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2024

RedCore

Delhi. Bangalore.

From Kibble to Care: Understanding India's evolving petcare market

Report

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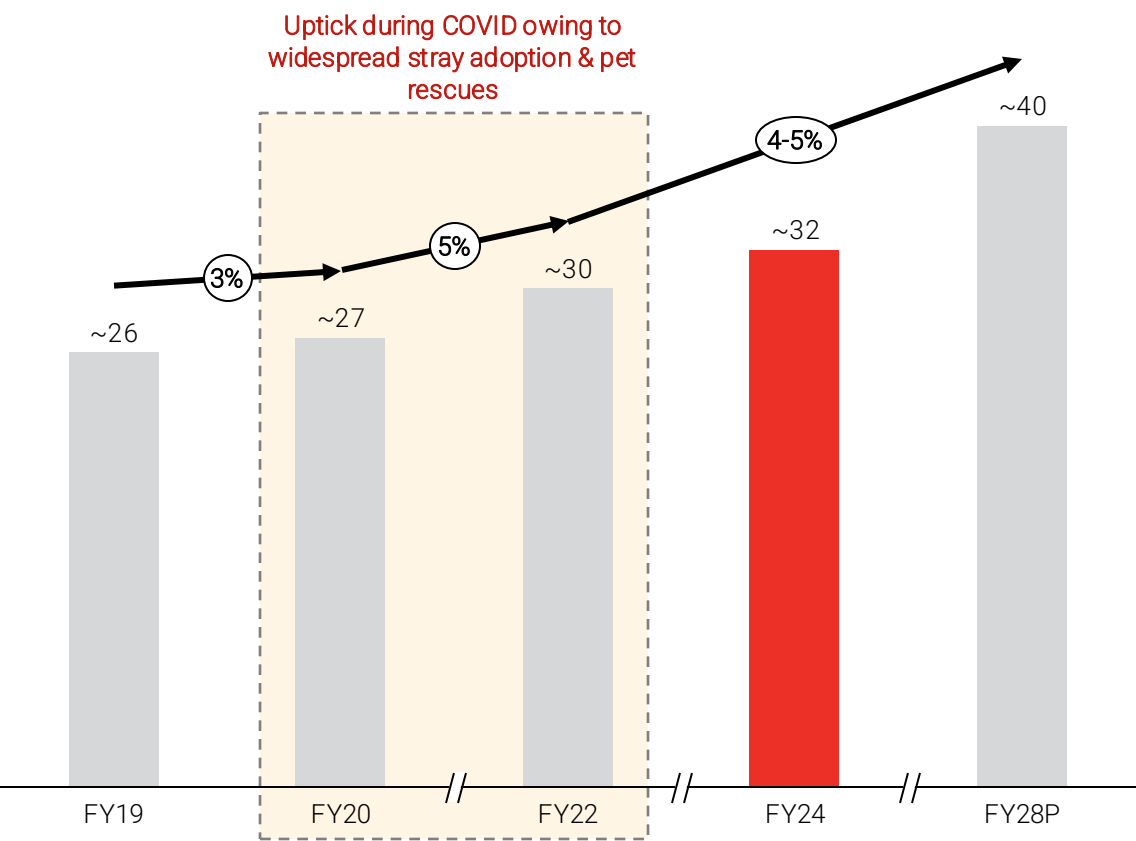
Contents

India's ~\$3.5B petcare market is booming, offering vast opportunities for new-age players

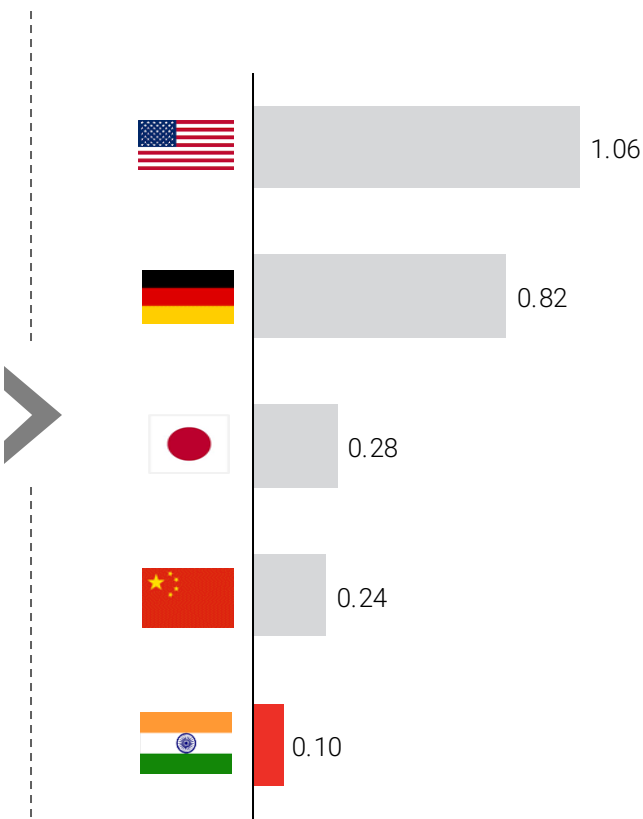
Pet parents are evolving and spending more on petcare

