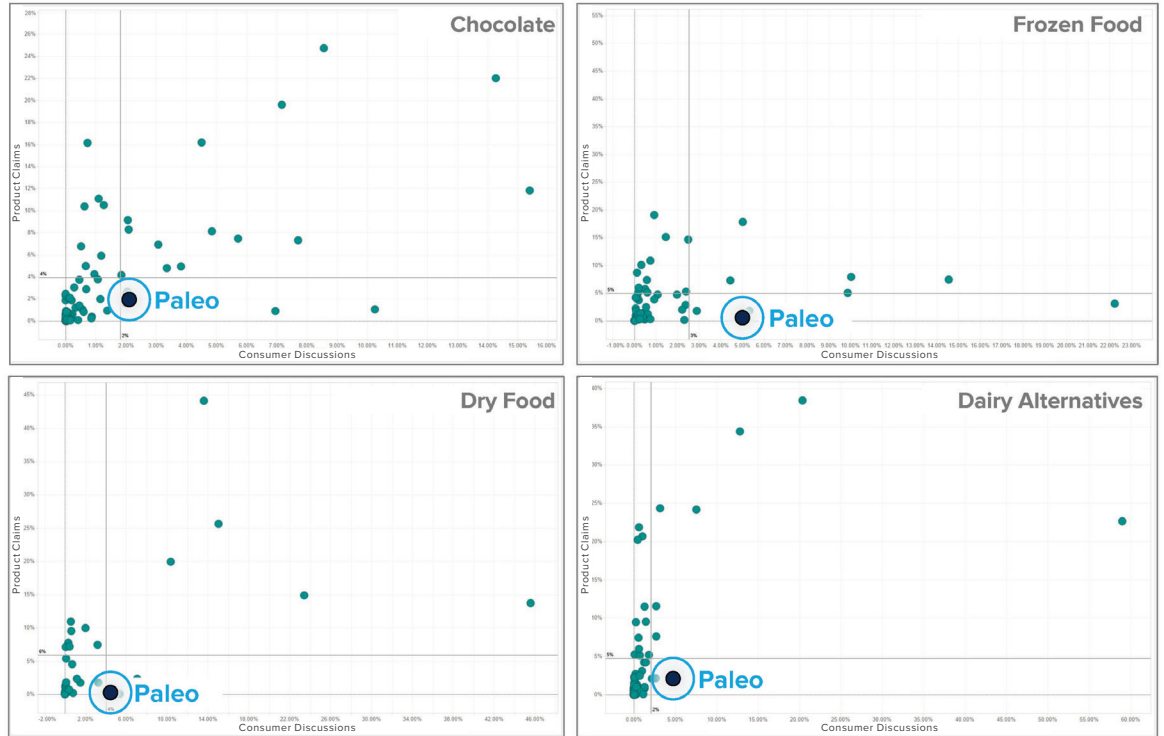
2 Paleo and Raw

The paleo diet began back in 1970, and really started to take off in the early 2000s. By 2013, the Paleo Diet was Google’s most-searched diet term. The international paleo food market is predicted to rise by a steady [5% CAGR](#) till 2021. Today, paleo foods can be found in every product line, from paleo cheese to [paleo pizza crusts](#), and paleo chocolate.

The paleo diet is driven by a desire to return to a time of simpler, cleaner foods. Paleo aficionados want to eat more naturally and believe that early humans ate a healthier diet without processed foods. Paleo is further fueled by the general trend against mass industry and mass-produced foods. The proponents of paleo claim that its followers will regain their physical energy, mental focus and general sense of well-being, whilst its opponents claim the diet is unsustainable and expensive.

Paleo is still very much emerging in the F&B arena, with steady but growing interest amongst consumers, and new products are expected to follow this cadence. In contrast to gluten-free, this is still very much an emerging trend, with similar levels of maturity across traditional F&B categories. For now, this is very much a niche offering, unlike its gluten-free friend.

