



PHILIPPINE PET CARE OVERVIEW

AUGUST 2021



DID YOU KNOW?

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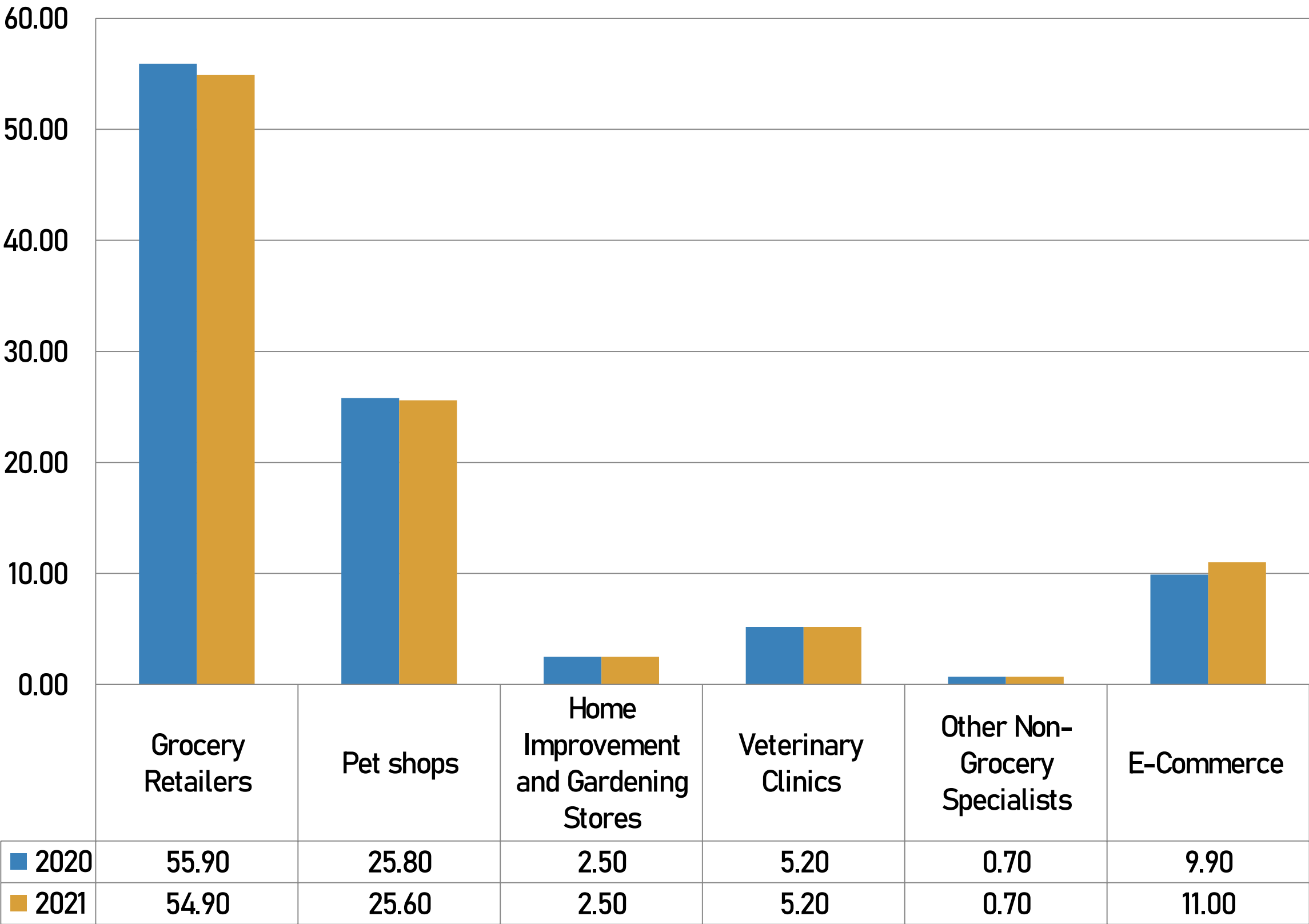
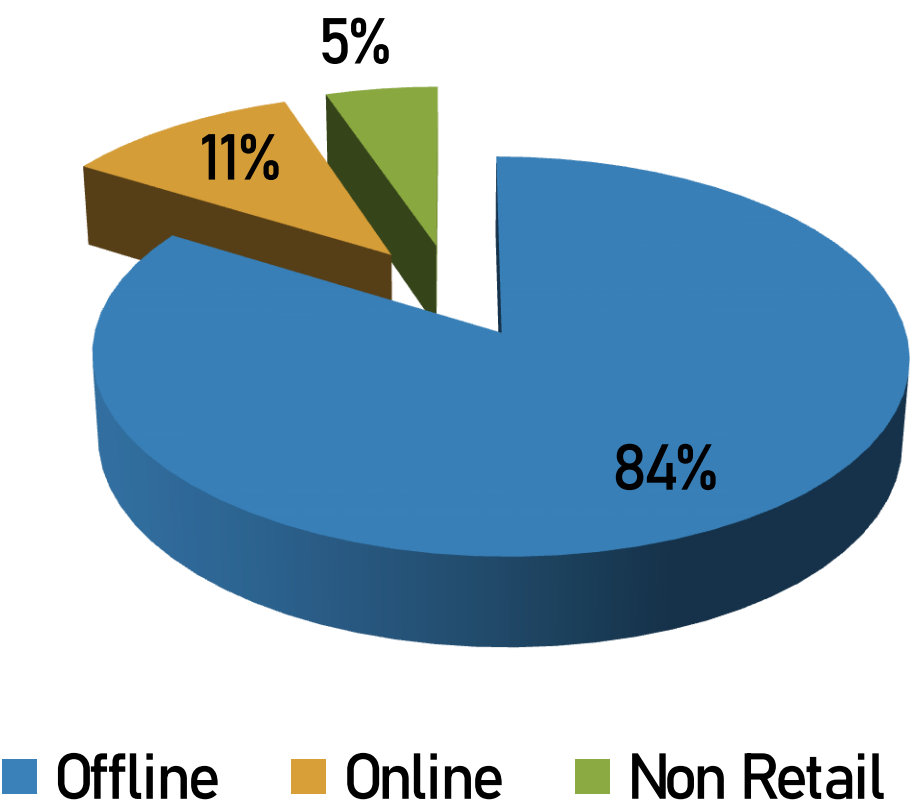
Philippines is in Top **5** for
highest dog population in the
world

USA| China| Russia| Japan| Philippines



INTRODUCTIONS | PET INDUSTRY

Specialized Trade still a popular channel of choice for pet food





INTRODUCTIONS | PET INDUSTRY

20.3 M POPULATION

- Siberian Husky
- Shih Tzu
- Chihuahua
- Pomeranian
- Chow Chow
- 64% household incidence;
- 1.6 dogs/HH
- 40:60 Urban Vs. Rural