India is home to ~32 Mn pets, with a significant headroom for growth

Total pet population in India
In millions, FY19, 20, 22, 24 & 28P



Pet population per household
FY24



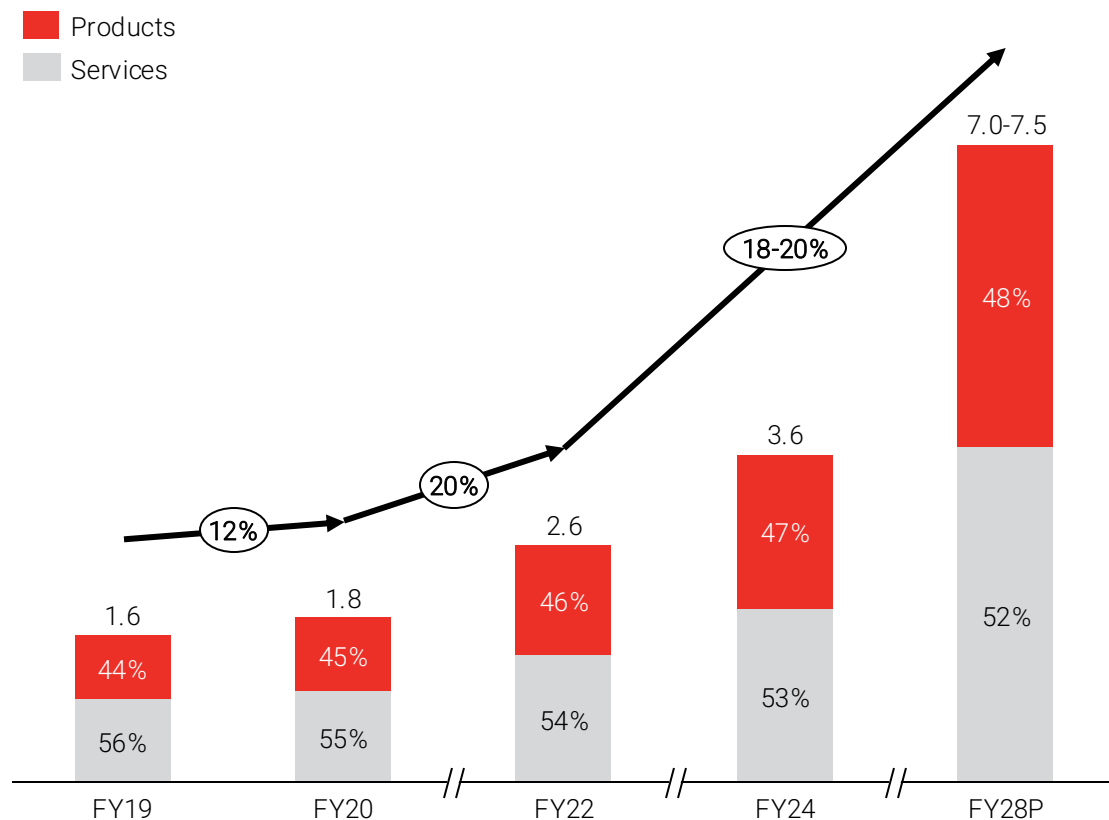
Note(s): (1) Pets only include in-home pets and excludes street animals (2) Pets include dogs, cats, rodents, birds and fish

Source(s): World Bank, FRED, Destatis, IPSS, RedCore analysis

Spending on petcare has grown 2x since FY20 to reach \$3.6 Bn today

Both products & services see similar spends

Total spends on petcare products and services
In USD billions, FY19-28P



Growth Drivers

1

GROWING NUMBER OF PETS

With rising pet adoption and rescue culture, spending of petcare is also expected to rise as pet parents spend on the upkeep of their pets

2

EMERGING CATEGORIES DRIVING SPENDS

Newer petcare products and services such as pet boarding, pet insurance are picking pace and attracting attention of modern pet owners

