

Premium pet food purchaser **SURVEY RESULTS**

Trends,
behaviors
and insights
pet food
manufacturers
can leverage
to convert
consumers





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EXECUTIVE SUMMARY

Mondi and Dow Chemical partnered in the first quarter of 2019 to survey **premium pet food consumers** to gain a deeper understanding of their shopping and decision-making habits. The goal of the study was to determine what premium pet food buyers look for when making a purchase, which features would make them consider switching to a different brand of pet food and how much packaging drives a purchase in the premium pet food category.

Executive decision makers of premium pet food companies can use these comprehensive and actionable observations to make informed product decisions, driving positive impact on sales.

Following a round of questions to qualify respondents, 605 premium pet food purchasers were successfully surveyed. Criteria to qualify included current pet ownership, a premium dry pet food purchase in the last month and residence in the United States.

This report is based on the survey's findings. It summarizes the survey results, provides insights and implications of covered topics and highlights actions premium pet food producers can take to better position their product.

KEY SURVEY FINDINGS about premium pet food buyers

95%

say their dog or cat is a special member of the family

93%

say they seek out products their pets will love

86%

say they like to spoil their dog or cat

91%

say it's worth spending a little more on quality pet food

75%

say they value freshness, describing it as important

82%

say they seek out solutions to make life easier

75%

say they would feel more favorably toward a brand with sustainable packaging

65%

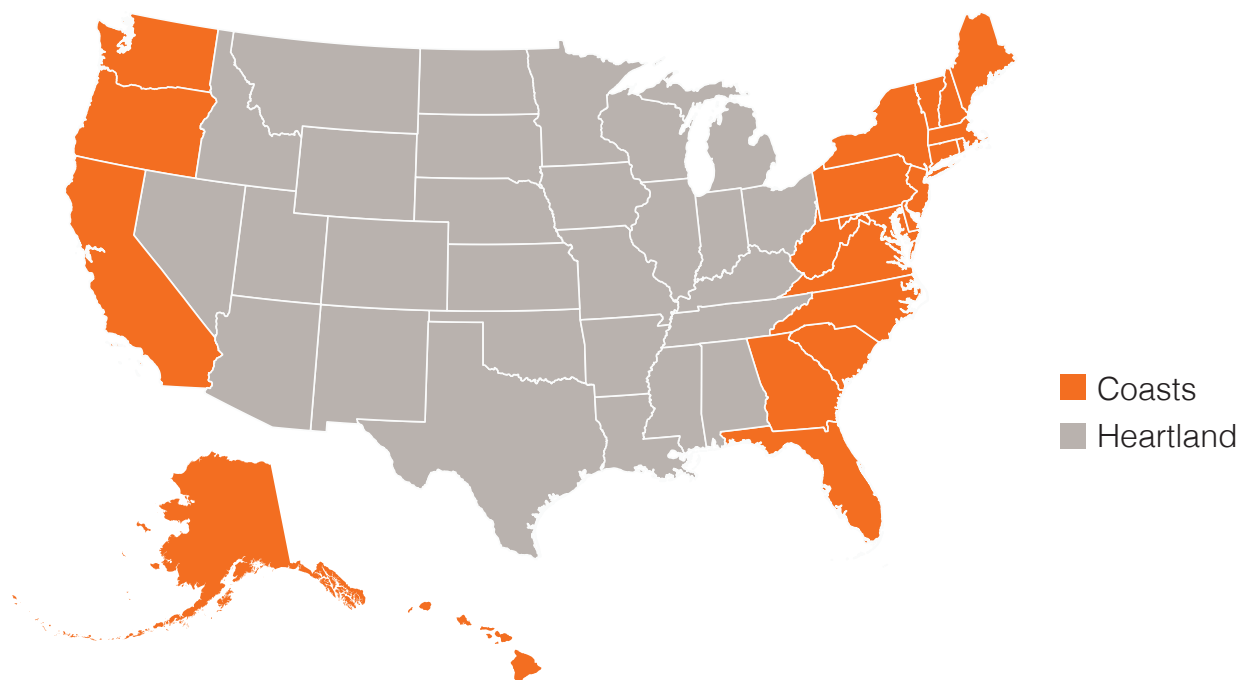
say they would trust a brand more if it used sustainable packaging

METHODOLOGY AND PARTICIPANT DATA

To ensure the values of the appropriate demographic were captured, participants underwent a screening process before taking the survey. To qualify, participants must currently own a dog or cat, have purchased one of 17 premium dry pet food brands within a month of participating in the survey, live in the United States and describe their purchase channel. Those who made it through the qualifying round took a 12-minute online quantitative survey, answering questions about their premium pet food buying habits.