Paleo Market Offerings versus Consumer Discussions in Various F&B Categories



– Signals Playbook™ Insights

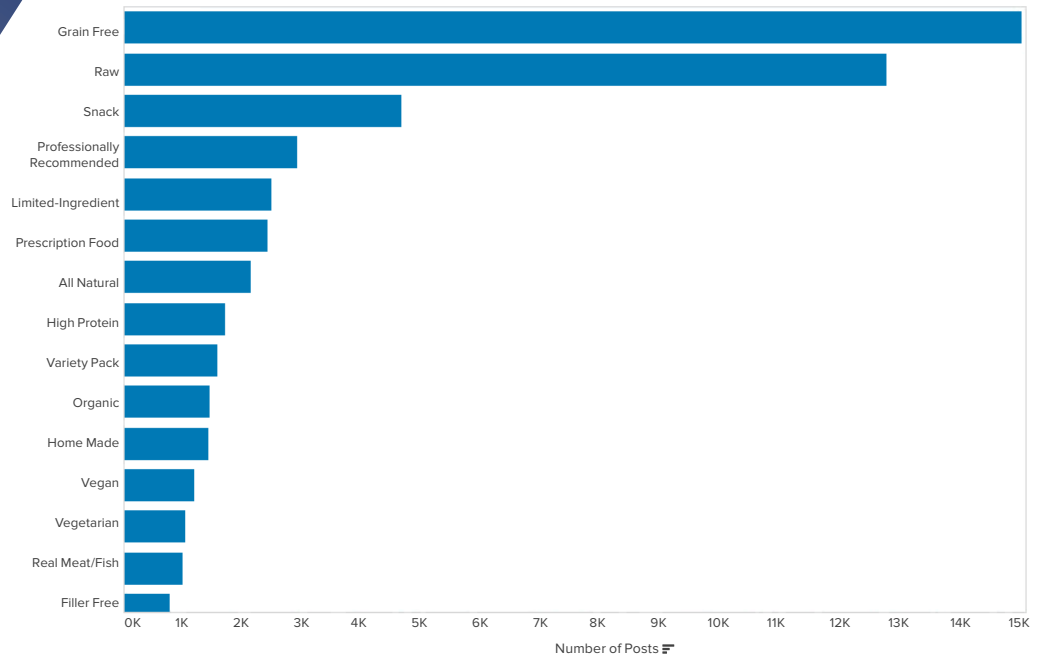


Grain free and raw are the most discussed features amongst pet owners over the last two years, ahead of high protein and organic.

– Signals Playbook™ Insights

These are the same issues that drive the demand for raw foods in the pet food arena. Raw is the leading feature discussed by customers, with consumer discussion outstripping product offerings by at least 400%. There is a heightened sense of awareness around raw pet food, with much of the discussions centered on form, format and preparation methods.

Top Features Discussed by Consumers in Pet Food (US, UK, Aus Data, Nov. 2016-Nov. 2018)