8.09M POPULATION

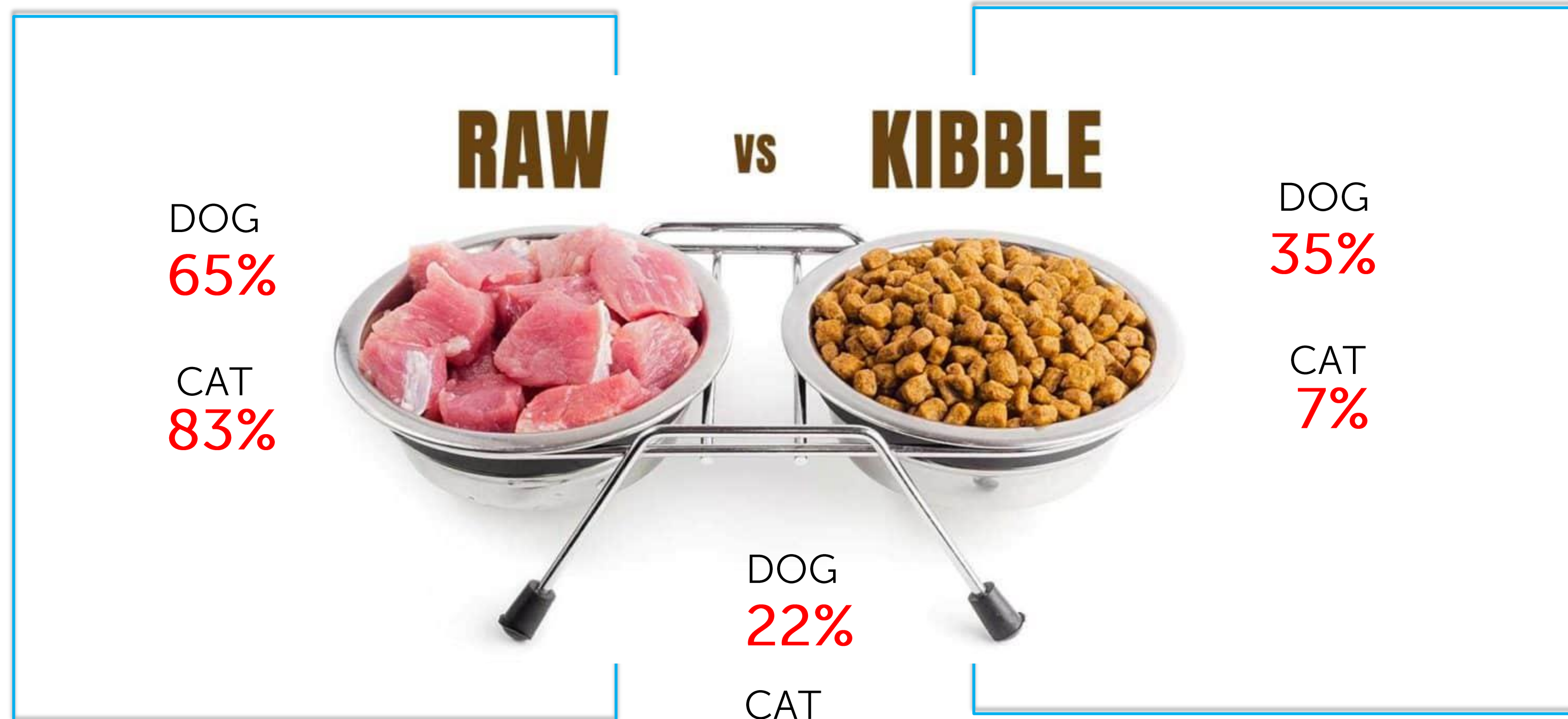
- Persian
- British Shorthair
- Domestic Shorthair
- 24% household incidence;
- 1.6 cats/HH
- 46:54 Urban Vs. Rural



INTRODUCTIONS | PET INDUSTRY

Table/home prepared food as a huge potential for conversion

Over 50% of dog and cat population are still on table/raw feeding



DOG POPULATION VS OTHER NEIGHBORING COUNTRIES



# OF HOUSEHOLDS	65.5 mn	6.7 mn	20.2 mn
DOG POPULATION	3.3 MN	0.9 MN	20.3 MN
HOUSEHOLD INCIDENCE	4%	11%	64%
DOGS PER HOUSEHOLD	1.3	1.2	1.6