3

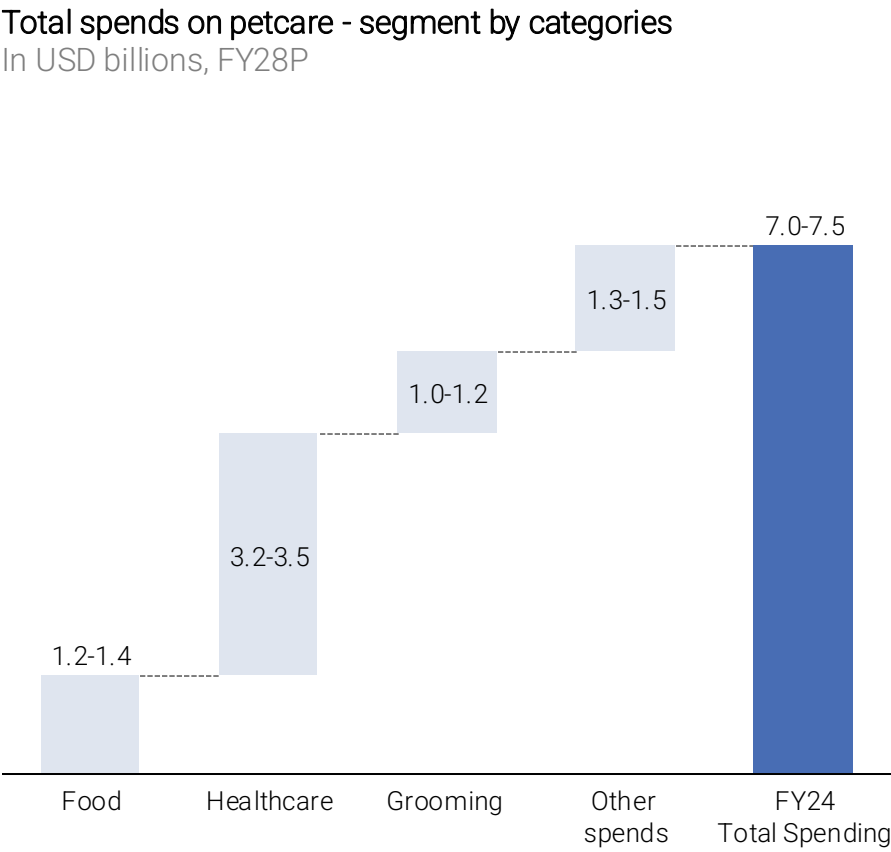
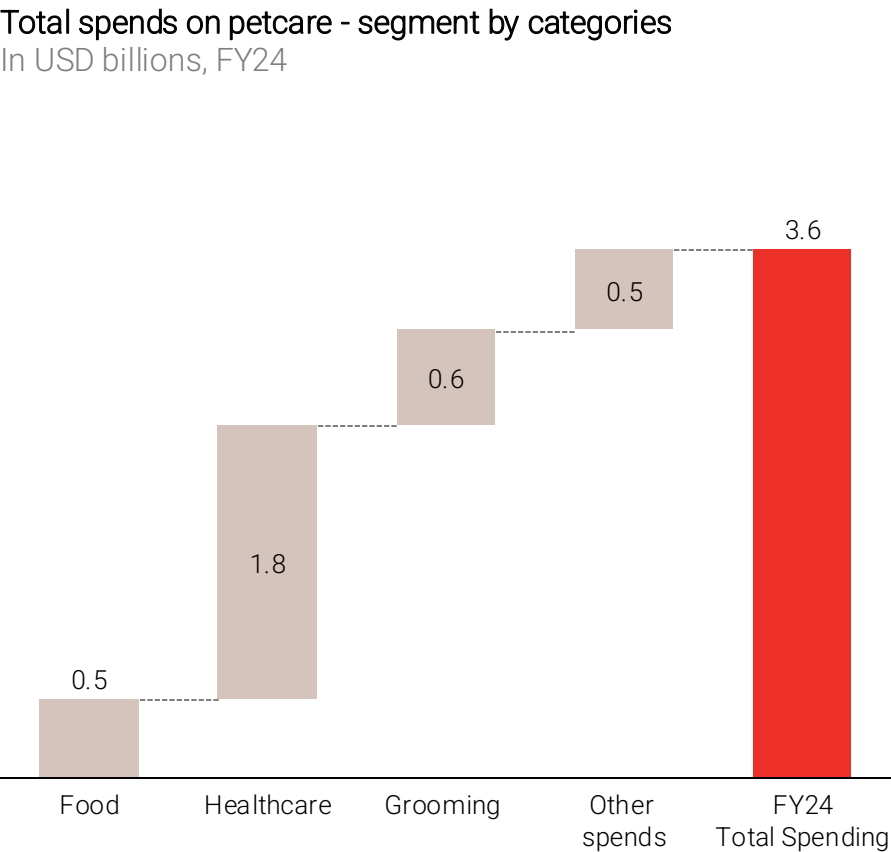
MACROECONOMICS & PREMIUMIZATION

Evolving macroeconomic pressure of inflation as well as premiumization of pet products and services will drive the market

Note(s): (1) Petcare products include food products, healthcare products & pet accessories ; (2) Pet services include grooming services, healthcare services & value-added services (pet walking, pet boarding & day care, & pet behaviour training services); (3) Pet rescuing is defined as been rehomed after being in need, such as being abused, neglected, abandoned, or surrendered by its owner