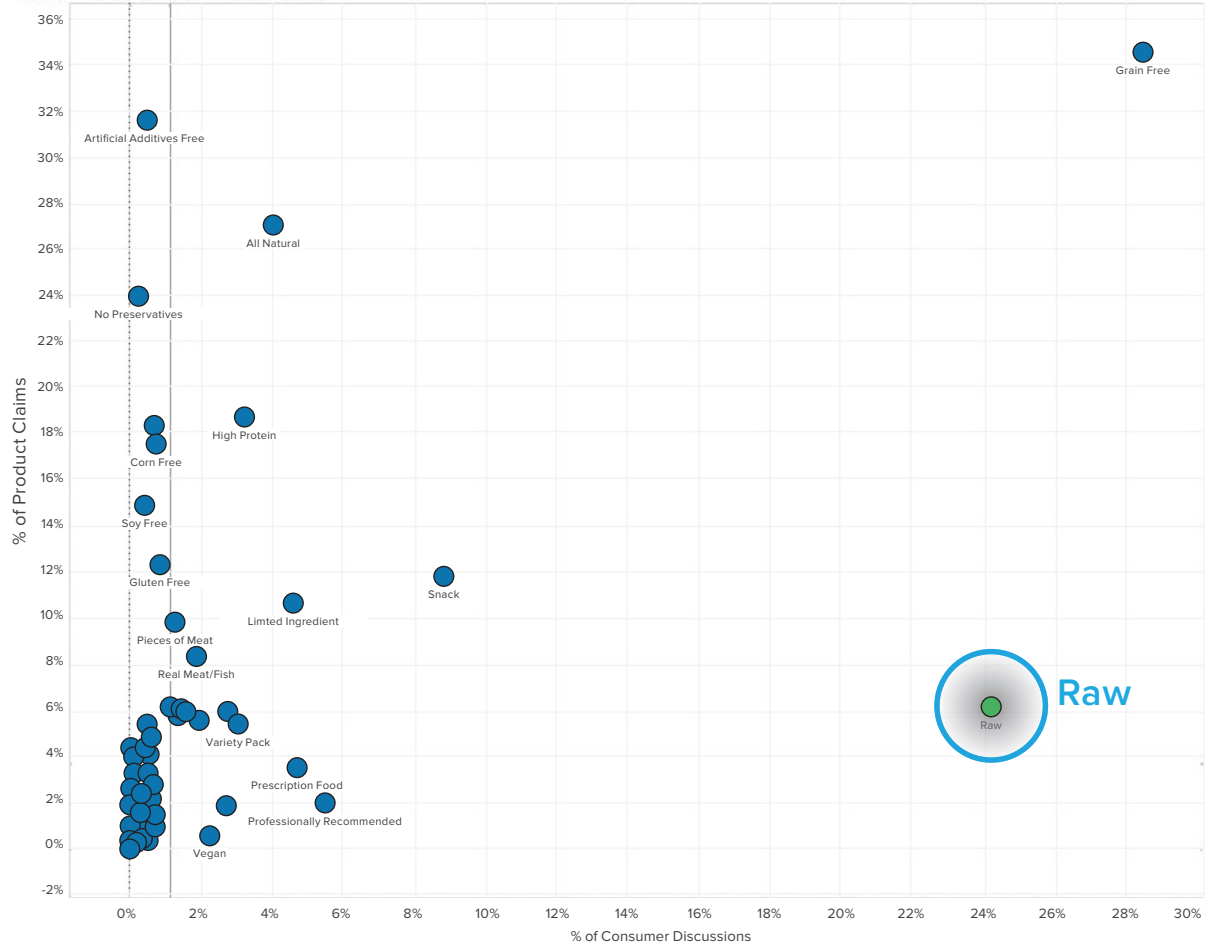


– Signals Playbook™ Insights



Pet owners want to draw on their pet’s natural origins in the wild, feeding them the same foods that their ancestors would have eaten. Raw pet food, together with products made from whole prey and wild-caught ingredients, connects to this belief. Raw pet food is made up of primarily uncooked meat, edible bones, and organs. Pet owners want pet food that is “unprocessed” and natural, shunning mass-produced, mass-industry products. Raw pet foods are minimally processed, adding a sense of transparency and authenticity to the product.

Consumer Unmet Needs in Pet Food (US, UK, Aus Data) Nov. 2016-Nov. 2018



– Signals Playbook™ Insights



Raw pet food brings its own challenges

Less processing means that products are more at risk of decay, losing their freshness, or becoming contaminated. Pet owners worry about compromising the health of their pets with contaminated ingredients, even though they want to serve a raw diet.

Advances in packaging and preparation methods offer some solutions. One of the main solutions is freeze-dried or dehydrated pet food. These products take minimally processed ingredients and use an industrial [freeze-drying](#) method to remove all the moisture which caused decay, without affecting the level of nutrients.

