

"Boosted by recent events, Pet Care is fast becoming one of the most attractive places to invest."

Andrew Wardlaw,
Chief Ideas Officer, MMR

CAREP #02

MMR INNOVATION SPACES

Let's fight ordinary innovation, together





Welcome to our second
MMR INNOVATION SPACES
guide - a deep dive into

PET CARE

This series tracks recent developments in today's most dynamic consumer-packaged goods sectors, bringing rich insight and fresh ideas to facilitate your innovation thinking.

We've reached a point where there are no bad products in the market. And yet, there is an abundance of mediocre choices. Products that meet expectations, but without lasting impact. For emerging innovation spaces, there is a need to go further in order to break into people's purchase cycles. Extraordinary innovation that is not only credible but memorable.

In an age where it is accepted that brand building will become more challenging, we believe that the product experience will matter more – from first contact in store, to how the experience is remembered. Being remembered (mental availability) during active buying situations is what we should all be striving for!

We work with many of the world's best pet care brands and have developed a range of approaches to ensure consumer (and pet!) closeness across the innovation journey.

The current level of ambition is immense and puts many other areas of consumer packaged goods in the shade. Almost anything can happen, and probably will.

If you have a challenge we'd love to hear about it and share how we might tackle it efficiently, in ways your competition may not have considered.

We hope this series offers real value and we welcome your comments

Email info@mmr-research.com

Andrew Wardlaw, Chief Ideas Officer, MMR



PLAY LIST

Here's what we're fetching up.

05 INNOVATION IMPERATIVE
Looking at the vital role innovation plays in the highly dynamic pet care category.

07 NEW RELATIONSHIP
How the pandemic has taken relationships with our pets to new levels.

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KEY TAKEOUTS

#01

The global pet care category hit **\$180 BILLION** in 2020 - estimated to reach **\$255 BILLION** by 2027.

*Source: Research & Markets, July 2021

#02

Pet care is **'HIGHLY ATTRACTIVE'** to investors.

"In today's society, human companionship is more difficult to come by than pet companionship."

This is where value can be created.

*Source: Moody's Investors Service

#03

The pandemic has **BOOSTED PET TREATING BEHAVIOR**

More time spent with our pets means that 50% of households pet food budget is now spent on treats.

*Source: Nestle

#04

Tech will continue to **'SHAPE SHIFT'** pet care in the years ahead.

For example, the harness that informs owners about a dog's emotional state. VR will one day allow owners to 'talk' to their pets - causing fundamental shifts!

#05

ECOMMERCE IS HUGELY RELEVANT

IRI measured 20% share of wallet in 2020, and this could reach 33% by 2026.

*Source: Euromonitor

#06

MARS Petcare: **"THE OPTION TO PROVIDE GREENER CHOICES IS BECOMING A MUST HAVE."**

The company is leading the way with launches like LOVEBUG – nutritionally complete cat food made from insects.

#07

We've measured a **SHARP RISE IN MENTIONS OF ANXIETY** across social media conversations involving pets since Coronavirus. There are genuine fears about separation anxiety.

INNOVATION IMPERATIVE

Never before has innovation been this buoyant!

We live in the age of the start-up. In 2013, billion dollar start-ups were exceptional. Venture capitalist Aileen Lee estimated that new ones came along at a rate of about 4 per annum. Estimates today put that number at about 400.

Investors are attracted to the big, bold, and beautiful – which is why the market capitalization of Tesla is now greater than Toyota, Volkswagen, Ford, Honda and Daimler – combined. It doesn't really matter that Tesla produces about 400,000 car per annum (vs. the 30,000,000+ from the other five). It's the capability to fly into outer space that matters most.

Scott Galloway, in his book 'Post Corona', believes that disruption happens when big brands over rely on brand equity to compensate for an unremarkable product. In this scenario, challengers can very easily establish themselves - particularly at a time when eCommerce is growing as a key selling channel.

That said, it is clear that heritage brands in pet care are not waiting around to be disrupted. They're doing it themselves. MARS has heavily invested in DNA tests that empower pet owners to better understand the health of their pets. The company uses wearable tech brand Whistle to nudge pets and their owners to increase levels of physical exercise. And it has launched Kinship, a first-of-its-kind coalition with entrepreneurs dedicated to co-creating the future of pet care.



Meanwhile, more traditional areas of the pet industry are shape shifting, with a flurry of merger and acquisitions – most notable of all was the acquisition of the trendy Lily's Kitchen brand by Nestle, and General Mills snapping up the pet treats business of Tyson Foods for \$1.2bn. This was on top of the \$8bn takeover of Blue Buffalo Pet Products in 2018.