Source(s): RedCore analysis

~80% of this spending across channels is driven by healthcare, grooming & food

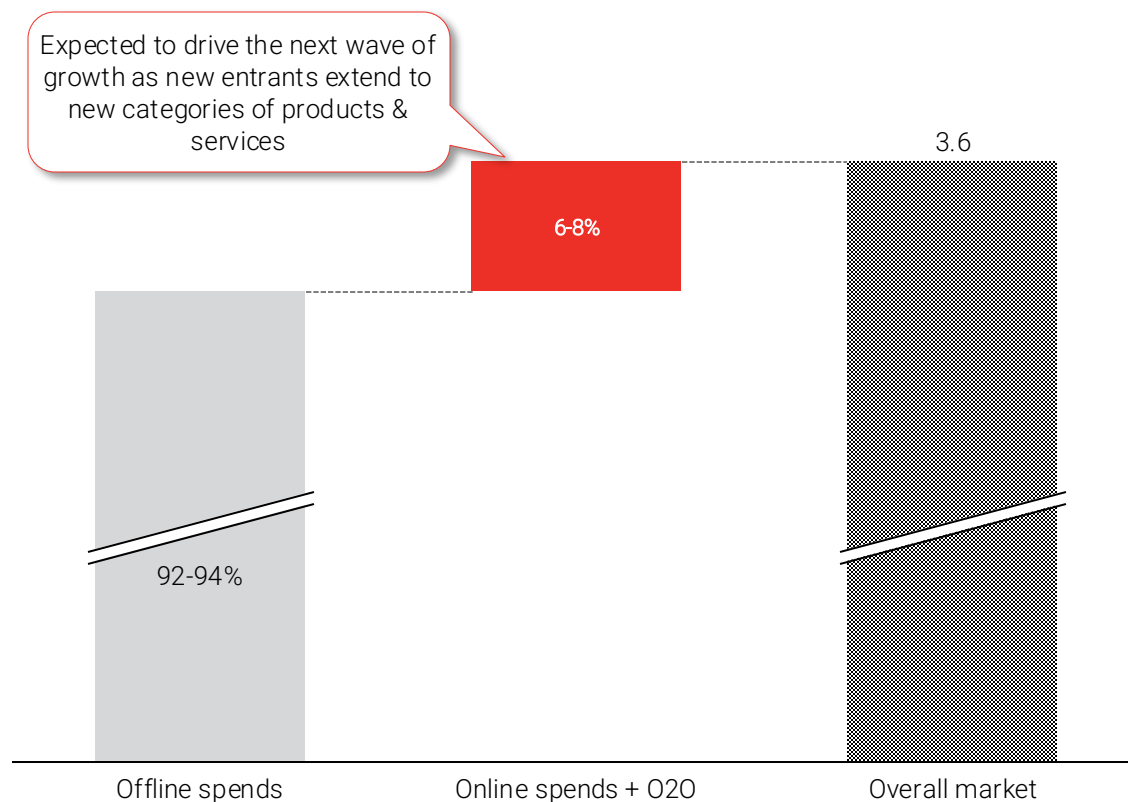


Note(s): (1) Pet healthcare products include vaccinations, dietary supplements, flea/tick preventions, medications for illnesses/injuries, etc.; (2) Pet healthcare services include vaccination services, treatment and consultations, diagnostics, routine check-ups and emergency health services (3) Pet grooming services include bathing, hair trimming/cutting, dental cleaning, nail trimming, etc.; (4) Pet food includes packaged foods designed to meet pet's nutritional needs (4) Other spends include spends on pet accessories and value-added services like pet boarding and daycare, behaviour training, and walking services

Online spending on petcare is still nascent and makes up <10% of the overall market

Petcare products and services: offline vs online

In USD Bn, FY24



Online growth drivers

- 1 E-COMMERCE EXPANSION**
Widespread adoption of e-commerce platforms has made it easier for pet owners to access a variety of petcare products
- 2 GROWTH IN SUBSCRIPTION SERVICES**
Online platforms offer subscription models for pet supplies, including food and grooming products, which appeal to the convenience-seeking consumer base
- 3 INCREASED AWARENESS OF ONLINE PETCARE BRANDS**
Pet parents have become familiar with newer brands and services for their pets, through social media and online advertisements

Note(s): (1) Online spends refers to expenditure on petcare products and services made through digital platforms, such as e-commerce websites and mobile apps (2) Offline spends refers to expenditure on petcare products and services made through physical retail channels such as small stores, vet centres or supermarkets (3) O2O is Online to Offline where bookings are made online and service delivery happens offline

The online market is catered by new age players offering both products & services

NON-EXHAUSTIVE

New Age Players

Product First



Focus is primarily on creating or selling pet products like food, toys or accessories

