It's a Dog's Life for Britain's Pets

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Despite the boom in the pet food and petcare market, a new report from MINTEL finds that pets are being squeezed out of our homes, due to the changes in traditional family life. This shift in British society has led to an increasing number of single-person households and households with two full time earners, leaving many British with little spare time to look after a four legged friend, especially ones that require exercise and company. Indeed, the percentage of British households with a pet has fallen from almost 55% in 1999 to fewer than half (48%) today.

The falling number of children has also contributed to this decline in pet ownership, as they are often the driving force behind buying a pet. What is more, even in those families that do have children, the demand for pets may not be as strong as it once was, since many kids now prefer to immerse themselves in the world of computer games and TV programmes.

"Childhood today is very different from previous generations. Many children nowadays often have less freedom to go out on their own, so making simple responsibilities like walking the dog, an impossibility. More fundamentally children are now growing up in an age of electronic gadgetry with games consoles, computers, mobile phones and even virtual pets all demanding their attention. Children's TV can also be viewed all day, every day, which could potentially leave little time for children to take care of a pet," comments Katy Child, Senior Retail Analyst at MINTEL.

Premium prices for premium pets

Over the last five years the value of the pet food and petcare market has continued to rise. Between 2000 and 2005, the market is expected to have increased by an impressive 24% to reach an estimated ?3.6 billion. The largest sector of this market is the pet food sector, accounting for just over half (51%) of the total market. This sector has grown 15% over the same five year period, having benefited from pet owners' willingness to spend more on premium food. The pet accessories sector - another key area for indulgence - has grown by a similar amount (16%) over this period to be worth almost a quarter of a billion pounds.

"Amongst the gloom of reduced pet ownership shines the very bright light that is the continued willingness of owners to indulge themselves and their pets. Much of this rise can be accounted for by the growth of the pet food market where new formats and packaging have driven a market for premium-priced products. In addition, the pet accessories market has been growing strongly as increased levels of disposable income has enabled consumers to spoil their pets, with a range of new products. Despite a decline in the popularity of some pets, the remaining pet owners have shown themselves willing to spend more than ever before," explains Katy Child.

Ensure you are insured

But it is in fact the healthcare and in particular the pet insurance sectors that have been the true shining stars of the market. Between 2000 and 2005 healthcare is forecast to increase by almost 30%, while this year the pet insurance sector will be worth more than double the value it was in 2000. Indeed, at ?314 million pet insurance is now the second largest sector in this market, after pet food.

"At present the penetration levels of pet insurance are quite low but as it becomes an increasingly high-profile sector within the wider insurance market this will change. Rising vetsâ€™ fees are an area where consumers are seeking to protect themselves and this is helping to drive the popularity of pet insurance policies. The complexity and range of treatments including homeopathic remedies is still growing and these policies allow owners to take greater measures to preserve the health of their pet. Again the influence of treating a pet as one of the family has come to bear," explains Katy Child.

Women have the soft touch

Women show themselves to have a more indulgent side when it comes to the family pet. While just one in ten (10%) men 'like to buy gifts for their pets, e.g. for Christmas and Birthdays', as many as one in five (21%) women do so. What is more, only a third (33%) of men view their pet as part of the family, compared to almost two in five (38%) women.

"It would seem that British women are taking a more motherly role when it comes to looking after their pets. In some cases, the arrival of new pet into the home does no have similarities with the arrival of a new baby. On their first visit to the vet, a new dog owner receives a puppy pack, mimicking the new baby bounty packs given to mothers in hospital. Like the bounty pack the canine counterpart contains samples of everything a new puppy owner might need. The puppy owner can join the equivalent of post-natal classes by going along to a puppy party to meet other new dog owners. Products, such as nappies and disposable training mats are even available to toilet train a puppy as one might do a toddler," comments Katy Child.

Pet shops top dog for accessories

Specialist pet shops are still the leading distribution channel for pet accessories and healthcare but the grocery stores dominate when it comes to pet food. Petcare purchasing remains an area where consumers value the specialist knowledge that an independent pet shop or superstore can provide. However, because pet food can be readily purchased without advice, the supermarket is the most convenient and usually the cheapest way of purchasing.

"The desire for specialist knowledge is at its highest when consumers first become pet owners. Specialists have a real opportunity to build a relationship with pet owners at this time as they are often buying both the pet and petcare products together. It is important for them to retain these customers and to avoid them being lured away by the convenience of the supermarket," comments Katy Child.

?This Press Release relates to the following Mintel Report:

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