The research and results focus on **premium** and **super premium** pet food buyers. It is not representative of all pet food purchasers, though some insights may be transferable. Of the 17 brands selected for participation in this study, all currently utilize premium flexible plastic packaging.

PARTICIPANT INFORMATION



In total, 605 qualified participants completed the survey. Of those, 55% reside in states along the East and West coasts and 45% reside in heartland states (see Figure 1). There is an even split between male and female respondents, and only those living with traditional pets at the time of the survey were allowed to continue: 80% own dogs; 56% own cats; 36% own both; and 45% have more than one pet.

51% of respondents self-report a household income of less than \$75,000 and 47% report a household income greater than \$75,000. In self-reporting employment, 72% say they are currently employed; 12% say they are homemakers; 8% say they are retired; and 5% say they are unemployed. When it comes to educational level attained, 12% have a high school diploma or less; 65% have some college or a college degree; and 23% have some graduate school or a graduate degree. Whether or not children are in the household is also evenly distributed, with 46% noting children currently reside with them.

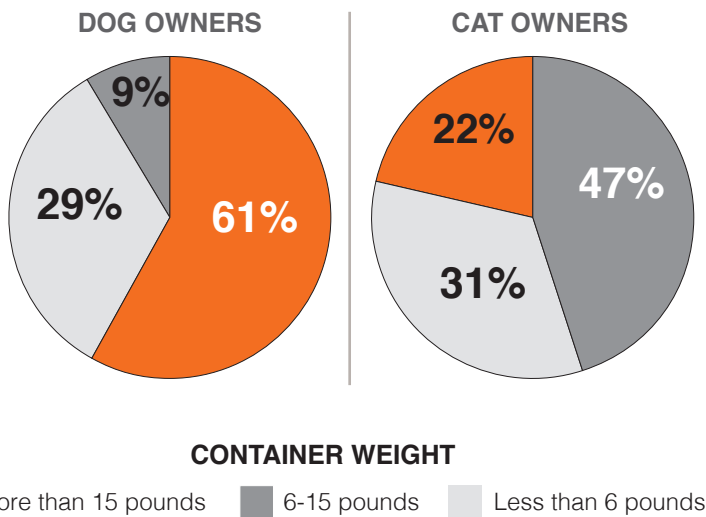
SHOPPING HABITS

Respondents self-report a mix of shopping habits: 18% shop online; 35% shop in specialty pet stores; and 42% shop in grocery, mass market or club stores.

PURCHASE PREFERENCES BY WEIGHT

Respondents were asked: *Which size package of dry pet food do you purchase most often?*

Purchasers of dry dog food are more likely to select larger bags, while dry cat food purchasers are twice as likely as dog food purchasers to select bags weighing less than 6 pounds.



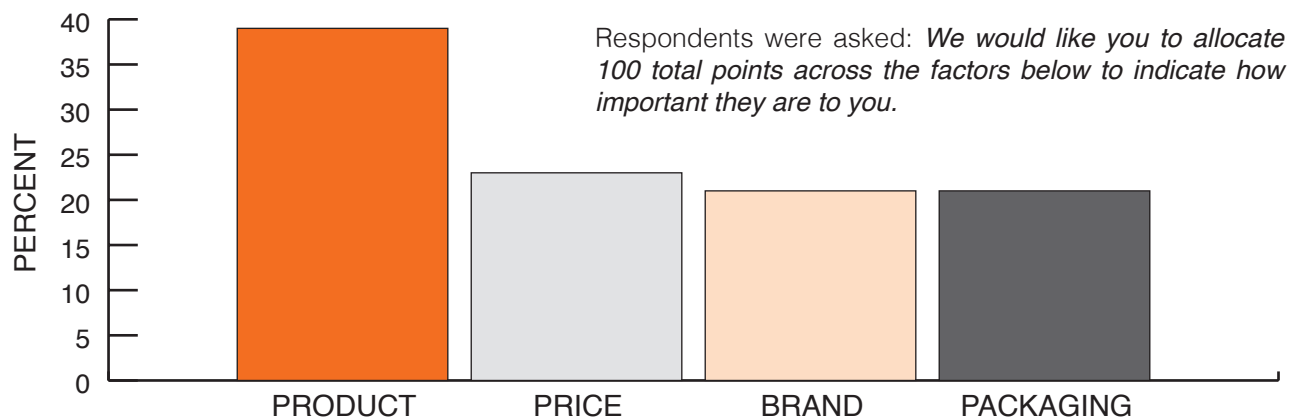
FINDINGS AND ANALYSIS

ATTRIBUTES THAT DRIVE PREMIUM PET FOOD PURCHASES

As with most purchases, product is the main driver in purchasing premium dry pet food. Respondents were asked to distribute 100 points across several factors to indicate which were most significant to them in making a purchase decision. The factors included product, price, brand and packaging.