Service First



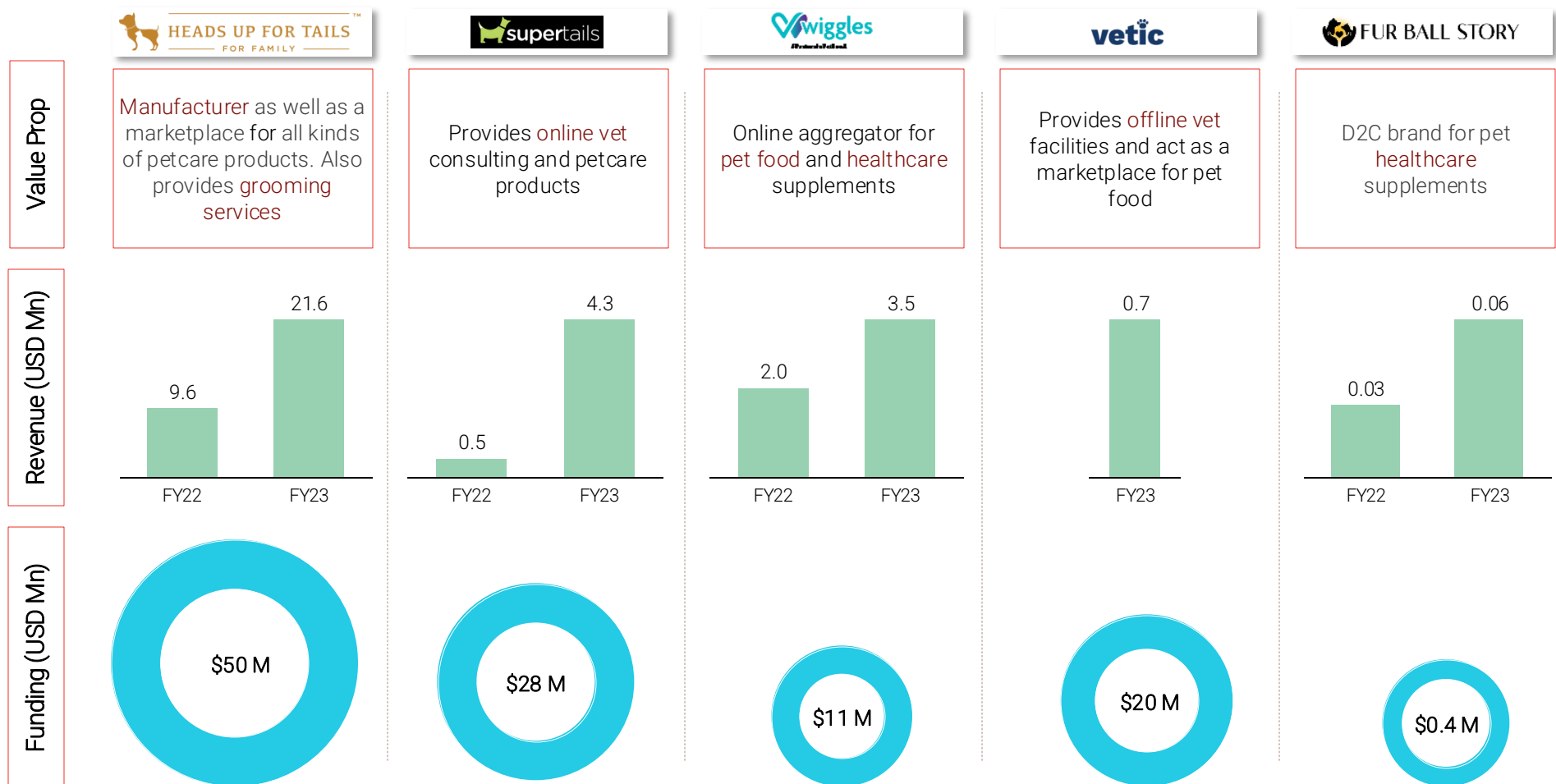
Focus is primarily on services such as grooming, veterinary care, or pet training

Note(s): (1) Players are listed in alphabetical order

Source(s): RedCore analysis

Most of these new age players have raised reasonable capital to enable their growth journeys