We want Kinship to become a unique platform for collaboration, where founders, innovators and industry partners will connect to share their ambitions, access best talent and expertise, and engage on unlocking the most exciting opportunities for the future of pet care.

Leonid Sudakov, President of Kinship

Investors are realizing that pet care, like human wellness, is a sector that will avoid recession.

People are not going to pare back on the welfare of their pets.

Andrew Wardlaw,
Chief Ideas Officer, MMR

"Pooch & Mutt is a health food company, that just happens to make products consumed by dogs." Its products are developed with 'top nutritionists' and offer 'positive and targeted nutrition' to support joint and bone health. The company promises results in 3 weeks 'or your money back.'



More than ever, innovation is about disruption and nowhere is this more evident than in pet care.

Andrew Wardlaw,
Chief Ideas Officer, MMR

INNOVATION IMPERATIVE

Why so much investment and activity? It's down to a new breed of pet parent: the Millennials, who are turning to pets to fill an emotional void. "In today's society, human companionship is more difficult to come by than pet companionship" says Mickey Chadha, VP of Moody's Investors Service.

Such high levels of devotion are creating demand for luxury pet food, personalized pet wellness, tech enabled services and pet friendly spaces such as cafes and theme parks.

And because Fido cannot (yet) tell us how he is feeling, the human race people will continue to overcompensate with their actions and affection to ensure the very best for its treasured companions.

And this is where the value can be created.

“Like or loathe the expression, the emergence of the term ‘fur baby’ accurately reflects what pets mean to millennials.”

**Andrew Wardlaw,
Chief Ideas Officer, MMR**



NEW RELATIONS HIP

The pandemic has left a trail of disruption, acceleration, and opportunity in its wake.

What becomes clear from consumer closeness and industry conversations, is that the pandemic has shifted our relationship with our animal companions. Already seen as part of the family, our four legged friends have now become fundamental to our general well-being.

“Never have our pets been more appreciated, more loved, and more vital to our well-being. And this elevated status is set to drive further ‘trading up’ across multiple sectors of the pet care category.”

The escalation of treating our pets is just one manifestation of the new world order, with random acts of kindness bestowed upon our pets most likely the result of our own need for happiness. A survey for MARS pet care reported that 57% pet owners no longer need a reason to treat their pets – suggesting deep set emotional drivers.



And if you think that kindness stops with the odd dog chew, think again.

According to Future Market Insights analysis, pet toys sales are set to grow at a 7.2% CAGR between 2021 and 2031, fuelled by development in personalized toys in terms of style, size, design, color and so on, plus hi-tech, and smart pet entertainment solutions like AI-powered interactive robots.

“The mention of pet strollers may still cause considerable eye rolling, but the pet hospitality market is poised for significant growth in the upcoming years.”

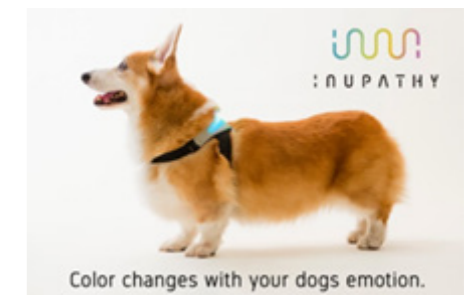
And when it comes to pandering to our pets (and our own emotional needs) consider a new white paper from Japan’s Science and Technology Ministry that predicts that virtual reality and automation will eventually allow owners to ‘talk’ to their pets, enabling much better understanding of our pets needs and emotional states.

The possibilities from this are positively mind-boggling.



Sniffe and Likkit offer grooming products for dogs that can be used either on-the-go or at home. The Woofpack uses a 100% natural aromatherapeutic scent alongside natural, active, and botanical ingredients that are vegan friendly, and pH balanced for dogs skin and fur. The range of products includes ‘Give a Dog a Cologne’, a fine fragrance-inspired perfume mist which has been specially formulated with a blend of natural aromatherapeutic essential oils, fur conditioning agents and botanical ingredients to “refresh fur fast”.

Available now, Japanese company called Inupathy has unveiled a harness in 2020 which shows dog owners color-coded signals that represent the specific emotional state of their beloved best friends. The device is a padded clip-on harness that measures a dog’s heart rate and variations in the heart rate and is sensitive enough to take readings through thick fur.



Color changes with your dogs emotion.

MILLENNIAL MOMENTUM

Pet care has already shown form when it comes to resisting recessions. However this time around, things are positively accelerating.

A total of 3.2 million households in the UK have acquired a pet since the start of the pandemic, according to the Pet Food Manufacturers' Association. That means the country now has 17 million pet-owning homes, the association says.