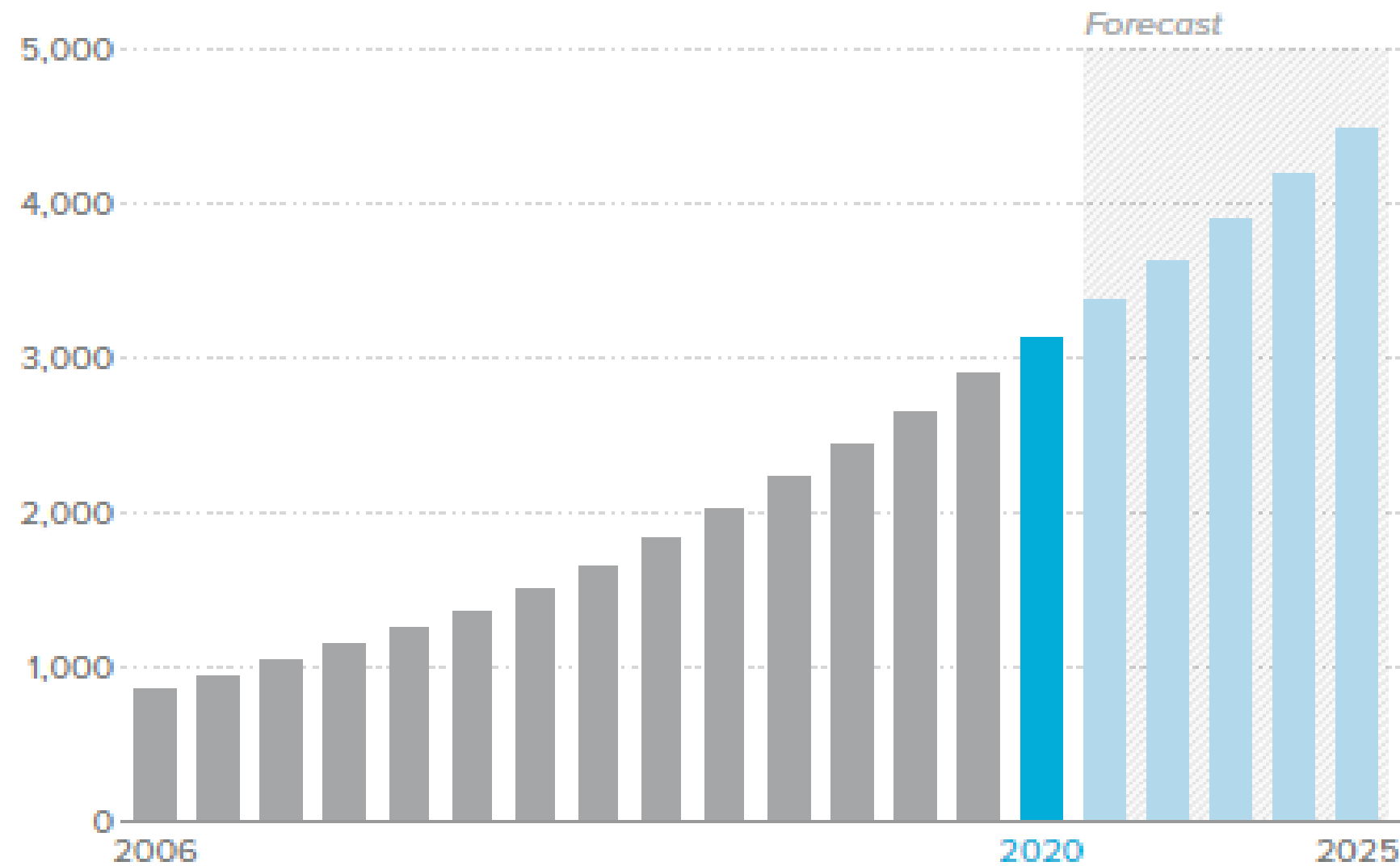
CAT POPULATION VS OTHER NEIGHBORING COUNTRIES



# OF HOUSEHOLDS	65.5 mn	6.7 mn	20.2 mn
CAT POPULATION	21.6 MN	1.18 MN	8.09 MN
HOUSEHOLD INCIDENCE	20%	12%	24%
DOGS PER HOUSEHOLD	1.7	1.5	1.6

DOG VOLUME PROJECTIONS FOR PH

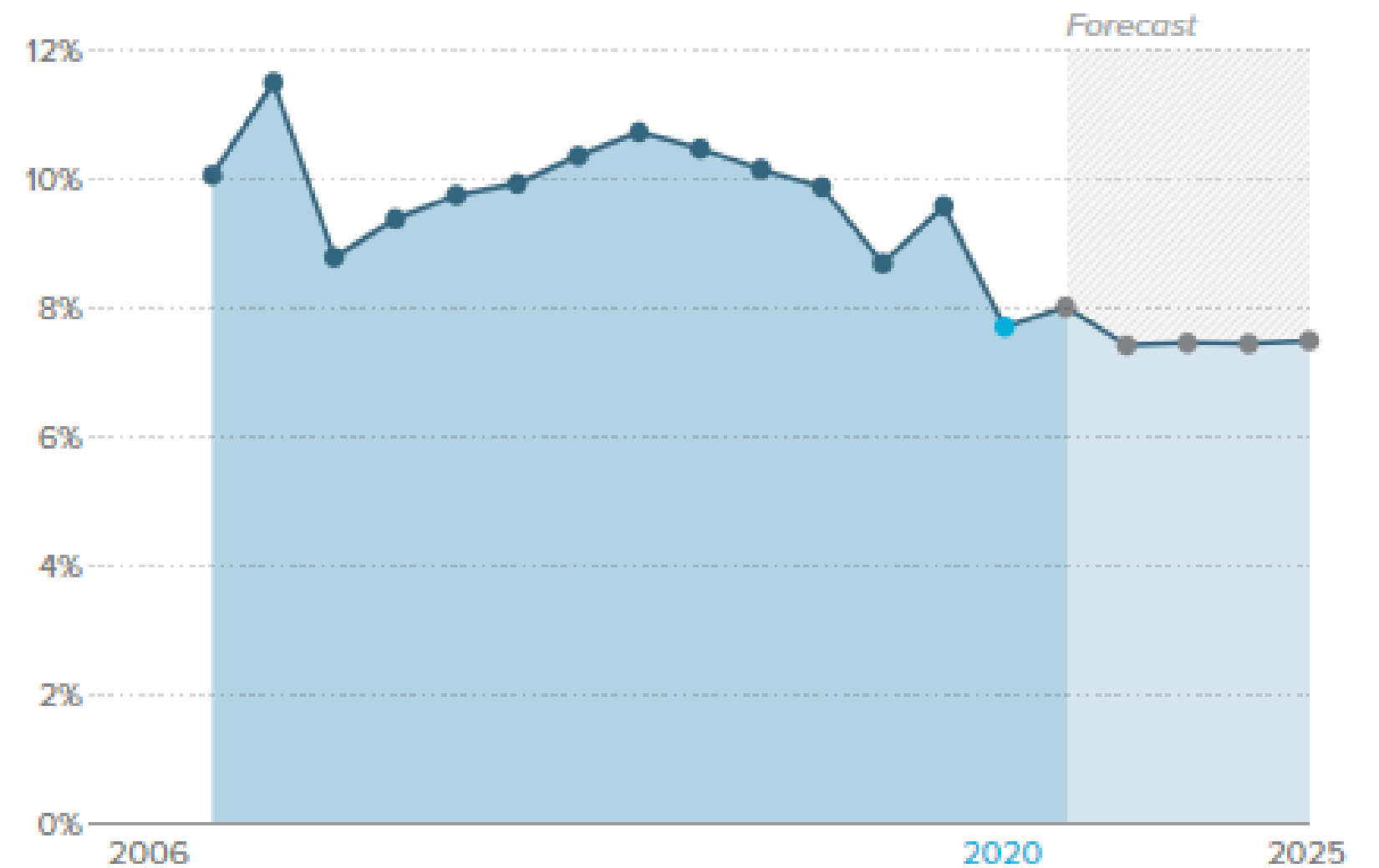
10% increase in RSV with **8%** volume growth reaching PHP3.2 billion and 15,200 tons respectively