SELECT EXAMPLES

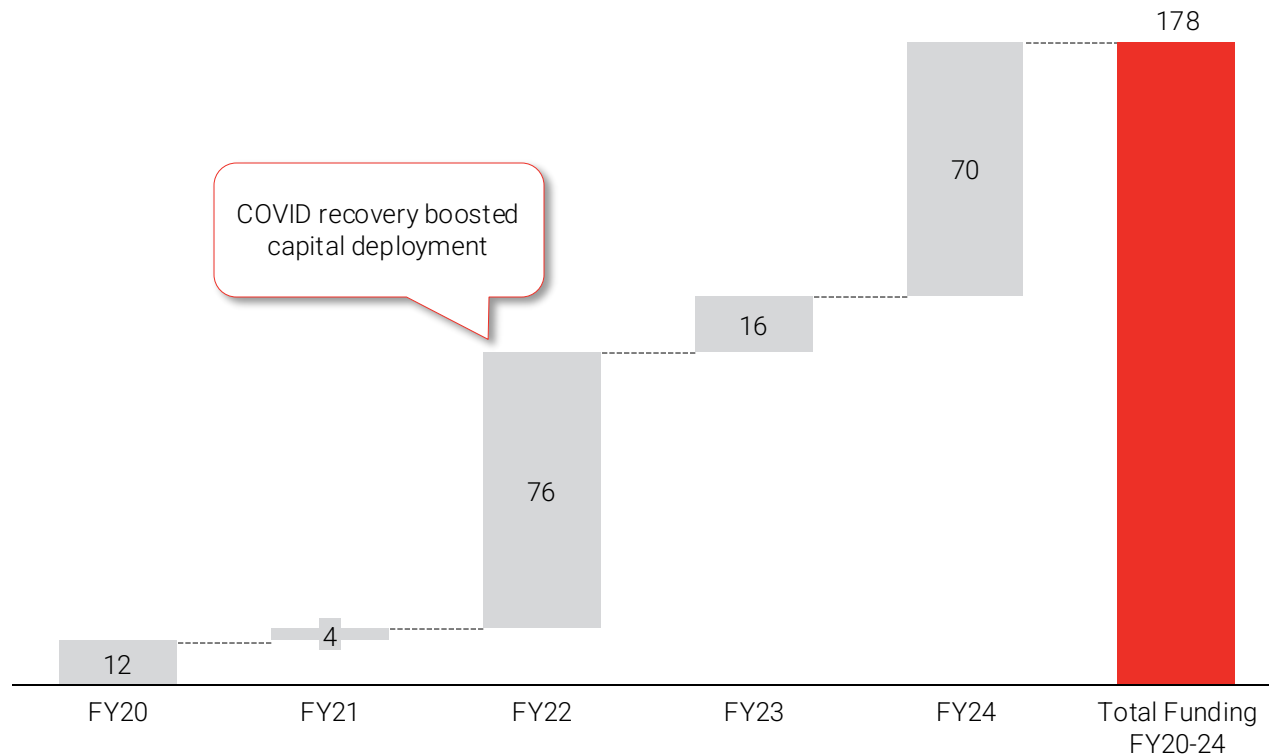


Note(s): (1) Total funding as of FY24 (2) Revenue calculated basis ROC filings available on MCA (3) 1 USD = INR 80







Source(s): Ministry of Corporate Affairs (Data as of 15th Oct 2024), Secondary research, RedCore analysis

Investors have also continually backed new age players, infusing ~\$180 Mn as of FY24

Capital invested in Indian petcare
USD Mn, FY20-24



Roundup of deals in New Age Players

Company	Investment in \$ Mn (Year)
 HEADS UP FOR TAILS FOR FAMILY	37 (FY22)
 supertails	15 (FY24)
 JUSTDOGS®	7 (FY22)
 Dogsee	6-7 (FY22)
 wiggles Wigwags & Wagtails	5.5 (FY22)
 vetic	4 (FY23)

Note(s): (1) Investment includes both VC & angel investors (2) Investment details is of only last funding round








Source(s): PrivateCircle, RedCore analysis

Building on this confidence, new age players are also betting on niche offerings for pet parents

NON-EXHAUSTIVE

Petcare emerging business offerings

Descriptive

 Petcare Tutorials	 'Smart' products for pets	 Pet insurance
DESCRIPTION <ul style="list-style-type: none">• Trainings for new pet parents for looking after their pets• Guided lessons on best practices to care for their pets	DESCRIPTION <ul style="list-style-type: none">• Smart feeding devices that allow timed dispensation of pet food and monitored dosage while pet parents are away• Remote monitoring collars and GPS trackers for pets	DESCRIPTION <ul style="list-style-type: none">• Petcare insurance is a new subset of the insurance market, offered in partnership with insurance companies
BENEFITS <ul style="list-style-type: none">• Equipping new pet parents with skills and modern-day best practices specifically for the breeds of pets they have	BENEFITS <ul style="list-style-type: none">• Helps in monitoring pets' health, nutrition, activity levels, and their favourite food at the convenience of home• Intuitive user interface & real time updates	BENEFITS <ul style="list-style-type: none">• Medical records management, mobile claims submission, vaccination & appointment alerts via a smartphone app
PROMINENT PLAYERS 	PROMINENT PLAYERS 	PROMINENT PLAYERS  

Note(s): (1) Segments highlighted largely focus on dogs & cats. Similar offerings also exist globally for fishes, rodents, rabbits etc.