Pets are becoming a replacement for children. They're less expensive. You can get one even if you're not ready to live with someone or get married, and they can still provide companionship.

Jean Twenge. Psychology Professor and author of 'Generation Me.'

Meanwhile, a survey carried out in December 2020, found that 10% of respondents in the United States reported acquiring a new pet. This is an increase of 4% compared to June of that year, when 6% of respondents reported getting a new pet. Packaged Facts estimate that 54% of American households now own a pet – that's 68 million households, with 94% made up of dog and cat owners.



A monitor of online and offline purchasing found that nearly 10% of British households that were buying dog food were new to the category in the period March – May 2020. So, there are large numbers of novice category buyers at this time!

In most western economies, younger demographics are behind category growth. In the U.K, under-35s account for 59% of new pet owners, while 56% of those buying a pet for the first time have children at home, the Pet Food Manufacturers Association says.

The new pet parent is predominantly younger, and a number of reports suggest many are finding the experience challenging.

Statista found that 16% of U.S Gen Z and 13% of U.S Millennials stated that they had acquired a new pet due to the coronavirus pandemic. This is a significant amount compared to other generational groups. During this time, only 3% of Baby Boomers reported getting a new pet.

As we look forward, the category must prioritize consumer reassurance. We know that Millennial pet parents are predisposed to more natural, more sustainable innovation, but they also need to feel confident about their choices. And with so many new brand entrants, each telling a slightly different story, the pet care category can be a daunting place to navigate. Creating products that offer reassuring user experiences across each and every touchpoint must be a priority. Any slip ups at any stage – such as pack opening and closure – could undermine everything.

CATEGORY HIGHLIGHTS

**What do you focus on in such a dynamic environment?
Let's start with treating, grooming
and hybrid shopping.**

TREATS TRENDING

With a surge in chocolate sales during the pandemic as humans sought comfort, it's no wonder that pet treating behaviors also escalated. By mid-2020, Nestle reported that up to 50% of households' pet food budgets were being spent on treating.

The opportunity for more treat formats that bolster nutrition without any calorific penalty is sure to develop.



With an IPSOS study reporting that 45% of people globally say that they are currently trying to lose weight, it is highly likely that human dietary decisions will be mirrored in pet purchases.

"We refute traditional snacking stereotypes which suggest dog treats must either be health-conscious yet uninspired or an indulgent time-out from a well-balanced, healthful diet." PAWFECT treat products claim to use 'human-grade' ingredients from snow-capped Himalayas to tropical shorelines.

COLOR PAW provides canine self-expression with every colour of the rainbow – and more.



HOME GROOMING

Unsurprisingly, during the lockdown period, many grooming salons were being contacted for advice by concerned dog owners.

Consequently, there was a dramatic increase in sales of smaller retail-size shampoos and cleaning sprays, as this is what the professionals were recommending for owners to keep their pets' coats as clean and comfortable as possible before they could get back into the salon.



The expansion of home grooming activity is highly likely to leave a longer term increase in the size of the grooming market. And with a human trend towards greater self-expression, we can see how this may also start to play out among our four legged friends.

CHANNEL HOPPING

In common with broader shopping patterns, pet care sold via digital channels has surged since the pandemic.

A U.S study from May 2020 found that traditional retail still dominates and shopping for pet needs across several retailers is common. Unsurprisingly, it is the younger consumer who is most likely to source online (see chart, below right) – however, older age groups are not far behind.

According to IRI, online sales of pet care peaked at 20% share of wallet in 2020, and Euromonitor estimates that 1/3 of global pet care sales will go through eCommerce channels by 2026.

To lure thrifty shoppers, big players are investing in private labels, such as Chewy’s Tail and Amazon’s Wag. In 2019, Walmart launched PetRX, an online pet pharmacy that aligns with its omnichannel approach and expands on its in-store veterinary clinics.

Niche D2C start-ups are disrupting pet retail with customized and premium product propositions. Subscription boxes from Pet Plate, The Farmer’s Dog and Meowbox are resonating with health conscious and digitally savvy shoppers. London based Butternut Box tailors meal plans based upon individual dietary requirements.