Product is the highest ranked factor, coming in with 39% of the total available points from all respondents. Price is the second most important factor, with 23% of total available points. Brand and items affected by packaging are valued equally, each receiving 21% of the available points in this ranking.

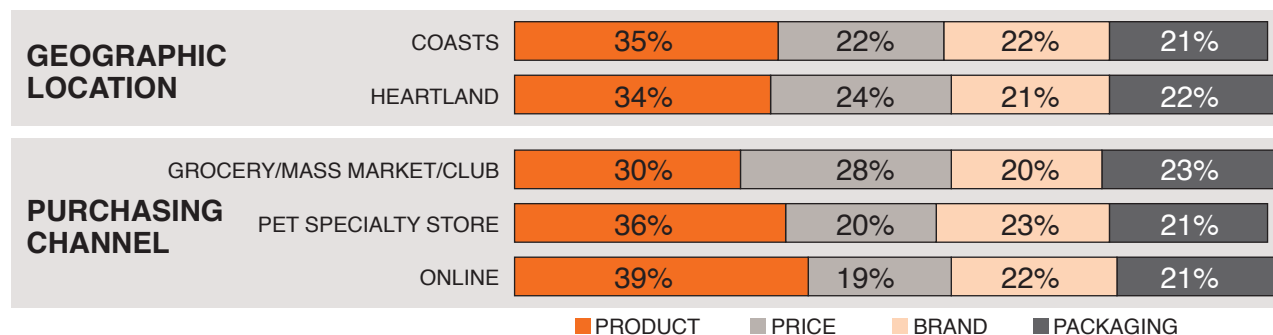
PURCHASING FACTORS | Point allocation percent among total respondents



When examining factor rankings by location and shopping channel, there are minimal differences. Product ranked lower in importance among grocery store, mass market and club shoppers (from 34% to 30%) while price importance increased (from 23% up to 28%). Among online shoppers, product importance increased (from 34% up to 39%) while price importance decreased (from 23% down to 19%). Brand and packaging importance is fairly consistent across locations and shopping channels.

IMPORTANCE OF PURCHASING FACTORS OVERALL

Respondents were asked: *We would like you to allocate 100 total points across the factors below to indicate how important they are to you.*



FEATURES BY POPULARITY

To further establish how premium pet food buyers chose a particular brand of pet food, participants were asked how key factors influenced their product selection or purchasing decision. These factors included knowing their dog/cat will like the product, the food brand's trustworthiness, the sustainability of the packaging material and the packaging material overall.

Of the features participants ranked, knowing their pet will like a product is an overwhelmingly important trait, with 93% stating so. Whether or not a participant trusts the brand is almost as valued, with 91% of those surveyed ranking it as an important factor.



NOTABLE PERCENTAGES AND THEIR IMPLICATIONS

Price rates below other factors, with 60% of respondents noting its significance in their purchasing decisions. More important considerations include ingredients, availability and product size. Accessibility is also important, with 40% of respondents ranking the ease of locating their preferred brand as a considerable factor in their purchasing decision.

