



Pet Parents Around the World Have Spoken: Functional Ingredients Now a Must-Have in Pet Products

We've known for some time that the adoption of functionality in pet products has been steadily growing. But a recent round of consumer research suggests pet parents now have **an expectation** for functional ingredients in their pets' products and are willing to pay more for it.

THE NEXT BIG THING IN PET CARE



Pet owners in all markets see value in purchasing pet products that include functional ingredients at a higher cost than pet products that don't have a supplementary ingredient¹



85% of global pet parents believe proper nutrition and supplements are as important for their pets as they are for themselves¹



The global pet treat and supplement market is forecasted to grow at an **8% CAGR through 2028**²—a sure sign the pet care category is ripe for innovation.

It's now become a table stake for pet food manufacturers to make their offerings with active ingredients that support mobility, oral health and overall wellness, for example. This report will show that global pet parents are looking for the next big thing in pet care, and they're willing to try new products to find it.

But first, let's define the segment a bit with categories: **Pet Food and Healthy Indulgent Treats** provide a nutritional contribution to the animal, while **Pet Supplements** rely on active ingredients at a specific dosage to support overall pet wellness. Dogs and cats won't know the difference; they'll just think they're getting a treat. However, these are important distinctions to make when producing, marketing or testing the effects of functional pet nutrition.

What follows is a summary of leading consumer perceptions and purchase drivers within the pet treats and supplements space of key American and European markets.

PETS AND THEIR PARENTS' PAIN POINTS

Healthy aging and general wellness, joint health and mobility, dental and oral health, skin and coat health, and digestive health are among the top concerns pet parents are looking to address through supplements for their dogs and cats¹

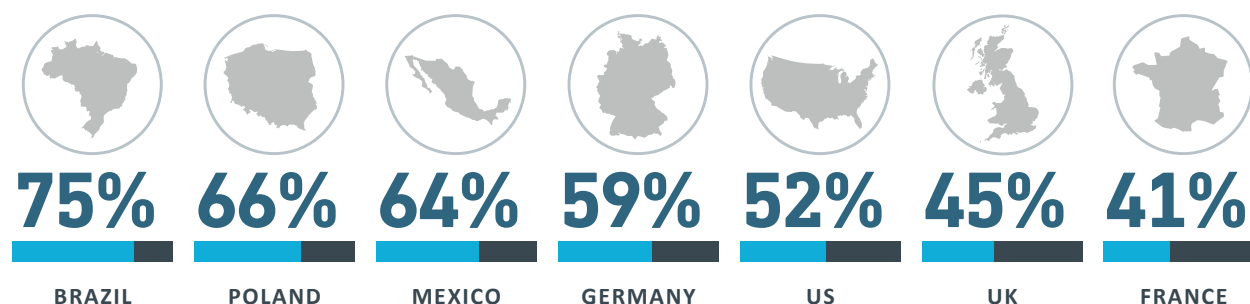


79% of global pet parents would spend money on proactive care in an attempt to avoid larger vet bills¹

SCIENCE-BACKED PACKAGING CLAIMS INFLUENCE PURCHASE

97% of consumers say the primary health benefit claimed on packaging informs their purchasing decisions for functional pet products³ 63% of dog owners and 61% of cat owners say branded health ingredients are important to their purchasing decisions⁴ as many see these ingredients as more likely to be backed by scientific evidence. Additionally, 4 in 10 dog parents say they look for specialized health claims supported by science to validate a product's effectiveness⁴

Most pet owners have looked into new foods, treats and/or supplements for their pets in the past two months:¹



TURNING TO VETS, STORES AND ONLINE FOR RESEARCH

Global respondents rely on veterinarians, pet stores and websites about pets to research new products for their dogs and/or cats¹ Consumers in the Americas also get information from YouTube¹ Using Facebook groups to get information about pet products is most common in Mexico (31%), well above the market average of 18%¹ However, these consumers and others around the world overwhelmingly trust veterinarians and pet store employees over social media¹

Consumers typically look to the internet as a source of inspiration and industry professionals as a source of authority.

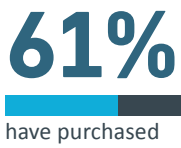
GOT TO BE WHISKER-LICKIN' GOOD

An attractive price, enjoyable flavor and format, and trust that products work as claimed are the main reasons pet owners have purchased pet health supplements¹. Tasty and nutritious fruits, vegetables and high-quality alternative protein ingredients also add appeal.