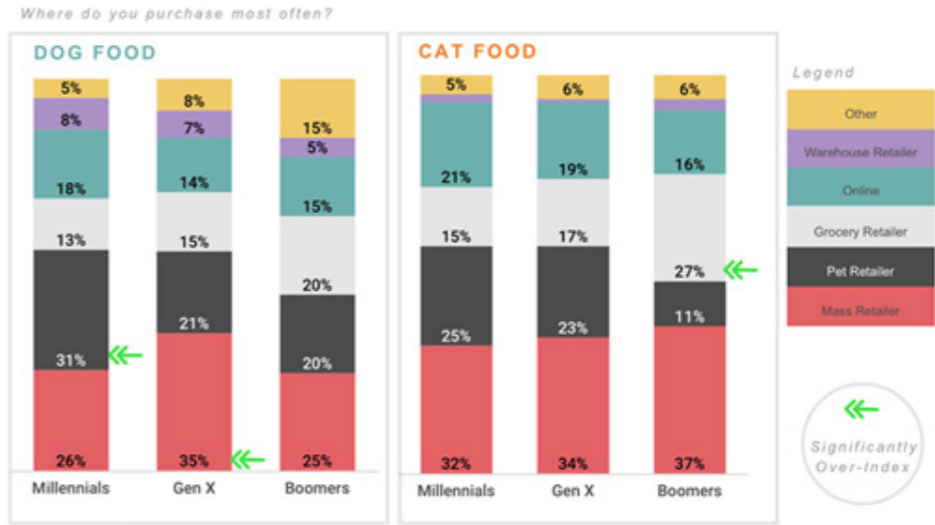
For physical retail, the outstanding sector has been treating, which is more impulsive and therefore more suited to a bricks and mortar environment.

It is likely that we will see retailers, particularly grocery outlets, play to their strengths and expand the range of treats on offer.

This could also extend to chilled and frozen channels as well.



Shoppers' primarily purchase pet food at mass and pet retailers



Source: ACOSTA, May 2020

PETS BY NUMBERS



Global market for
Pet Care estimated at
US\$179.4 Billion
in 2020*



...and set to reach
\$255.4 Billion
by 2027*

Global Pet Food projected to record **4.8% CAGR** and reach
US\$113.9 Billion by 2027*



&



of cat owners bought clothing for
their pet in 2020

9 in 10 Americans say
they consider their pet to be a
part of their family



36% of Americans
give their dogs birthday
presents.



2/3 U.S adults say that they are likely to get a new pet in the future



Brazil has the highest
number of small dogs per
capita in the world.

73%
of Gen Z and 68% of
Millennials are willing to
spend more on sustainable
pet products

\$\$\$\$\$

47%
U.S pet owners are willing
to go into debt to pay for pet
medical care



60% dog owners
prioritize health benefits
in their product choices

CRAZY MONEY

San Francisco based **Wild Earth**
sells pet food with
plant-based proteins
and raised
\$11m in 2019
wildearth.com

Los Angeles Wag, the
fastest-growing network of pre-
screened and insured pet sitters and
dog walkers. raised \$300m through
SoftBank Vision Fund, reaching a
valuation of
\$610 million
wagwalking.com

U.K DTC start-up **Butternut Box**,
supplying 'human-quality meat and
vegetables' raised a further
£20m
from investors in 2020 to accelerate
growth
butternutbox.com



U.K owner of **Good Boy**
dog treats sold to U.S giant
Spectrum Brands for
5 times
its worth in 2017.
goodboy.co.uk



Sources:
Research and Markets,
July 2021
Petsecure.com.au
Mintel
SPINS

INDUSTRY INSIDER

Innovation is increasingly about adapting to a new consumer environment, post Corona. And that includes designing more sustainable products and packaging.

In all these areas, MARS Pet Care is taking a lead.

For the Consumer & Technical Insights team at MARS Pet Care, there is firm belief that “sustainability and living in a post-COVID world are two challenges top of mind at the moment.”

SUSTAINABLE GENERATION

In April 2021, Mars Petcare announced progress towards a longstanding goal to sustainably source 100% of the fish used in their pet food recipes. The company now sources 81% of fish used from more sustainable sources, aligned to Mars’ guidelines. The company also confirmed that it sources no endangered fish species. The goal is part of Mars Inc’s ‘Sustainable In a Generation’ plan and demonstrates the company’s commitment to integrating sustainability into the heart of its business - bringing more innovative, sustainable choices to pet owners around the world.

With 85 years’ experience, and a portfolio of almost 50 brands serving the health and nutrition needs of the world’s pets, the company recently moved into more sustainable solutions like Lovebug, an insect based product which claims to be a nutritionally complete cat food, that uses 80% less land than beef.

“Sustainability is no longer a mental short-cut for plastics and reducing packaging. Sustainability is evolving into a more positive sentiment and we’re seeing this translation across the industry as the option to provide greener choices is becoming a must-have.”
MARS Pet Care CTI.