Sales of Dog Food

Retail Value RSP - PHP million - Current - 2006-2025

3,115



Sales Performance of Dog Food

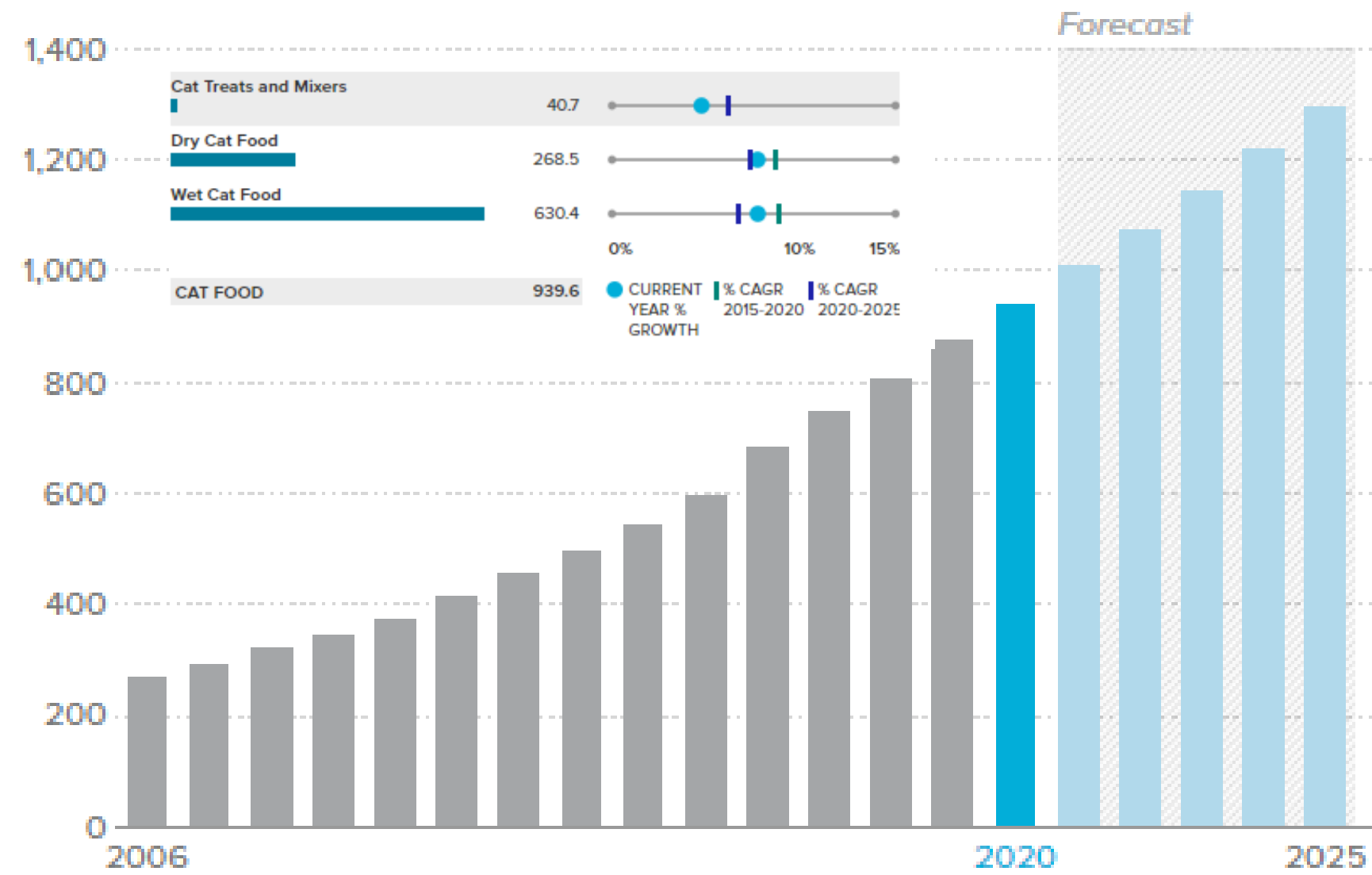
% Y-O-Y Retail Value RSP Growth 2006-2025