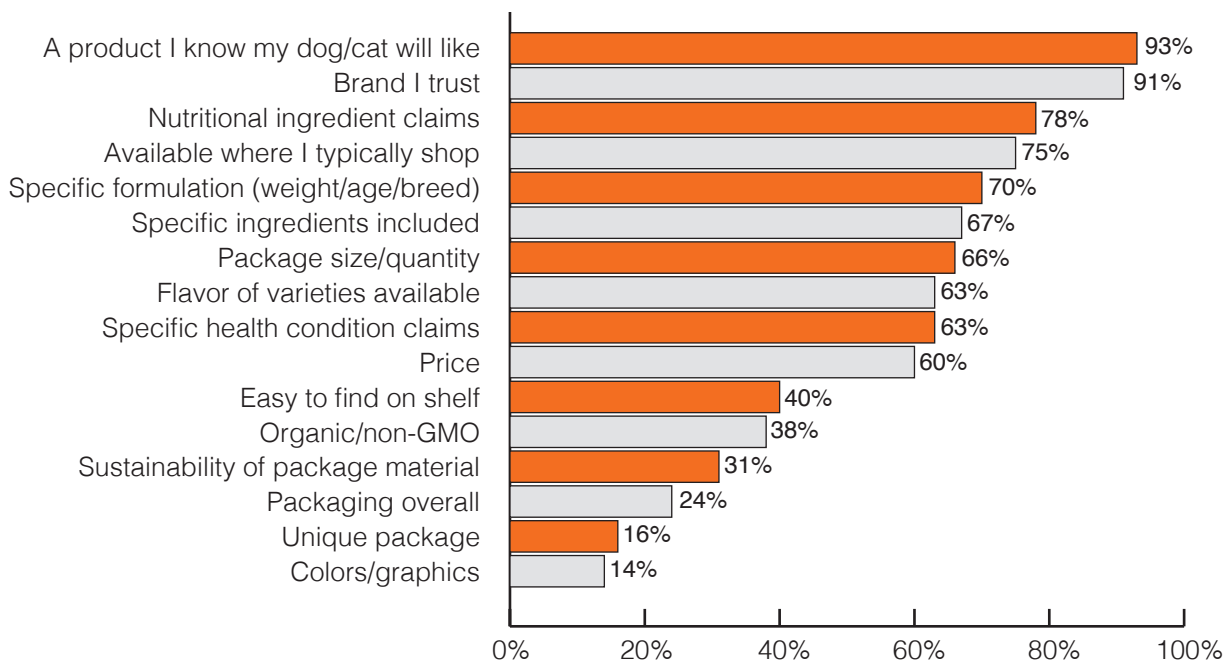
Beyond price, optimizing these key priority purchasing criteria will help premium pet food producers drive longterm loyalty. Many of those factors can be addressed through compelling product packaging, including

clear graphics and easy-to-read information that consumers value.

When asked about the sustainability of packaging material in their purchasing decision, 31% of respondents identify it as important. As industries around the world see consumers giving more attention to environmentally friendly products, sustainability efforts have the potential to affect consumers' brand choice. Premium pet food producers that align with this trend have the opportunity to capture a new market as well as retain existing customers.

PERCENT OF RESPONDENTS WHO RANKED A FEATURE AS IMPORTANT

Respondents were asked: *When thinking about the reasons why you choose a particular brand of dry pet food, how important are each of these factors?*



DRILLING INTO THE DATA

Several factors were analyzed by geographic location and by buying habits to determine if trends are consistent from region to region, and across shopping channels. These factors included: if a respondent trusts the brand, knows their pet will like the product, values packaging made with sustainable material and considers packaging overall in the buying decision.

Location results

The data demonstrates that pet owners' values and purchasing habits are consistent regardless of geographic location. For instance, in states bordering the Pacific and Atlantic oceans, 93% indicates that knowing their pet would like a product is the main factor when choosing a brand. Of respondents in the heartland, 94% said knowing their pet would like a product was a primary factor, demonstrating statistical consistency between the values of participants in each location.

Likewise, there was no statistically meaningful difference in the importance of respondents' trust in a brand and their buying behaviors among coastal state participants and those in the heartland.

Pet food consumers also view sustainability of packaging similarly across geographic regions. Among respondents in coastal states, 30% say the sustainability of their pets' premium pet food packaging material is important compared to 32% in the heartland.

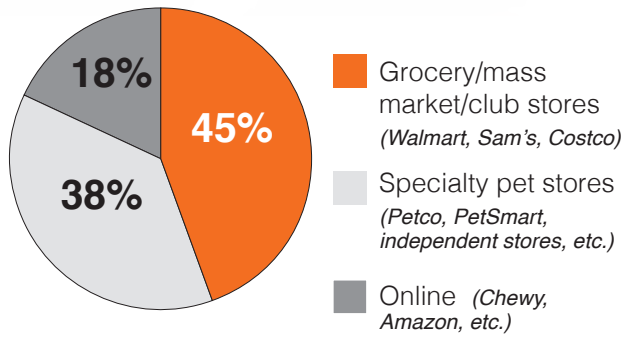
Location data implications

The data highlights a key insight for premium pet food producers: The trends among coastal and heartland states are similar, with consumer profiles and values remaining highly consistent across the country. Product blends, pricing structures, packaging and marketing efforts may be streamlined, with less priority placed on segmenting marketing initiatives to accommodate regional differences.



SHOPPING CHANNEL RESULTS

When breaking out the data by shopping channel, there are few differences in values among respondents based upon where and how they choose to shop.