PET TRANSITION

The realization that the world is in uncharted territory right now has not gone unnoticed. One MARS CTI Manager told us that “as we move into a post-COVID world, there is a responsibility to support both pets and pet parents in their transition.”

“As pandemic puppies and kittens move to their 1st birthday, they will have to adapt to their pet parents no longer being present all of the time. This will have a significant impact on pet parent education, as well as pet training and stimulation needs.”
MARS Pet Care CTI.

With estimates that 3.2m households in the U.K and up to 10% of U.S households have acquired a new pet in 2020, the need for support is going to be huge.

Something that the MARS team is working hard to fulfil.

FURRY FORCES

In 2019, MMR released the **FIVE FORCES OF EVERYTHING** – our guide to the macro dynamics driving disruption across consumer packaged goods categories – globally.



The humanization of pet care, accelerated by a pandemic, means that these same forces now guide category development beyond human food & beverage, household, and personal care...

Presenting the Five Forces of Furry Things:

01

MORE ADVENTUROUS EXPECTATIONS

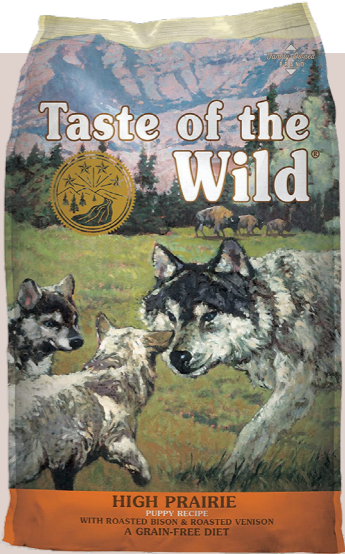
Explainer:
Scientists tell us that modern life – which is highly stimulating and increasingly online – is rewiring our brains to seek out the new and the next. There is no reason to suggest that the pursuit of more adventurous products will not play out in pet care.

Examples:



PURINA ADVENTUROS (Global)

Claiming to get your dog’s imagination running wild and free. Purina position its ADVENTUROS range as the start of an exciting new adventure for your dog. The range also includes sauces (poured onto dry food), nuggets and chews. purina.com



TASTE OF THE WILD (U.S GLOBAL)

Taste of the Wild and Taste of the Wild PREY are affordable dog and cat foods with protein sources from real meat, fish, or fowl. The brand uses wild boar, bison, smoked salmon, roasted duck, venison, and Angus beef to move away from the conventional. tasteofthewildpetfood.com

02

MORE CONSCIOUS CHOICES

Explainer:
People are increasingly taking the long view around consumption choices, assessing the ultimate impact on our bodies, society and environment. From sustainable packaging to gut health, we expect concerns about the carbon footprint and water usage across the pet care industry to escalate. The use of plastic toys is likely to disappear.

Examples:

EDGARD & COOPER (U.K)

Edgar & Cooper claims to be the first pet food brand in the UK to trial dry pet food using an instore refill model in a specialist grocery store. Edgar and Cooper’s dry food packaging was already recyclable with paper waste and now the brand has gone ‘one step further’. uk.edgardcooper.com



PERCURO (Global)

PERCURO claims to be the first low carbon paw-print, next-generation pet food which is sustainable, ethically farmed and formulated for the health of your pet’s body and mind. In place of chicken, beef, and lamb PERCURO uses clean insect protein from the larvae of the Black Soldier Fly instead. Plus, according to the brand, insect protein requires a “fraction” of land and water resources, and “generates just 1% of the greenhouse gas emissions”. percuro.earth

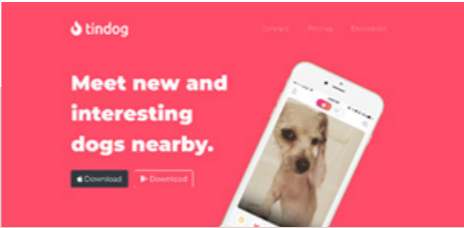


FURRY FORCES

03 MORE SILOED LIVING

Explainer: The tech giants are sucking up so much of our time that society is moving from a collectivist state towards individualism. The result is that people are lonelier. Recent lockdowns will have compounded this. The need for companionship has created new pet parents, but it doesn't stop there.

Examples:



TINDOG (GLOBAL)

Millennials are delaying marriage and childbirth. Birth rates among women in their 20's are declining, but they still need companionship. This need is driving a boom in pet-ownership, and apps like DOGDATE and TINDOG are using this to help pet owners find love. That said, some reviews appear to show success among the pets: *"I no longer have to sniff other dogs for love. I've found the hottest Corgi on TINDOG. Woof!"*
Via App Store and Google Play.

For those who want to drink matcha next to an owl or flexi-desk with felines, animal cafes are on the rise globally.