7.7%

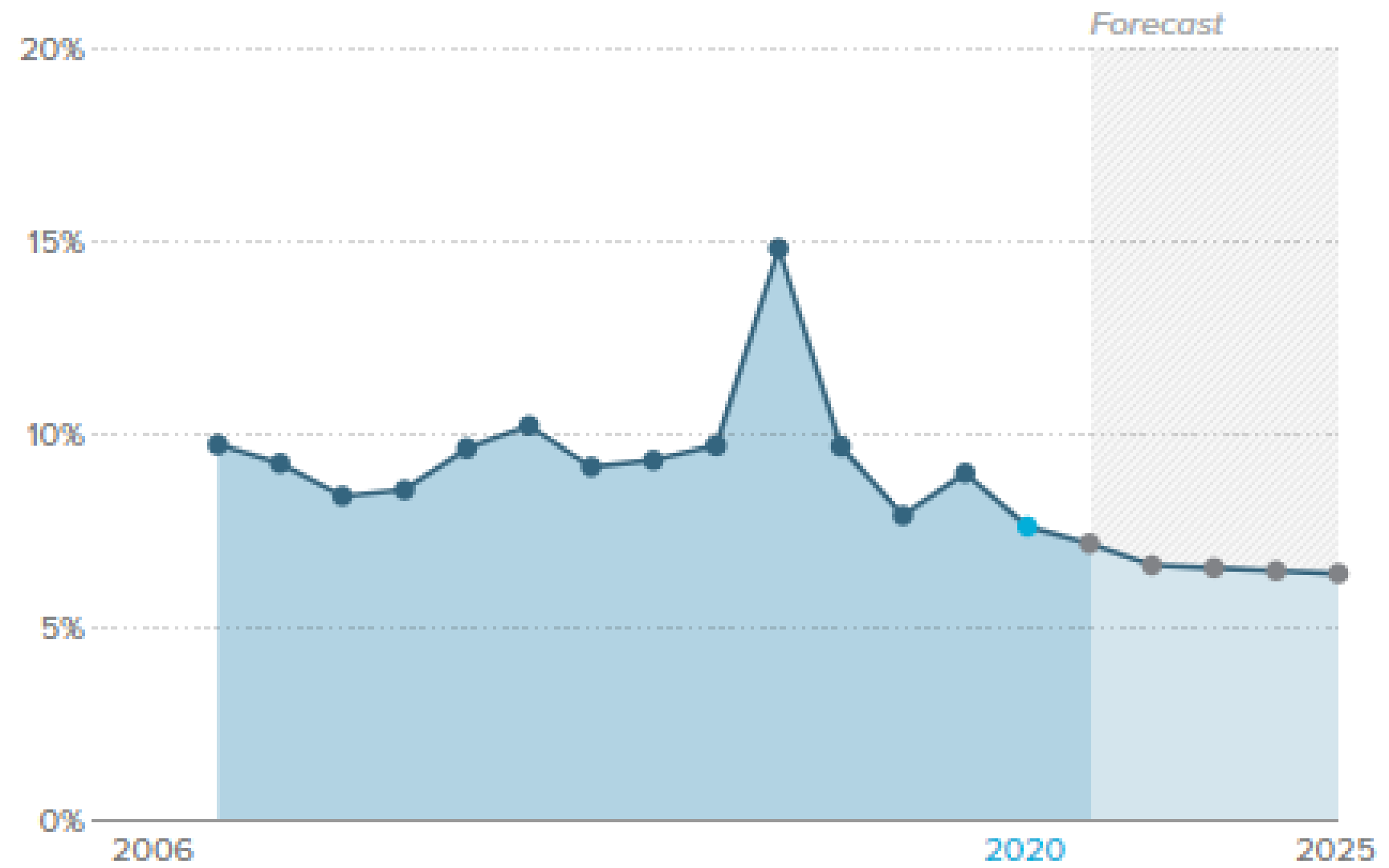


CAT VOLUME PROJECTIONS FOR PH

9% increase in RSV with 6% volume growth reaching Ph955M and 2,7 tons



Sales of Cat Food
Retail Value RSP - PHP million - Current - 2006-2025
940



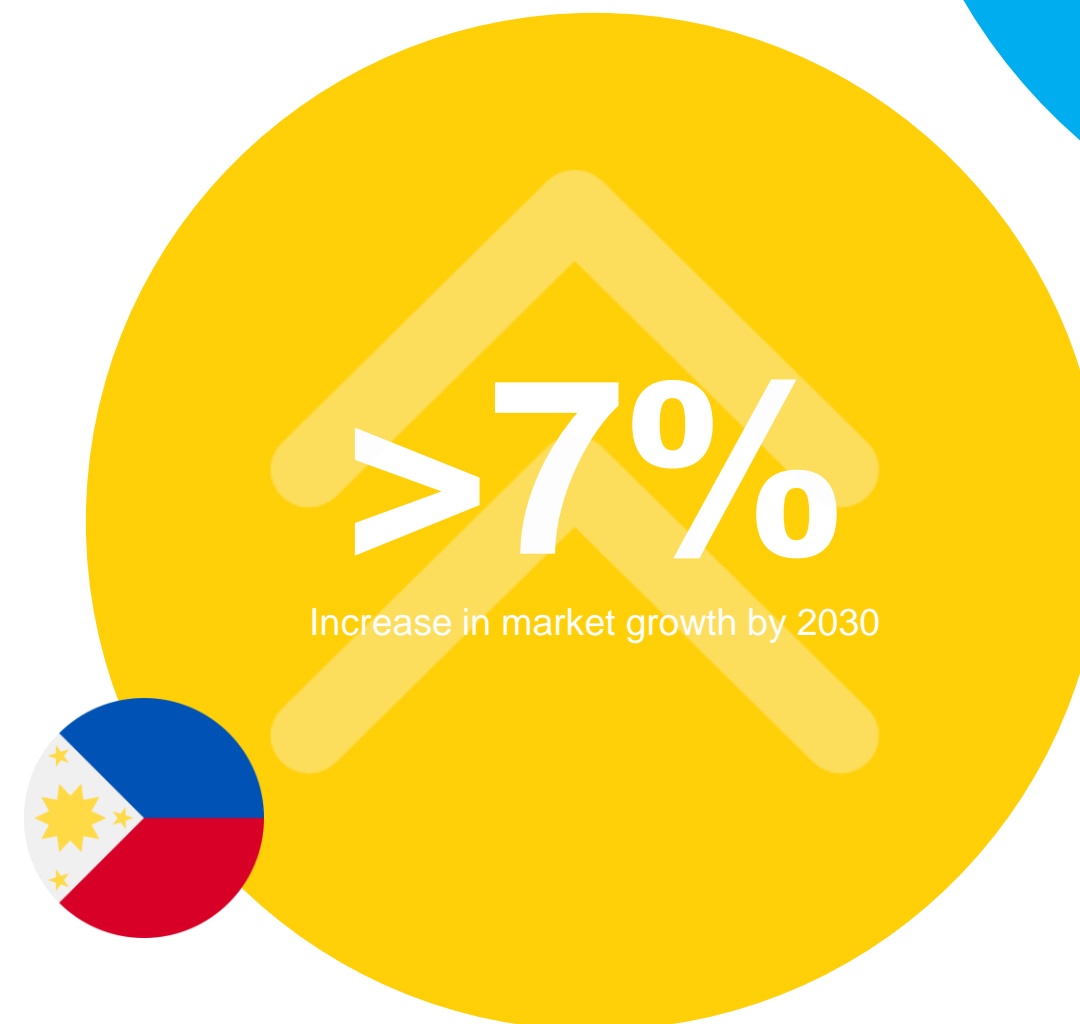
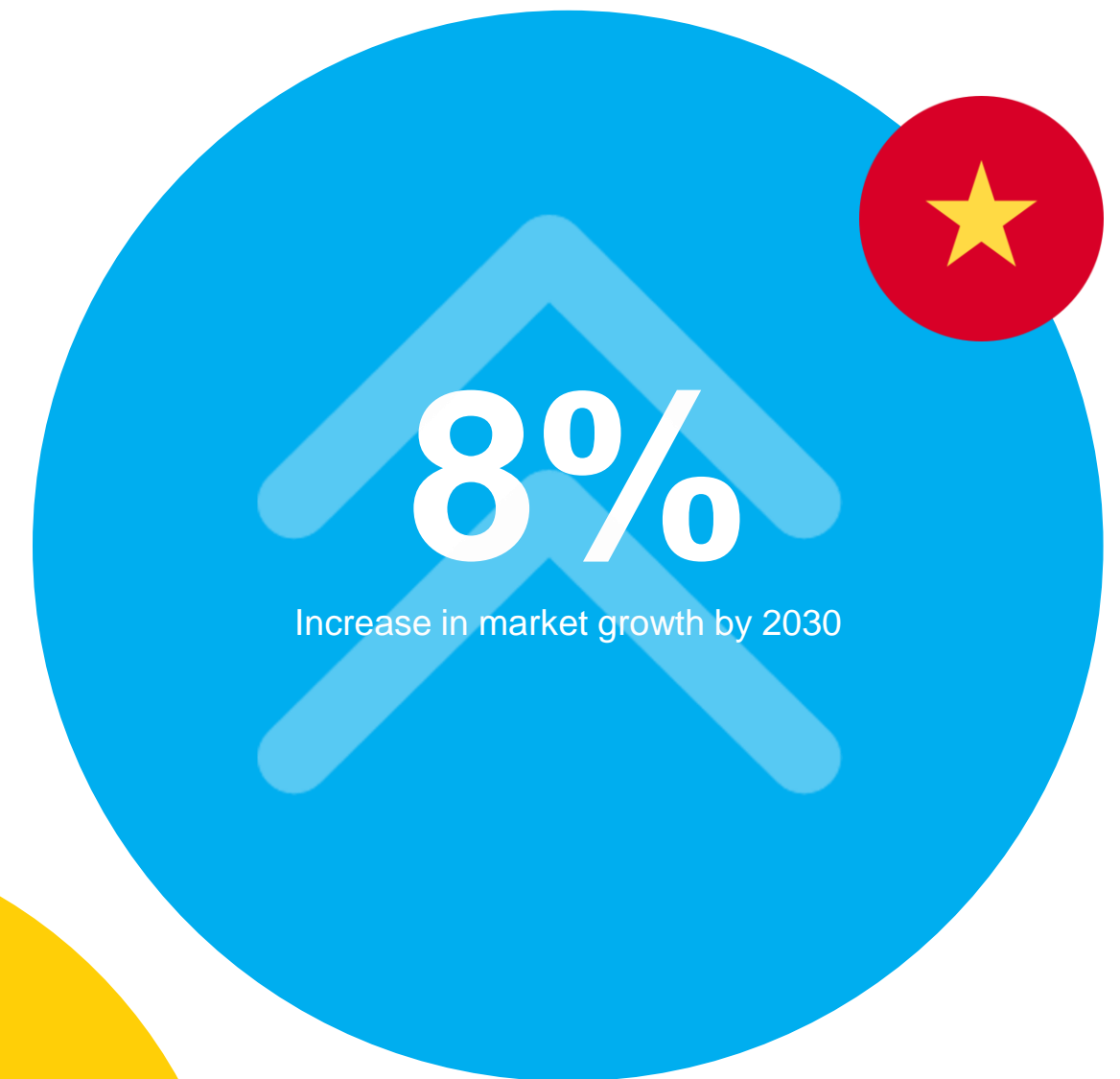
Sales Performance of Cat Food
% Y-O-Y Retail Value RSP Growth 2006-2025
7.6%



Pet food in the Philippines is projected to grow rapidly in the next 10 years.