BRAND DRIVERS

Respondents were asked: *When thinking about the reasons why you choose a particular brand of dry pet food, how important are each of these factors?*

Product I know my dog/cat will like



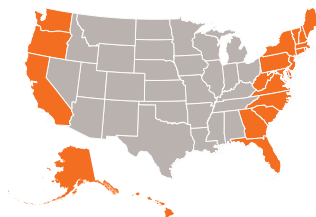
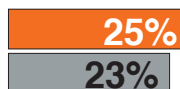
Brand I trust



Sustainability of packaging material



Packaging overall



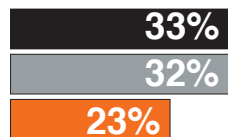
Product I know my dog/cat will like



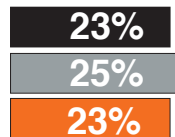
Brand I trust



Sustainability of packaging material



Packaging overall



- Grocery/Mass/Club
- Pet Stores
- Online

SHOPPING CHANNEL IMPLICATIONS

Data shows that brand drivers are remarkably consistent across geographic regions and buying channels, with the exception of priority placed on packaging sustainability by online shoppers. With brand trust commanding a strong influence among specialty pet store shoppers, enhanced on-package communication becomes a key opportunity for premium pet food companies.

Recent developments in packaging and printing technology enable brands to feature additional information on packages with smaller fonts, without sacrificing clarity or graphics integrity.

TRAITS THAT IMPACT BRAND PERCEPTION

BRAND BUILDERS

It's clear that brands must strive to appear both credible and reliable to consumers. However, as the market grows more saturated with new premium pet food entrants, how can brands differentiate their product in ways that not only attract new purchasers, but transforms existing consumers into brand champions. Survey respondents may have the answer.

82% say they always seek out solutions to make life easier. 67% say they are very loyal to their brand of dry pet food, and 61% say they buy the same brand of dry pet food they've always bought. More than 30% of premium pet food purchasers are apathetic toward their brand, indicating they could be convinced to switch.

BRAND LOYALTY INFLUENCERS

WHAT RESPONDENTS CARE ABOUT WHEN IT COMES TO PACKAGING SATISFACTION AND SELECTION

Respondents were asked: *How much do you agree with the following statements?*



PACKAGING

45%
Good packaging can make me love a brand

61%
I buy the same brand of dry pet food that I've always bought

LOYALTY

67%
I'm very loyal to my brand of dry pet food

CONVENIENCE

82%
I always seek out solutions that make life easier

HOW PACKAGING DELIVERS ON BRAND PROMISE

Top three packaging features

Respondents were asked how important certain features are when choosing a particular brand of dry pet food. Most (77%) say clear nutritional information on the package is extremely or very important. Food staying fresh inside the package is second as a valued feature, with 75% stating it is important. The third most important packaging feature is the inclusion of information describing how the food is made; 53% want these details clearly visible on the packaging.

If a pet food brand lacks these features, its target audience may see the product as less attractive compared to competitors' options. In fact, 59% of respondents say they would

continue to purchase a brand, even if it cost more, if nutritional information was clear on the package. 53% say they would continue to purchase a brand, even if it cost more, if food remained fresh inside its original package.

Where convenience surfaces

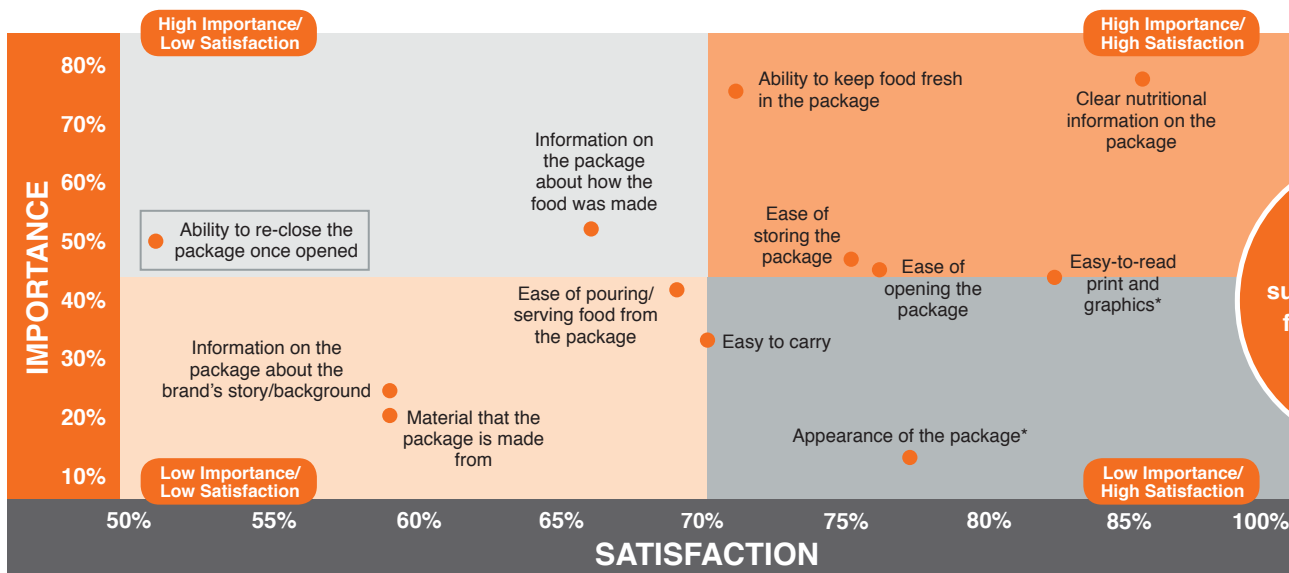
About 50% of respondents rank convenience features as extremely or very important. These features include:

- The ability to re-close the package once opened (51%)
- Ease of storing the package (48%)
- Ease of opening (46%); easy-to-read print and graphics (45%)
- Ease of pouring/serving food from the package (43%)

HOW SATISFIED ARE CONSUMERS WITH FEATURES THEY SEE AS IMPORTANT?

Re-closable packaging, tied to freshness, poses the single biggest opportunity to impress consumers

Respondents were asked: *How important are each of these packaging features when you choose a particular brand of dry pet food? (Extremely/Very Important) and How satisfied are you with the way that current packaging delivers on each of these factors? (Completely/Somewhat Satisfied)*



***Note: Brands chosen for this survey all currently feature premium flexible packaging**

TAKE ACTION: Highly important, but not delivering

Respondents are clear in expressing a performance gap regarding re-closable pet food packaging. More than half of respondents view this as an important feature. Yet, out of all respondents, only about half are satisfied with their current packaging's re-closing abilities. Another factor with high importance and room for improvement in satisfaction is the ability to keep food fresh in the package, which is also related to closure features. Opportunity exists for premium pet food manufacturers to increase brand satisfaction and loyalty by adding effective closure features.

DEFEND: Important and meeting expectations

The data also clearly highlights areas that pet food companies must defend. Consumers place high value on factors such as the ease of opening and storing their pet food packages, and clear, easy-to-read nutritional

information. They are satisfied with packaging performance in these areas, but when looking for efficiencies or compromises, companies should maintain emphasis on these factors to retain customer loyalty.

SECONDARY: Lower impact, but worth consideration

Respondents also identify some factors that are less impactful on the buying decision, but may present opportunities for future development. Respondents place a lower value on factors such as packaging material and brand story information, but also express low-level satisfaction with these elements. However, it should be noted that consumers in this study have already expressed a preference for brands that deliver premium flexible packaging. As the marketplace evolves, premium pet food companies may explore ways to emphasize their brand and its commitment to the environment more clearly through packaging.

MOST IMPORTANT FEATURES BY PACKAGING SIZE

Small

For packages weighing less than 6 pounds, 74% of respondents want food to stay fresh in the original package, 35% want the ability to re-close the package once opened, 30% want packaging that's simple to carry and 28% want pouring/serving food from the original package to be easy. It makes sense that with smaller containers, there is a higher expectation that food will stay fresh throughout the container's shelf life, which is usually shorter than a larger container's.

Medium

For packaging weighing 6-15 pounds, the ability to keep food fresh also ranks highest, with 59% indicating it is important. The ability to re-close the package once opened ranks second (32%), ease of pouring/serving ranks third (24%), and ease of carrying ranks lowest (18%).

Large

Even with packaging weighing more than 15 pounds, the trends continued. The packaging's ability to keep food fresh ranks first again, (*continued page 14*)

(continued from 13) with 48% of respondents saying it is important for large containers. The ability to re-close is also still high with 27% indicating it is an important feature. Large packaging being easy to pour or carry is less important to premium pet food consumers with only 15% of respondents indicating its significance.

Across all categories, survey respondents value fresh pet food. Resealing options are

particularly applicable for small to medium packaging where the importance of freshness is highest for consumers.