[Stella and Chewy's raw meat patties](#) capitalize on this trend. They promise all-natural, hormone-free ingredients from single-source protein, freeze-dried to maintain all the nutrients.

[KOLs](#) endorse this enthusiastically. Many pet owners use freeze-dried raw food as a base for their homemade pet meals, or a way to make sure that their dogs and cats get all the nutrients they need.

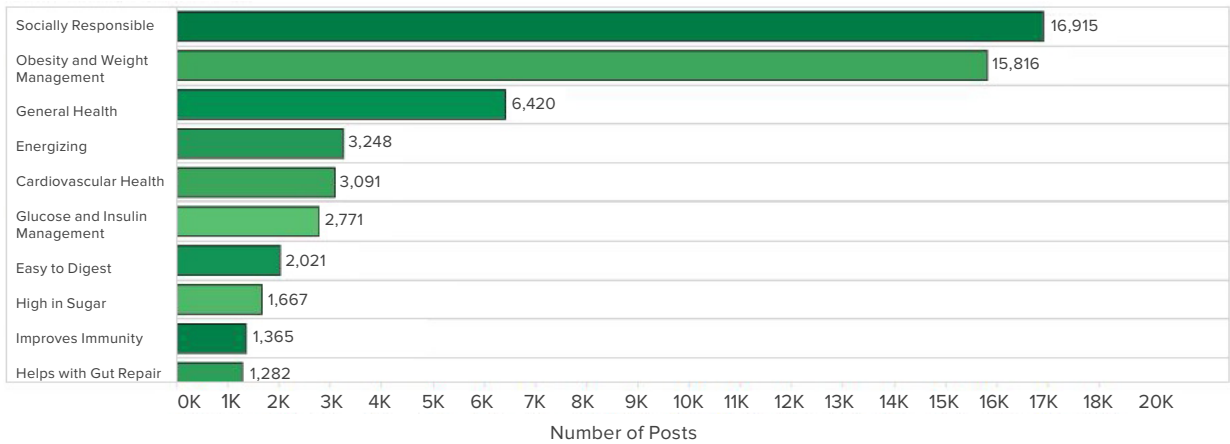
3 Specific Health Benefits

Akin to regular F&B categories, consumer interest is rising in a number of pet food products that tackle specific health issues. These include:

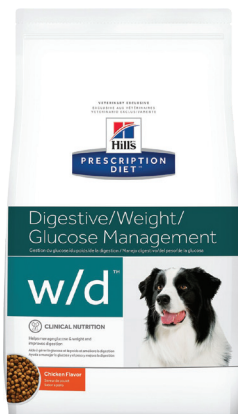
- Pet probiotics
- Dietary supplements to improve fur condition
- Hypoallergenic products
- Omega-3 fatty acids
- Physical wellbeing, diabetic pet foods and first and foremost weight-management

In the dairy-alternatives category, the topic of “obesity and weight management” is the second most discussed benefit after “socially responsible.”

Top Benefits Discussed by Consumers in Dairy Alternatives (US Data Jan. 2017-March. 2019)



– Signals Playbook™ Insights



Upon exploration of the pet food ecosystem using Signals Playbook™, weight management is present in 11.8% of the products in the market and 40.9% of R&D efforts. This is an early signal indicating that we can expect more product launches in this arena.

Source: [Link](#)



WATCH OUT FOR VEGAN



What's still to come in the pet food industry?

Keep an eye on vegan pet food, like [V-dog Vegan Dry Dog Food](#), which pet owners are raving about.