Source(s): RedCore analysis, Company Websites

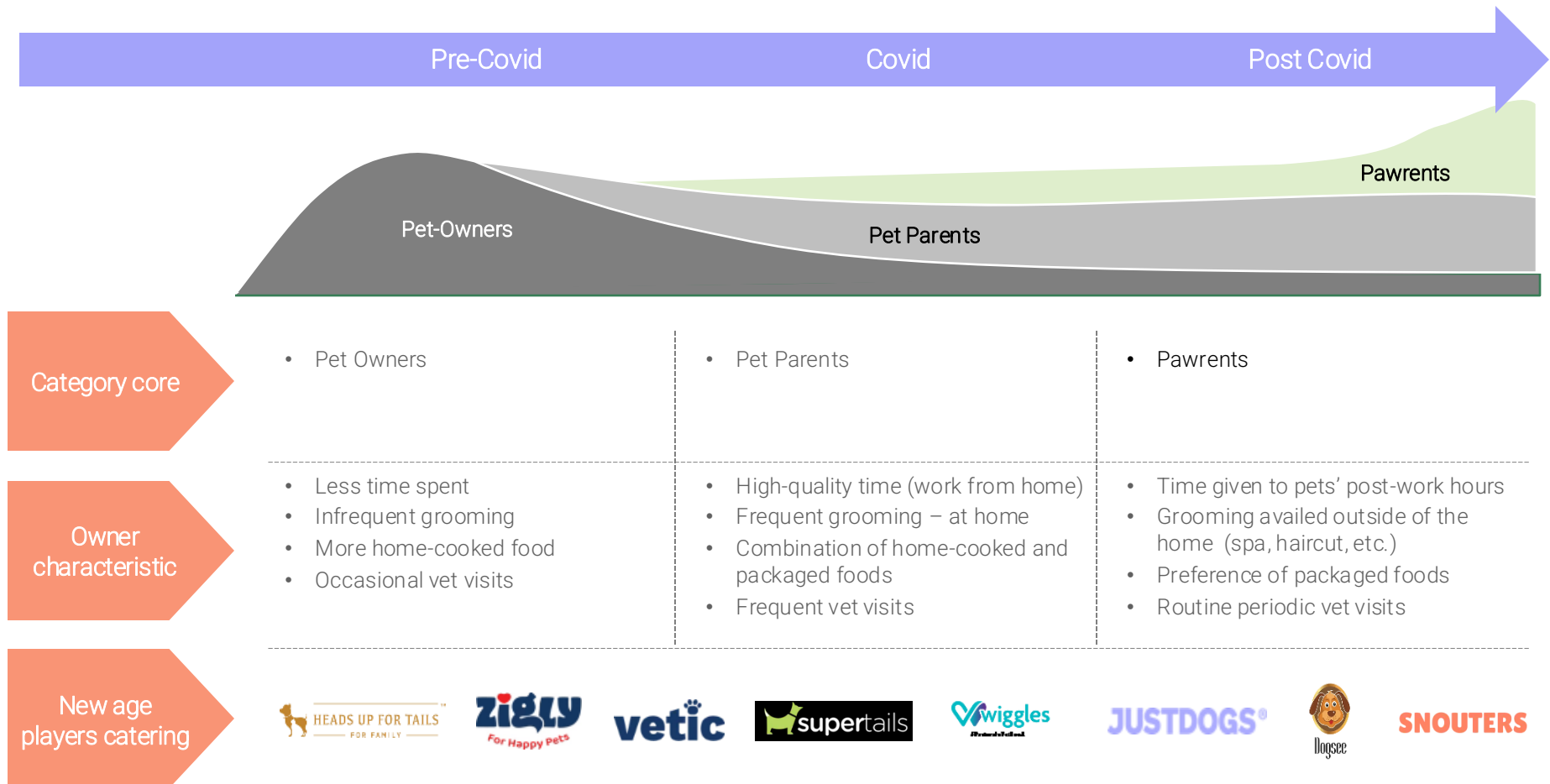
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Pet parents are evolving and spending more on petcare

Covid has played a pivotal role in evolving “Pet-Owners” to becoming “Pawrents”

Evolution in customer preferences







These “Pawrents” can further be segmented into 4 cohorts based on their purchase behavior