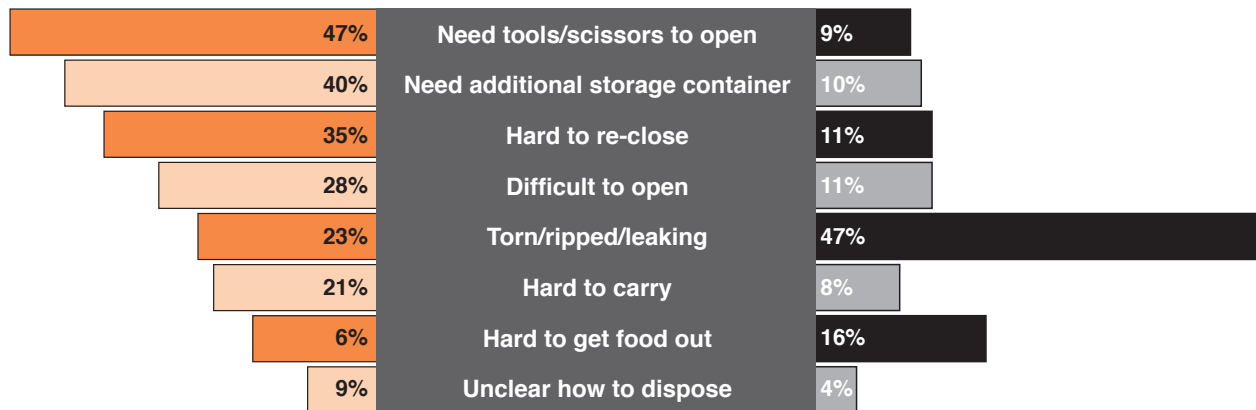
Materials matter

When asked about packaging issues, respondents had the strongest reaction to torn, ripped or leaking packaging, with 47% listing this as a deal breaker, signifying that the negative experience will likely lead to a brand switch.

Respondents were asked: *Have you experienced any of the following problems with the packaging for the dry pet food brands that you buy?* and *Which of these, if any, would be a deal breaker for you?*

ISSUE EXPERIENCED

DEAL BREAKERS



Brands that deliver the **whole package** in terms of convenience are particularly well positioned for meeting consumers' needs and building brand trust. As evidenced by this report, confidence in a brand is one of the most important factors to consumers when purchasing pet food. By adding features to your packaging that address consumer pain points (such as difficulty keeping food fresh, storing it, pouring it, etc.), brands can align themselves with the 82% of premium pet food buyers who seek out solutions to make life easier.



HOW SUSTAINABILITY DRIVES BRAND CHOICE

The data demonstrates that sustainability is an important premium pet food packaging feature to purchasers. To better understand how much premium pet food consumers value sustainability, respondents answered several questions about their view of brands that use environmentally friendly packaging materials.

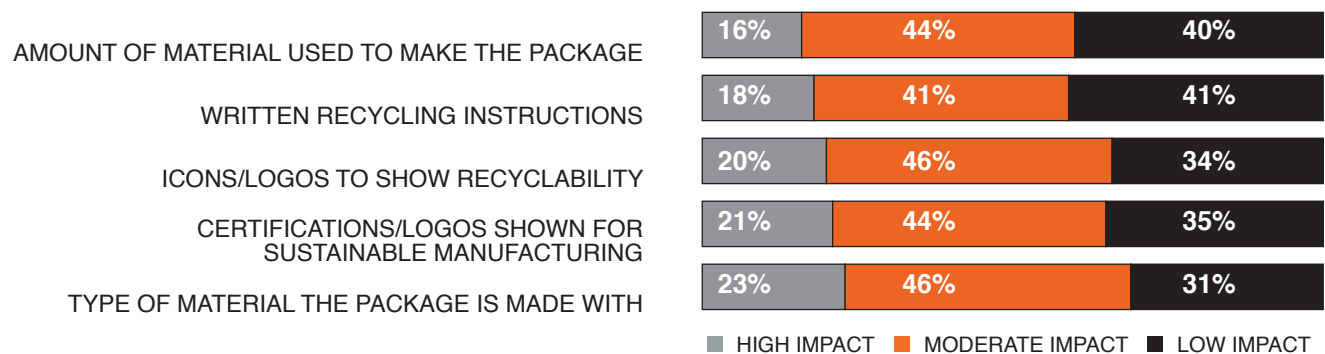
80% of respondents say they try to reduce their impact on the environment, and 70% say they prefer brands that care about the environment. Additionally, 75% say they would be more favorable to a dry pet food brand if it changed its packaging to be more environmentally friendly. Sustainability also has an impact on reputation, with 65% saying they would trust a dry pet food brand more if it changed its packaging to be more environmentally friendly. The trend towards green materials continues, with 8% saying they definitely would switch to a new brand,

and 23% saying they would probably switch, if the brand were to offer a product in a more sustainable package.

Even though about a third of respondents say sustainable packaging is an important feature, 60% claim that sustainability factors have a moderate-to-high impact on their dry pet food brand decision overall. Further, nearly 70% say the type of material their dry pet food packaging uses has a moderate-to-high impact on their decision to choose a certain brand, and 65% say certifications and logos that illustrate sustainable manufacturing have a moderate-to-high impact on how they choose a brand. Brands offer different options for communicating sustainability messaging to consumers. This study asked respondents how those options influenced their purchasing choice; their answers are reflected below.