PH and VN both show promising markets with high projected growth rates and low penetration rate of pet food.

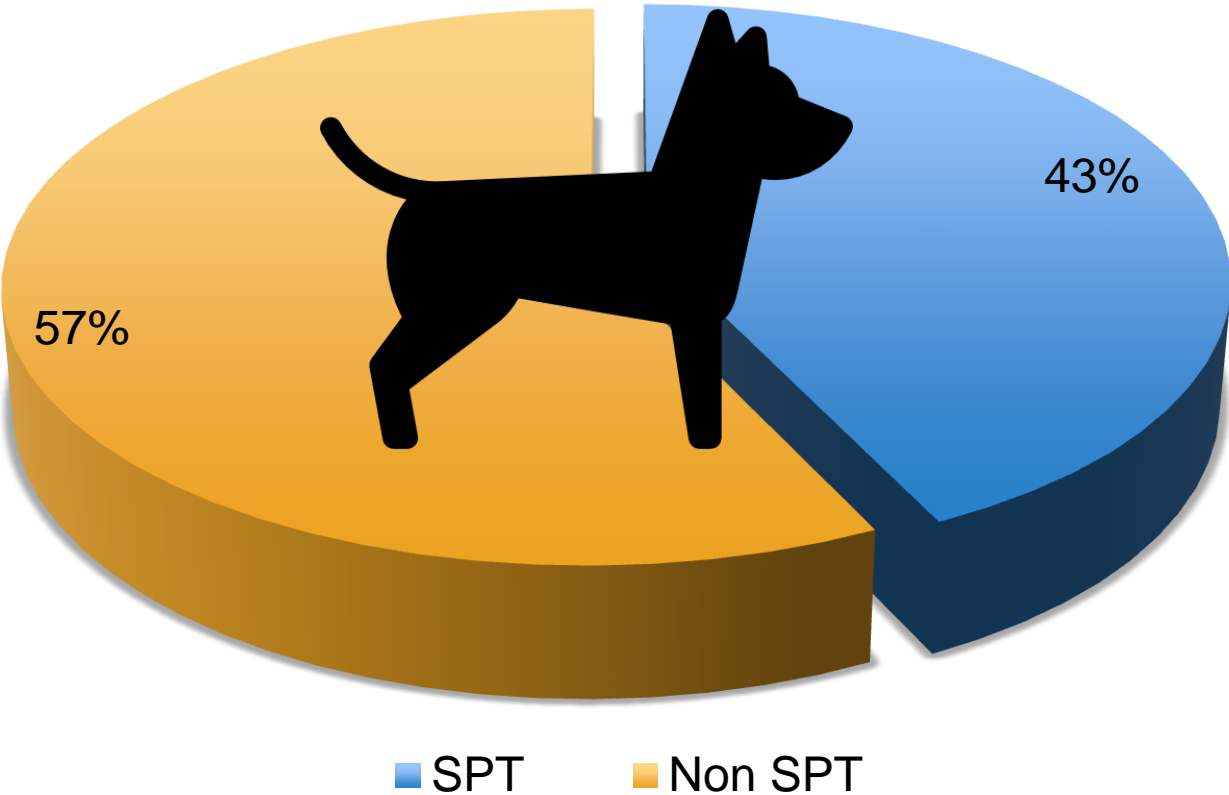
**Source: Aboitiz Equity Ventures internal projections on third party data providers; Country team estimates*



CHANNEL CONTRIBUTION

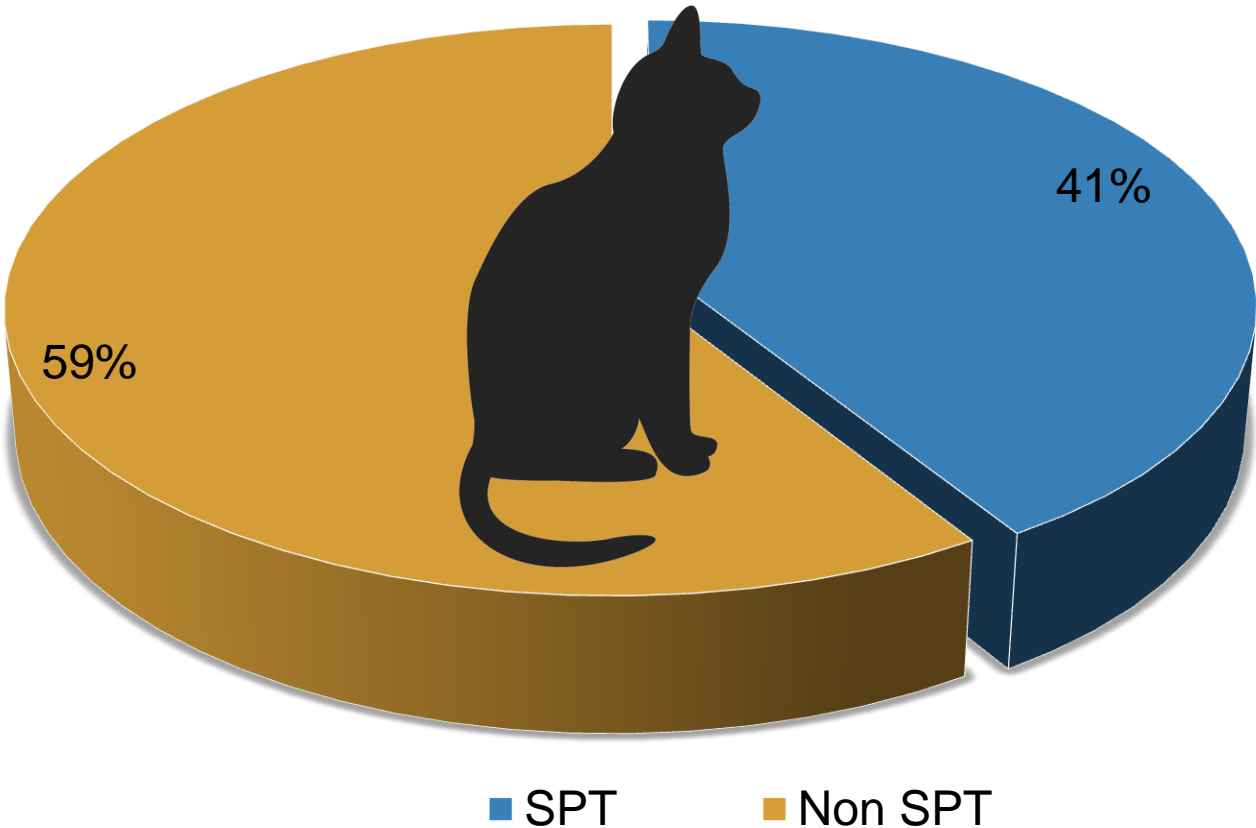
Non SPT as a dominant channel of distribution for both dogs and cats