NOT JUST A ONE-TIME PURCHASE

Many global pet owners have purchased pet health products on a semi-regular basis (at least every two months)¹

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US



POLAND



GERMANY



UK



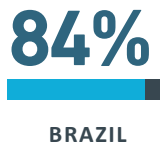
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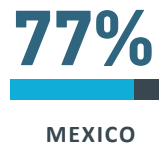
MOST CHEWS THIS POPULAR FORMAT

Probably because humans like their functional gummies so much, **soft chews** have become the most popular pet supplement format¹. Not only are functional benefits important in this category, but also the palatability and enjoyable flavors for our four-legged friends. **Crunchy and baked formats** are the second preferred supplement type for global pet owners¹. That being said, innovative forms of delivery are an area of opportunity. 32% of both Brazilian and Polish pet parents, 27% of UK pet owners and 25% of US consumers are interested in **toppers or mix-ins**¹. Meanwhile, 27% of German pet owners and 25% of Mexican consumers would like to buy pet health products as a **squeezable paste**¹.

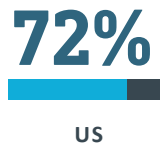
Most pet owners are interested in buying pet health supplements in the future¹.



BRAZIL



MEXICO



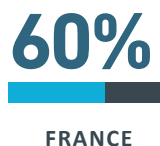
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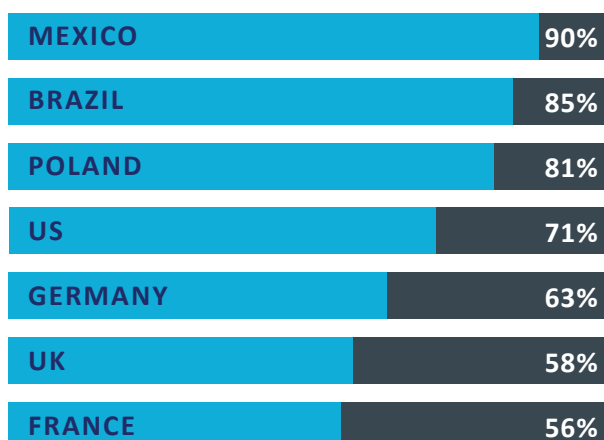


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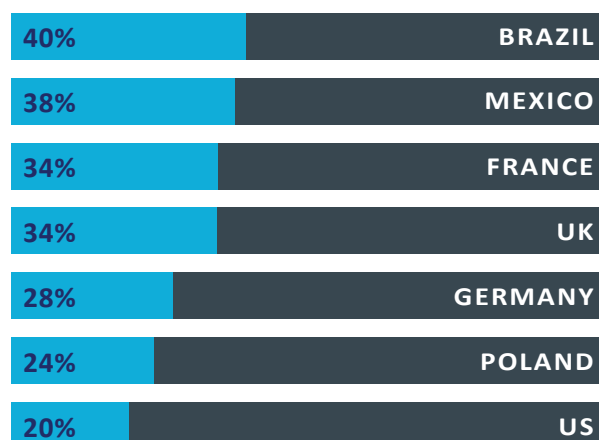
IMPROVED AWARENESS OF THE MICROBIOME PROVIDES AN OPPORTUNITY

Consumers are gaining an understanding that the gut microbiome is important to maintaining overall wellness for themselves as well as their pets. Roughly half of global pet owners believe they are knowledgeable about probiotics but are somewhat less familiar with pre- and postbiotics¹. Some of the numbers in this section suggest that increased awareness of all types of biotics will lead to even greater adoption. Brazil and Mexico consistently rank near the top in enthusiasm throughout this report yet are also at the top for lack of awareness.

Percentage of global pet owners who have purchased prebiotics, probiotics and/or postbiotics for their pet at least once:¹



Of the consumers who have not bought biotics for their pets, the percentage who say they haven't seen or heard about these products:¹



A BELLY RUB BY WAY OF BIOTICS

The top reasons for purchase of pre-, pro- and postbiotics include **helping their pet with a specific health issue** (especially digestion or other gastrointestinal concerns), **the benefits they provide their pet** and **receiving professional recommendations**¹.



CONCLUSION: PAWS AND EFFECT

Pet owners around the world say their pets are an important part of their lives, and taking care of them is crucial. From soft chews to baked treats, there is continuous demand for innovation in pet wellness products as pet owners mirror their furry best friends' health and wellness habits with their own. Pet parents who incorporate supplements alongside a complete and balanced diet can be confident they are supporting their pets from the inside out.

Pet brands can look to ADM for high-quality ingredients, formulation expertise, end-to-end support, science-backed ingredients and ongoing innovations to deliver on the needs of modern pet parents and take full advantage of the exciting pet wellness segment.



¹ ADM Outside VoiceSM (proprietary research conducted via Morning Consult), 2023

² Euromonitor, World Market for Pet Care, 2023

³ Euromonitor consulting

⁴ FMCG Gurus, The Humanization of Pets, 2023

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