★★★★★ GO VEGAN if you want your pup to live happy and healthy

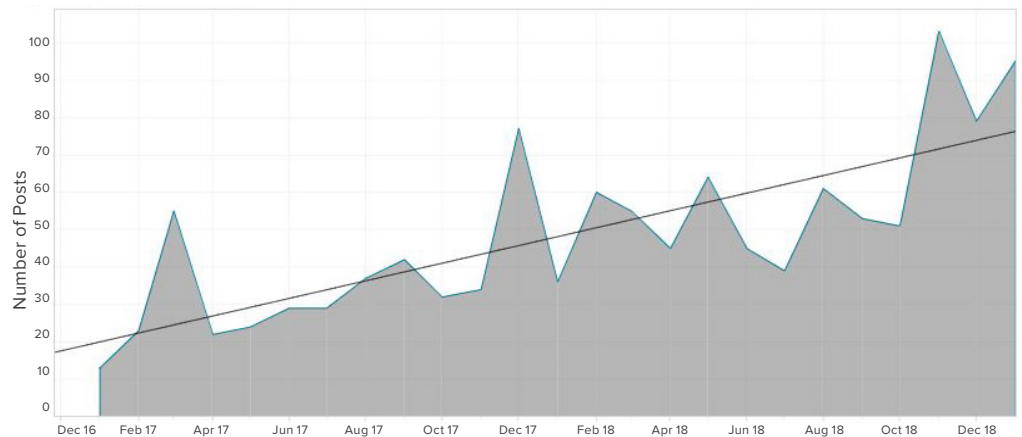
October 3, 2018

Size: 20 lb | **Verified Purchase**

My dog Loves it and has Never been healthier. The vet recently stated that he has never seen a healthier dog in his clinic. When I told him my dog is Vegan, he proceeded to tell me how dangerous and unhealthy a vegan diet is for dogs haha. He can believe what he believes, but I know that my dog's health has improved greatly, and she loves vegan food too. I usually add some lentils, peas, and carrots, and brocolli, and her bowel movements are always perfect with no constipation. I tried giving fish a couple times since she went vegan, which was always followed by diarrhea.

There's a high level of consumer interest around vegan, with levels doubling over the past two years.

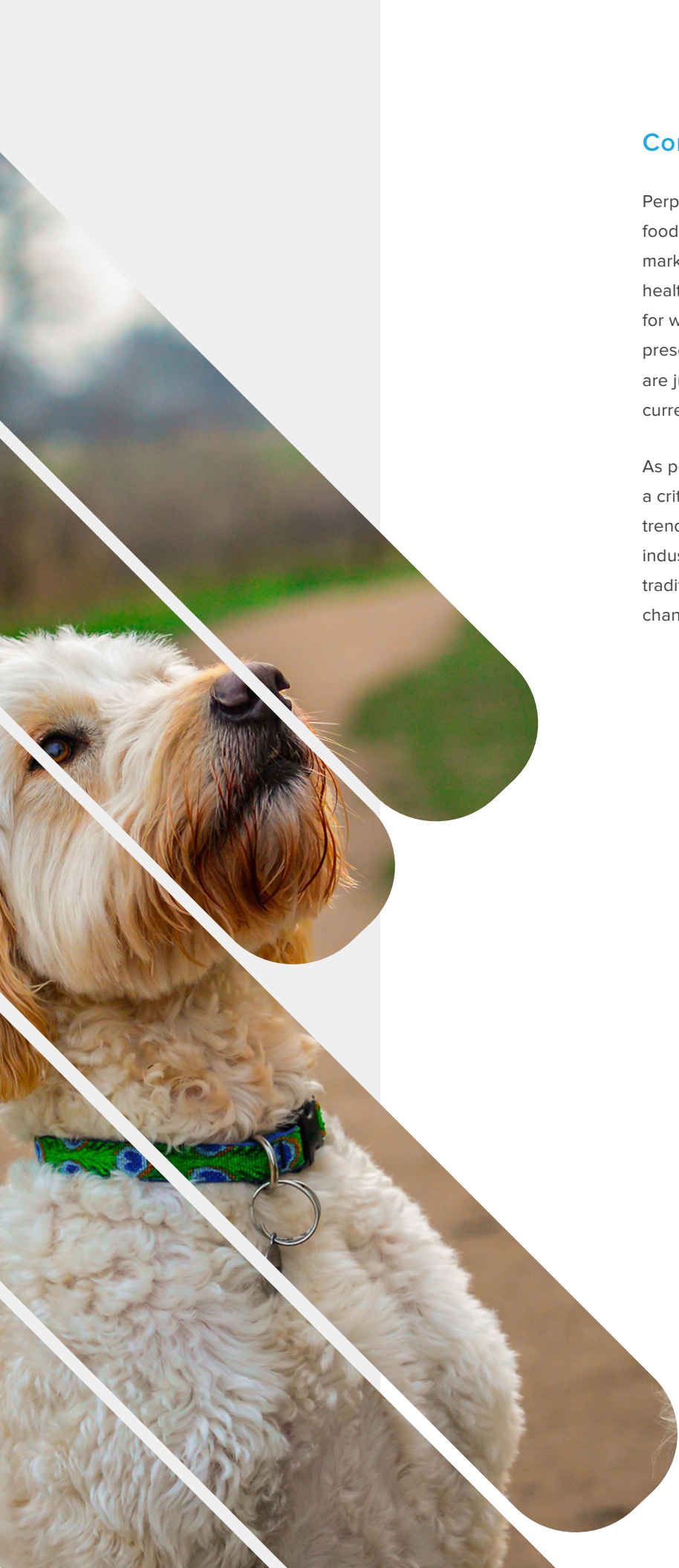
Consumer Discussions Around Vegan in Pet Food (Sample Data, US, Nov. 2016-Nov 2018)