35% (Manufactured Food)
15% SPT
20% NON SPT

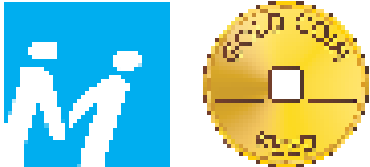


Channel	Population	Share
SPT	3,045,000.00	43%
Non SPT	4,060,000.00	57%
TOTAL	7,105,000.00	100%

17% (Manufactured Food)
7% SPT
10% NON SPT



Channel	Population	Share
SPT	566,300.00	41%
Non SPT	809,000.00	59%
TOTAL	1,375,300.00	100%



Source: Euromonitor 2020



DOG OWNER FACTS & INSIGHTS

Dog owner profile suitable for increased buying capacity

DEMOGRAPHICS

For targeting purpose, it is important to reach out to owners above 50 y.o who are females. There is an equal mix of working and non working owners and 56% of them are classified as high income. Profile is similar across urban & rural dog owners

RELATIONSHIP

Almost all dog owners have moderate to close relationship with their dog/s. Around 50% consider it to be a family member while 22% treat it like a friend / best friend

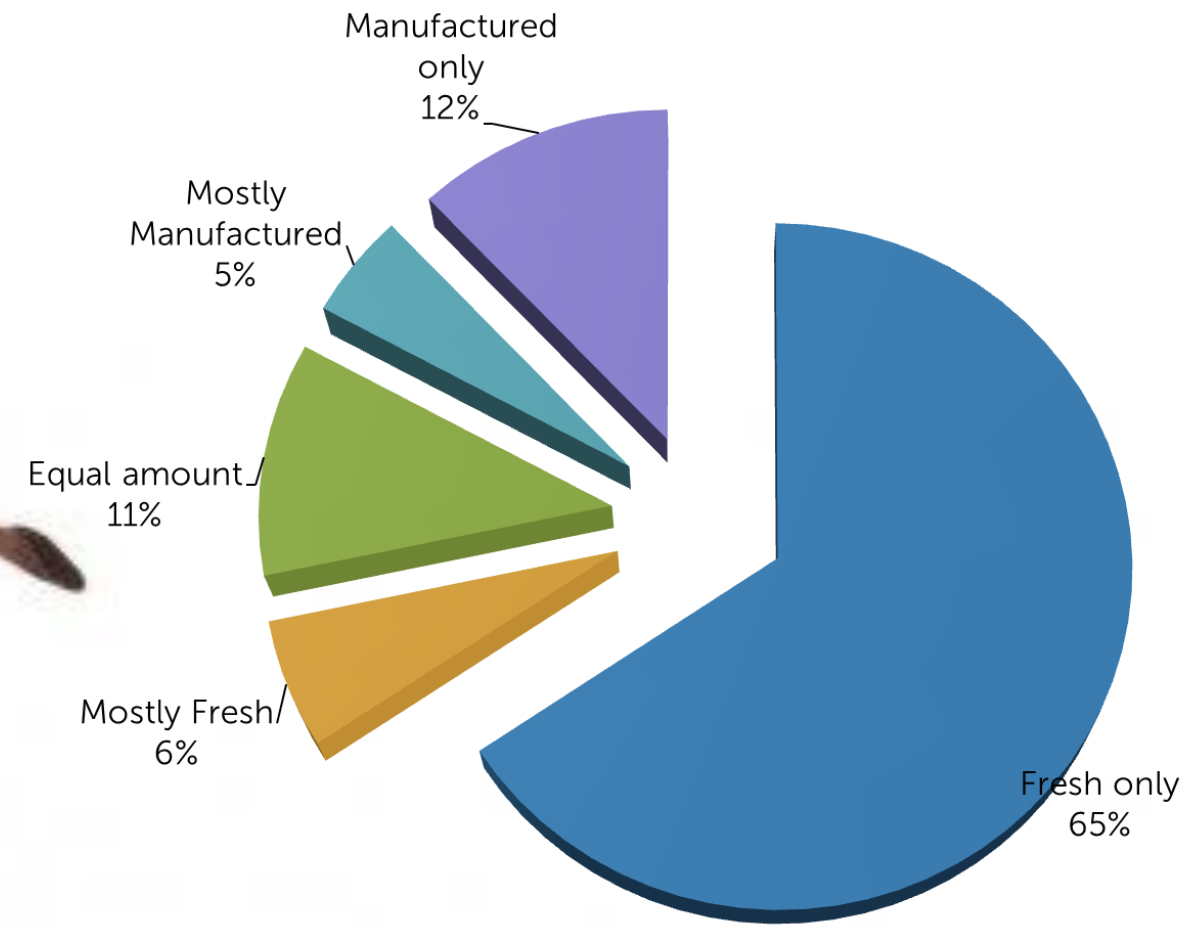
GATHERING DATA

- Close to 50% owners search for all 3 types of information – pet food, brand & other needs for dogs. And this is mainly driven by urban owners (around 60%) who are more active in seeking information compared to their rural counterparts (around 35%)

MEDICALIZATION

- Most dogs are declared healthy by their owner and do not have any special diet restriction.
- Vet visits in past 1 year are a rare occasion for dog owners (only 50% at total level, even lower among rural at 43%).
- Annual medical check up or vaccination was the main reason (78%) among both urban & rural owners

DOG FEEDING HABITS



- Manufactured food accounts for only 35% contribution and is mainly driven by urban owners (48%) while Fresh food is more popular among rural owners (94%).
- There's a higher predisposition to use "Combination of dry & wet food" followed by "Dry Food only" to feed their dogs. 65% also purchase repackaged food.
- Among the 35% feeding manufactured food, almost equal proportion buy from SPT & NON SPT channels.
- The top 2 reasons to feed a mix of fresh and manufactured food are to provide well balanced diet
- The key reasons influencing manufactured food purchase is trustworthy, high quality products, price led and fresh products.
- 43% of manufactured food purchases are done from SPT (higher among urban owners – 47%) while another 25% from Supermarkets and 16% from Market.

A grayscale background image of a woman with long hair holding a tabby cat. The woman's face is partially visible on the left, looking down at the cat. The cat is looking directly at the camera with large, expressive eyes.

CAT OWNER FACTS & INSIGHTS

DEMOGRAPHICS

- Cat owners are mostly 50 years + (44%), females (66%) and from the high income group (51%). 74% have kids at home with average of 2 kids.