WGSN. 'Pets Over People' report



BORIS & HORTON (U.S)

Pet Cafes are starting to pop up all over town. Boris & Horton was created to provide New Yorkers with an amazing café and community space to enjoy alongside our four-legged friends. It serves 'top notch coffee and food' and hosts dog-friendly events ranging from trivia, to burlesque, to adoption events.
borisandhorton.com

04 MORE ANXIOUS OUTLOOK

Explainer: Tracking surveys show that the human population is more angry and more anxious. Mental health is now acknowledged as a fragile state, particularly with younger people. With animals said to be sensitive to their owners emotions, as well as genuine anxiety related to their own circumstances, there has been an increase of new pet products claiming to calm and help with sleep.

Examples:

KIND PAWS (U.S)

In the U.S, the CBD pet product market was valued at \$400m in 2019 and is estimated to reach \$1.2bn by 2022. The active ingredient in the KIND PAWS range promises to relieve many symptoms relating to stress and anxiety in pets. The brand's Organic CBD Peanut Butter has a soft and smooth texture that 'works perfect as a treat, an addition to a meal, a vehicle for medication, or anything else you can think of.'
kindpaws.com



LILY'S KITCHEN BEDTIME BISCUITS (U.K, Global)

Night-time snacking for dogs. Organic oval-shaped treats made with probiotic yoghurt, honey, passionflower, and chamomile flower. One 5 star reviewer on Amazon wrote: 'These biscuits are really a Dogsend for my Jack Russell who is on steroids for a bad skin condition, and therefore just does not settle. I give him half of one of these in the evening and he settles right down.'
lilyskitchen.co.uk

05 MORE COMPETITIVE STANCE

Explainer: Young people's migration to cities in search of the best jobs is well documented, but as global populations increase and economics get tougher, the need to outshine one's peers will increase further. With a rise in pet ownership, cue an era of pet envy and pet pride. Owners want their pets to reflect well on them!

Examples:

JAMES WELLBELOVED SUPERFOODS (U.K)

From MARS Pet care, the SUPERFOODS range appeals to owners seeking peak performance for their dogs. "The ingredients in this dry food draw upon the super-power of nature, with kale being a natural source of antioxidants, chia seeds containing omega 3, and the quinoa and sweet potato being a source of fibre."
wellbeloved.com



BULLYMAX 30/20 HIGH PERFORMANCE (U.S)

On the edges of performance products for dogs, BULLYMAX adds muscle and mass as well as improving health, energy, and recovery. The company claims that the product is thoroughly tested, 100% safe and natural – and for working dogs, like police dogs, it offers maximum nutrition without the fillers.
shop.bullymax.com

THE BUZZ

Conversations surrounding mental welfare in the context of pet care have surged 21 times over since Covid - blowing all other topics out of the water

Andrew Wardlaw, Chief Ideas Officer, MMR



According to social media monitoring tool CrowdTangle, the number of social media posts mentioning puppies jumped 38% in the last week of March 2020. Soon after, pet conversations began to refer to anxiety.

We activated MMR's eSync tool to harvest naturally occurring consumer conversations around pets well-being. eSync gathers online data from freely available sources (websites, forums, reviews, social media, etc.) and compares content to build an understanding of consumer sentiment over time. Emerging sentiment can support the creation of early insight!

Here, we analyzed conversations across a post-Covid period from March 2020 to November 2020 and compared these with the period March 2018 to March 2020.

This is what we found.

THE COVID MULTIPLIER

Conversations about pets that increased the most, post pandemic

x3

EXERCISE
"My dog needs more exercise because destructive behavior is a sign of boredom."

x5

MENTAL STIMULATION
"I taught my dog to open a door. It gives him a sense of purpose to have a job, no matter how small."

x11

PET INSURANCE
"My last four rescues have been very, very expensive. I will never be without insurance."

x21

ANXIETY
"I thought the dog was going to help me with my anxiety, but I've learned that we're helping each other."

THE BUZZ

ANXIETY, UNPACKED

eSync was able to breakdown conversations involving anxiety, and reveal additional dimensions.

x21

SMELL

In conversations related to anxiety, smell was discussed 21 times more post Covid, compared to pre-Covid.

"You can put an old shirt of yours in kitty's bed ... she'll smell your scent and be comforted by that."

"Try getting a shirt or blanket that hasn't been washed and would smell like your mom."

"Consider leaving a t-shirt or something you have worn recently in his cosy sleep spaces so he can smell you when you are out."

x14

COST

In conversations related to anxiety, cost and affordability was discussed 14 times more post Covid, compared to pre-Covid.