– Signals Playbook™ Insights

But so far, the tone of the discussion has been primarily negative. Even vegan humans recognize that vegan pet food contradicts the wild nature of carnivorous pets. Pet owners still want to feed their pets a meat-based diet to include all the nutrients they need to thrive. Cats and dogs need protein, calcium, or vitamin D, or their health could potentially be jeopardized. In response to this, some owners consider supplements rather than meat-based diets and see the environmental and ethical value in not feeding meat to their pets.

Still, watch this space. Only 20 years ago, vegan diets for humans were dismissed. Today, even meat-eaters adopt partially vegan lifestyles, such as 'Meatless Mondays.' There are no guarantees about where consumer trends will lead. Use Signals Analytics' Playbook™ to track and monitor developments in the pet food industry, because they could go anywhere.



Conclusion

Perpetual innovation, both in F&B and pet food, shows there's plenty of room for the market to expand. Human-style treats, new healthy foods that bring proactive benefits for wellbeing and nutrition, and new ways of preserving and packaging pet food products, are just some of the ways that this shift is currently manifesting itself.

As people 'humanize' their pets, it's caused a critical shift in the pet food industry. As trends cascade cross-category, the pet food industry should keep a close eye on adjacent traditional F&B categories to understand what changes will most likely be next.

**GAIN
ON-DEMAND
INSIGHTS
FROM
TRILLIONS OF
CONNECTED
EXTERNAL
DATA POINTS**

About Signals Analytics

Signals Analytics and its next-gen, on-demand data platform takes trillions of unstructured and unconnected external data points and turns it into actionable insights for product Innovation, Marketing and Strategy.

Signals Analytics' engines connect disparate data with deep context to help brands better align with evolving trends. Signals Analytics' clients include Procter & Gamble, Nestle, Johnson & Johnson, Bayer, Roche, Mars and others. Backed by Sequoia Capital, Qumra Capital, Pitango Growth and TPY Capital, Signals Analytics is redefining market research for the world's leading brands.

Unleashing the power of external unstructured data

- Explore any concept in the data lake within a fraction of a second
- Analytic engines built by data scientists and business experts
- Create, save and share your own findings from the Signals' Playbook™ platform

Pre-configured Signals Playbook™ data by function



INNOVATION

Drive agile, analytics-driven innovation



MARKETING

Keep product portfolio relevant and growing



STRATEGY

Translate trends into growth strategy