MEDICALIZATION

- 93% of owners have not brought their cat to the vet in the past year. Most of them claim that their cats have faced no problems and have no special diet.

GATHERING DATA

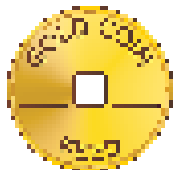
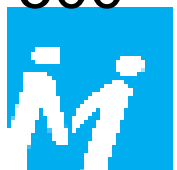
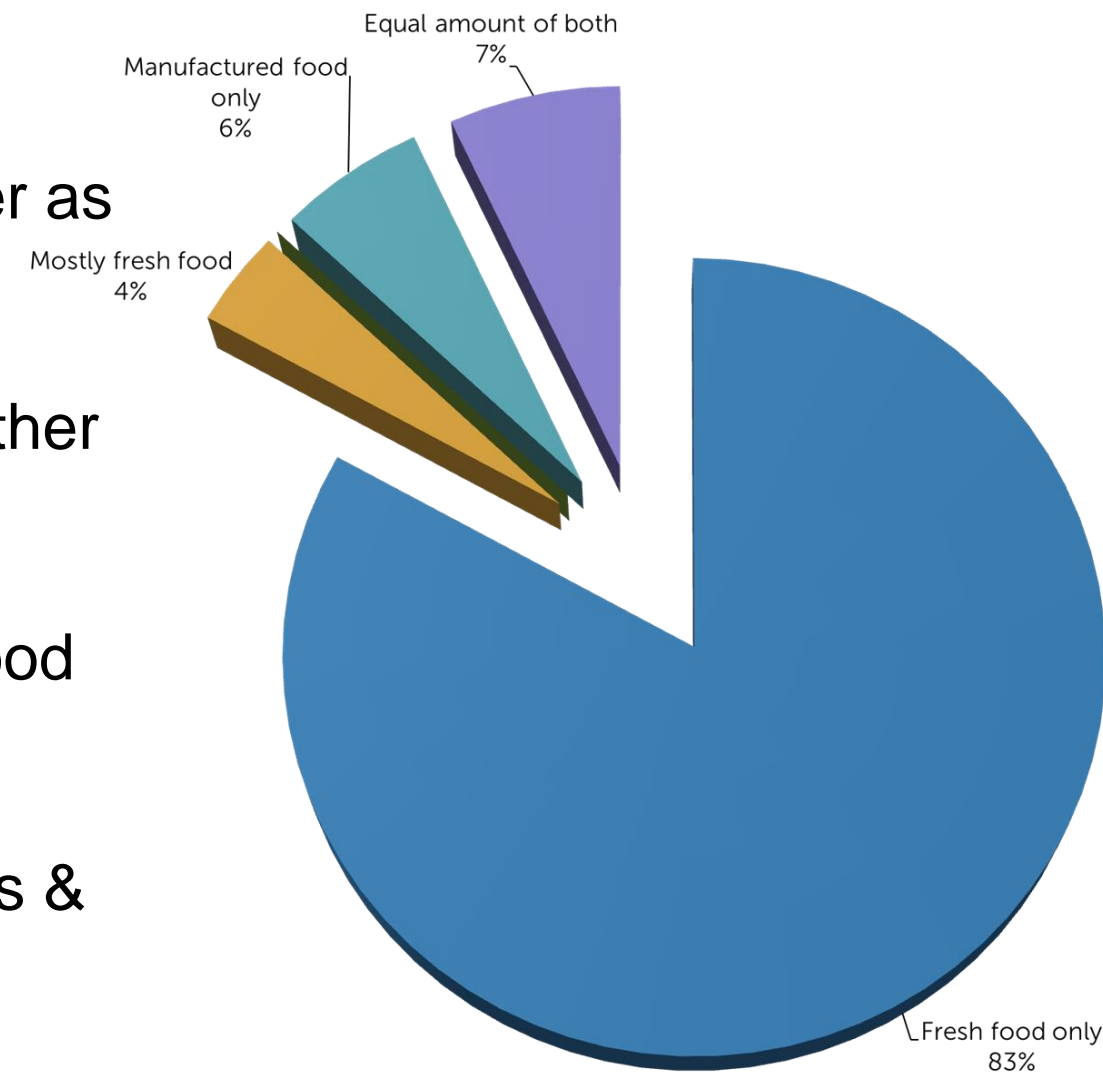
- Close to 50% owners search for all 3 types of information – pet food, brand & other needs for dogs. And this is mainly driven by urban owners (around 60%) who are more active in seeking information compared to their rural counterparts (around 35%)

RELATIONSHIP

- **10% of cat owners have somewhat close relationship to their cat.** Among those cat owners that feel close to their cat, cat is being considered as a **family member, best friend or friend**. Slightly higher among those without kids regard their cat as a child to them while more among those who found it as stray consider it to be just an animal

CAT FEEDING HABITS

- Manufactured food for cats accounts for 17% of cat feed either as solus (6%) or in mix format (11%).
- Around 7% purchased Manufactured food from SPT and is either Dry Only or Wet+Dry combo
- Key triggers to convince more owners to buy manufactured food would be trustworthiness, fresh product and low prices
- Among manufactured food buyers, around 30% rely on friends & family to obtain information.
- Cat owners can also be attracted using promotional tactics such as Discounts, Bundle packs and Bonus packs
- Relatively higher spend (spend ₱ 1001 & above) is seen in Visayas (6%) & among high income household (4%) while low income household is seen to spend more towards ₱300 & below
- Urban household tend to spend more towards ₱300 & below on pet food while rural household tend to spend more towards ₱301-500



CONVERTING INSIGHTS TO ACTIONABLE PLANS

INSIGHTS

KEY ACTION POINTS

Philippine remains one of the biggest potential in pet care| nutrition products due to the country's increasing dog and cat population and improved humanization level.

The best time to set up your online reselling business is now!

65% dogs & 83% of cats are still on table food

Being an online reseller means more alternative channels for pet owners to access pet food specifically in rural areas where physical stores are limited. You can even try to be a super hyper-local online reseller (own neighborhood). Just know your potential market is first via survey.

Key triggers to convince more owners to buy manufactured food would be trustworthiness, fresh product and low prices

Important to enlist brands that come from reputable companies that know pet nutrition; consistent supply and products that have different price points to address economic sensitivities.

Dog & cat owners are predominantly females.

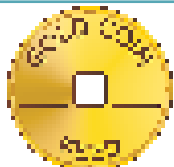
Know your target market carefully and their age group so you can develop specific marketing programs that will appeal to them.

Growth of ecommerce indicative of change in consumer's shopping behavior

Offer services that provide convenience, cashless transactions, and follow thru. Always answer the question, "How will I my services different?" Customer experience is everything!

Among manufactured food buyers, around 30% rely on friends & family to obtain information

Drive online engagement by encouraging customers to provide product reviews; sharing experience. Don't forget to reward them!





The End