"We thought that he'd calm down, but he did not. We've spent hundreds of dollars on new enclosures and vet visits. We even tried a vet behaviorist but couldn't afford anything past the first appointment since it was \$400 for a two-hour session!"

"When she's anxious, she gets worked up and goes wild! At this point, we haven't started the additional medication, but I am just wondering what else we could possibly do... we were referred to a vet behaviorist but now we are unable to afford the \$700-\$1,000 it will cost to see one."

x9

POSITIVE REINFORCEMENT

In conversations related to anxiety, positive reinforcement was discussed 9 times more post Covid, compared to pre-Covid.

"We brought her home at 8 weeks old, and she has been anxious ever since. We have always used rewards based positive reinforcement - she just happens to be very, very anxious."

"I also use calming treats, collars, shirts etc. My dog had bad anxiety problems when I first got him, a calming collar helped to bring him out of his shell while allowing positive reinforcement in previously upsetting situations."



x6

SEPARATION ANXIETY

In conversations related to anxiety, separation and separation anxiety was discussed 6 times more post Covid, compared to pre-Covid

"He's incredibly anxious and has bad separation anxiety. I've had him for less than a year and he's had so far 2 surgeries for intestinal blockages because he keeps eating stuff he shouldn't be eating. He cannot be left alone, even if I'm in a different room, or he'll start meowing and hurting himself by running into doors and walls headfirst."

"I'm going crazy, and I feel like the worst mom. I just want him to eat. I don't want to leave him, and I haven't even left that much (I'm home every day and leaving every few weeks for days at a time) is causing separation anxiety."

If you'd like to get closer to consumer opinions and their understanding of categories, brands, and related topics, **eSync's** comparative approach can illuminate situations quickly and efficiently.

Discover the consumer voice and sentiment, as well as the key trending topics in your category. Get in touch at **hello@nova-mmrm.com** to find out more.

S H E L F S E T

ANTI-ANXIETY PET INNOVATION



The Dog House
Sleepy Snacks
thedoghousetrading.com

Forthglade
Natural Treats, Calming
forthglade.com



Pooch & Mutt
Calm & Relaxed Complete Dry Food
poochandmutt.co.uk

Hill's Science Plan
Calm & Happy
hillspet.com



Mediterranean Natural
Functional Snacks, Calming
miscota.co.uk



Animal Essentials
Tranquillity Blend
animalessentials.com



Zesty Paws
Advanced Calming Bites
zestypaws.com



Under the Weather
Calming Soft Chews
undertheweatherpet.com

Pet Remedy
Natural De-Stress
& Calming Spray
petremedy.co.uk



OPPORTUNITY SPACES

In the world of pet care, there are plenty of opportunities, and these five development areas provide a powerful start to your ideation.

#01 Gut Microbiome



With trends in pet care ‘fast following’ human led activity, we expect new developments in the field of gut microbiome. Animal Biome provides microbiome testing kits and supplements to help restore a pet’s gut health.

Products that promote animal friendly bacteria are likely to define a raft of new innovation in the coming years.

#02 Luxury Fare

The premiumization of the pet care market knows no boundaries.

High-end pet spas that offer massages, airbrushing spray fur colour and the obligatory facials and manicures are growing in number. In a world that offers \$4000 dog parfum there is room for a new tier of premium products – from food to facials - for pet parents who want to show how much they care.



#03 Pet Wellness

Health conscious people are extending their wellness considerations to their pets, embracing cleaner ingredients, positive nutrition, and alternative therapies. A 2019 survey by a Los Angeles based animal foundation discovered that 68% of pet parents use alternative therapies to care for their pet’s specific medical conditions. 45% have used CBD oil or hemp products. What other alternatives lay ahead?



“Aspirations for our pets are beginning to exceed our own”

Andrew Wardlaw,
Chief Ideas Officer, MMR



#04 Treat Well

Pet owners are trying to lose weight, and this could impact levels of treating behavior bestowed upon our pets.

New treat formats that bolster nutrition levels for pets is an area likely to gain further appeal in the short to medium term.

#05 Cognitive Health

Owners are beginning to recognize the importance of mental stimulation for pets, and this will extend into concern for ongoing brain health. Dietary products that support neurological function will grow significantly in the medium to long term.

With pets meaning so much more for Millennials, we expect a new generation of owners will do everything to maintain the neurological health of their companions.



GET CLOSER

Pet Care has become a magnet for huge investment and innovation. This is high stakes territory, with the prospect of massive returns for those who truly understand what the consumer wants.

Designing products in association with your target audience offers clear benefits, which is why MMR has created a number of cost-efficient approaches that blend in-the-moment qualitative assessments with robust quantitative measurement.