SUSTAINABILITY TRAITS THAT IMPACT BRAND CHOICE

Respondents were asked: *How much influence do these have on you when you choose a brand of dry pet food?*



Speaking the right language

Environmentally friendly packaging is not the only important factor when it comes to leveraging sustainability for marketing success. How brands promote going green also matters.

Consumers were asked to rank the influence various packaging sustainability factors have on their purchase choice. Logos, icons and graphics are the strongest sustainability indicators to consumers with 60% of respondents claiming that these signal if a package is environmentally friendly. Other sustainability indicators were less clear to respondents. For instance, if a package lists the type of material it is made with, only 53% see that as an indicator that it is environmentally friendly. The same is true for written recycling instructions, with only 44% claiming that this is an indicator of greener packaging.

Consumers value some sustainability phrases more than others. When asked about sustainability messaging, 81% of respondents claim the phrase “100% recyclable” would cause them to perceive a package as

environmentally friendly. Furthermore, 71% of respondents say the similar phrase “made from 100% recycled materials” would cause them to view a package as environmentally friendly. The phrase “Made from 100% recycled post-consumer waste” resonated with only 52% of total respondents, speaking more to those in the 18-29 age group with 65% claiming it would make them feel that a package is environmentally friendly.

Based on responses from survey participants, environmentally friendly packaging materials have the potential to make a strong impact on consumer purchasing decisions. It’s a promising area for premium pet food producers to explore. In fact, 31% of respondents report they are open to switching to a new brand that uses sustainable materials, and 45% report that they might or might not switch. Premium pet food companies hoping to increase market share should identify opportunities to influence these persuadable consumers with sustainability messaging and innovative marketing strategies.



CONCLUSION

It should come as no surprise that, overall, a great product is a sure way to convert premium pet food consumers – as long as they know their pet will like it. Maintaining a trustworthy brand status is another key factor that affects consumer purchasing decisions. Interestingly, price does not hold as much weight as other considerations, indicating that purchasers are willing to pay more for the right product.

Freshness is critical in general, but especially so for respondents who purchase food containers of less than 6 pounds, likely attributable to purchases for smaller pets of specialized breeds.

A large majority of consumers are also on the lookout for lifestyle-oriented processes or products that help with daily activities, and while packaging on its own may not seem crucial to purchasing decisions, features that make feeding time more convenient can be. These packaging features may include resealing systems, handles that make carrying easier, easy-to-read print and graphics and/or a flat bottom so the container can stand on its own. Consumers lead busy lives, and any brand they encounter that reduces the difficulty or time spent on a task has the potential to be held in higher esteem. By directly addressing consumer pain points, premium pet food companies create opportunity to increase market share in a highly competitive environment.

Sustainability is impactful across all geographic regions. As consumers grow increasingly concerned about how their product choices affect the environment, exploring innovations in sustainable packaging may be a key profit-driving opportunity for pet food producers.

3 KEY INSIGHTS to take away

- Respondents' values and purchasing influencers are highly consistent across geographic regions and distribution channels.
- Almost one-third of respondents report they might switch brands based on packaging sustainability.
- Primary consumer pain points are related to freshness of food and packaging convenience.

There are no major value differences among premium pet food consumers across the United States. Their opinions and preferences are homogeneous both geographically and demographically. Because of this consistency, survey data does not suggest a need for segmentation. Strategies should focus on the impact of packaging on brand identity, the way consumers interact with a product's packaging and the environmental impact of packaging.

Mondi and Dow Chemical commissioned this research study in order to develop insight into consumer behavior that will guide us in providing premium pet food companies with the most innovative and impactful packaging solutions available in the market. This data will be utilized to develop new packaging options that meet customer needs and address consumer pain points.

ABOUT MONDI NORTH AMERICA

Mondi is a global leader in premium packaging and paper. We strive to provide our clients and their customers with innovative features and sustainable packaging solutions that keep production smooth and efficient. We are fully integrated across the packaging and paper value chain – from managing forests and producing pulp paper and plastic films to developing and manufacturing effective industrial applications. We offer unmatched, state-of-the-art printing and recycling technology.

Our approach is simple:

- We develop close relationships with customers
- We listen to their needs and challenges
- We share what we've learned from our years in the business
- We make good on our promises.

Total solutions, not just products, distinguish us from others.



Learn more about Mondi's premium pet food packaging:
MondiChangesTheView.com

Discover all of Mondi's products and solutions:
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