Introducing Range Management

If you're looking to understand what the next flavour extension should be or building a compelling range review for a retailer - there is a need for range research.

MMR offers a range of solutions that span quick and tactical decisions through to complex and strategic portfolio management.

RANGE EXPLORER:

More commercially useful than TURF, Range Explorer is an agile tool that is ideally placed for tactical decisions.

Investment levels from £5,500/\$7,500.

SURF:

Sophisticated solution that forecasts steal, cannibalization and incrementality. In addition, SURF provides robust recommendations about how to target consumers. Fully flexible, spanning range rationalization to range extensions.

Investment levels from £23,000/\$32,000.

CONJOINT:

Highly flexible and incredibly powerful tool that helps you maximize profitability from your portfolio. We work closely with your category management and data science teams to help you land big commercial gains by informing pricing, ranging and product decisions.

Investment levels from £30,000/\$41,000.

Email j.taylor@mmr-research.com to get started.

Introducing Concept Accelerator

Don't waste time on multiple stages of concept development and testing – MMR Express can deliver validated concepts, optimized with consumers in ten days.

Built around consumer video feedback, we'll help you identify the most compelling articulation of your new idea, highlighting drivers of appeal and areas requiring optimization.

Up to 6 concepts go through to a quantitative test, with participants given the chance to show allegiance or otherwise to a range of opinions expressed by other consumers on video.

For vivid consumer closeness, concept diagnostics and robust validation and recommendations, this is the new way to progress your idea.

Investment levels from £7000 / \$8900.

Email John at j.barratt@mmr-research.com to get started.

Introducing Product Accelerator

If you need to be absolutely sure that your product delights, then look no further than the latest co-created approach to fast track product development from MMR Express.

Product accelerator does it all, offering qualitative and quantitative evaluation of your prototype as well as 'fit to concept', emotional profiling and the capacity for up to 10 bespoke questions.

Brilliantly, Product Accelerator offers live monitoring of consumer assessments so that you can identify emerging themes and issues as they happen – with the opportunity to probe participants in the moment.

Co-creative mini groups that deep dive into people's opinions will ensure that you miss nothing.

For a truly active innovation experience, including a conclusive workshop that delivers actionable results, try Product Accelerator for your next project.

Investment levels from £13,350 / \$15,550.

Email Simon at s.harris@mmr-research.com to get started.

Be brave. Be formidable. Let's do this, together.

MMR combine genuine sector expertise and industry-leading consumer research solutions, working with brands of all sizes to engineer sensory experiences that perfectly land a brand promise.

People are faced with thousands of product choices every single day. They are becoming more discerning about what products they buy, and what brands they opt into. In a highly competitive retail landscape, being 'good enough' just doesn't cut it. If you want to properly breakthrough the product experience is your secret weapon, but too often the last 5% that transforms a consumption experience from good to great is missed.

That's why our product testing and development approaches put both your target consumer and your intended brand promise at their heart. By knowing how and why a proposition resonates with consumers, we can ensure the product execution is perfect.

From branding and innovation to product development and retail strategy, we'll do what it takes to make sure your brand really takes off.

MMR is where sensory science meets creative research - to deliver real commercial impact.

huxly
An MMR Company

SENSORY

Our global network of sensory experts help the world's most successful brands deliver compelling and believable experiences across product, pack, and brand. It's the tiny details that make all the difference.

Huxly is the brand strategy and communications development arm of our collective. Working to define opportunity spaces, with a unique 360-degree co-creation process using metaphors to elicit emotional needs and blending this with sensory science to pinpoint how best to express this via the sensory experience of the product and its packaging.

Huxly is the brand consultancy that understands product. And because of this, we create more powerful, coherent brands with the power to excite and change behaviour long-term.

KICR
INNOVATION

KICR shakes up innovation – accelerating the process from ideation to commercialization to a matter of weeks, with the needs of the target consumer right at the heart. It's not just about ideas though. KICR develops prototype products through hands-on culinary creativity and provides consultancy on manufacturing, route-to-market, and supply chain.

Whether you need a fully outsourced, disruptive innovation solution, or consultancy that can bring a fresh perspective, KICR unlocks opportunities at any stage of the innovation journey.

It's innovation, re-imagined.

*Animals have one merit:
they never disappoint.*

Jean Rochefort



GET IN TOUCH

**YOUR THOUGHTS ARE
ALWAYS WELCOME.**

Perhaps you have an idea that you'd like an opinion on. Whatever your situation, we're happy to set a little time aside to chat.

Email us at **info@mmr-research.com**