Indian petcare market consumer cohorts

Descriptive

Type of Purchase Behaviour

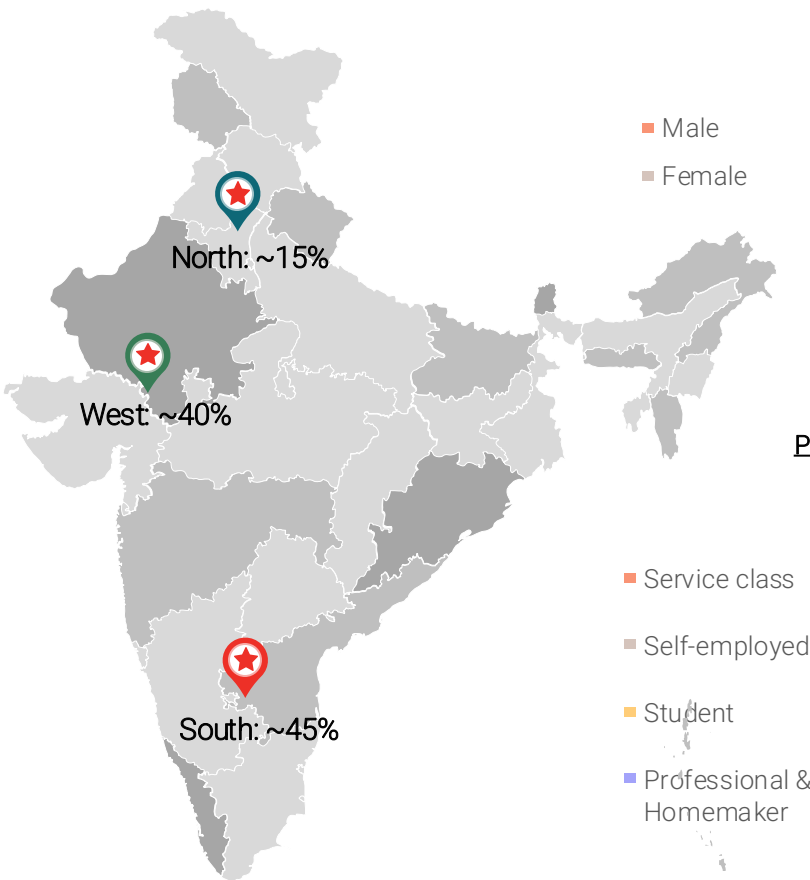
Less Evolved  Very Evolved

		1. Value Buyers	2. Brand-loyal Discount Seekers	3. Convenience-first Buyers	4. Experience-oriented Shoppers
					
A. Description		Families in relatively smaller cities who seek cost-effective petcare solutions without compromising basic quality	Families in metro and tier 1 cities who stick to trusted brands but actively seek discounts and offers	Young & busy individuals in metros who want convenient petcare solutions; typically, recent pet owners	High-income small families and couples in metros who want personalised quality experience with their pets
B. Purchase Behavior	Food	Fully/partly homemade	Specific and affordable brands	Branded only; Diet & life-stage appropriate food	Branded only; Diet & Wellness focused
	Supplies	Limited toys & clothes, can be homemade	Local stores used; Chain-stores visited	Variety of chain stores preferred	Customised supplies from chain stores
	Vet Care	At home care / local vet clinics	Local vet clinics	Local vet clinics – rely on reviews/word of mouth	Vet on call/ teleconsultation; regular visits
	Services	Grooming is almost negligible; Training through unorganised channels	Occasional grooming	Frequent grooming; Training-first	Periodic grooming, continual training
C. Preferred Channel		Offline only – lack of online-first options	Offline-first – relations with local pet stores to get discounts on orders along with delivery	Online-first – convenient ordering experience prioritized	Omni-channel – Discovery online, experience enjoyed offline
D. Expectations from Providers		1. Affordable products	1. Better brand availability 2. Deals and discounts	1. Convenient & speedy delivery 2. Involvement with pet community	1. New experiences with pets 2. More engaged pet communities

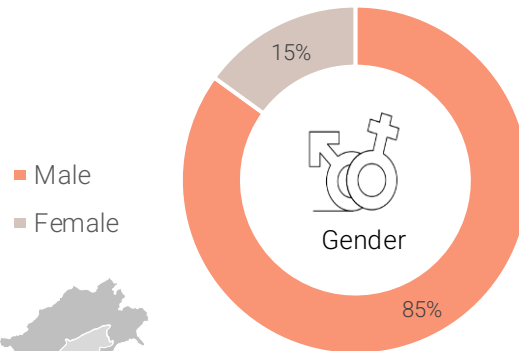
We surveyed ~500 pet parents

Demographic profile (N=493)

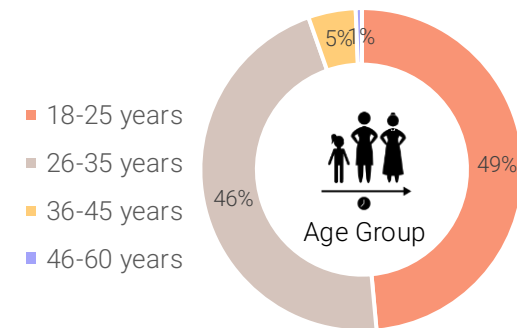
Q: City, Gender, Age, Profession and Income



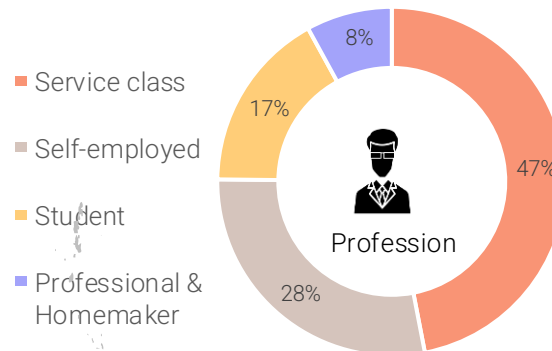
Gender>>



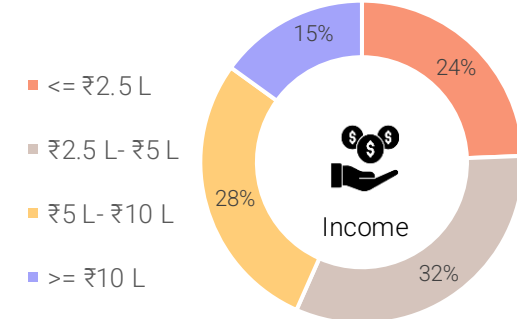
Age Group>>



Profession>>



Household income (INR)>>



Note(s): (1) Income is self-reported (2) Surveyed people largely reside in Metro cities (Delhi, Bangalore, Hyderabad, Mumbai & Pune)

Source(s): RedCore analysis

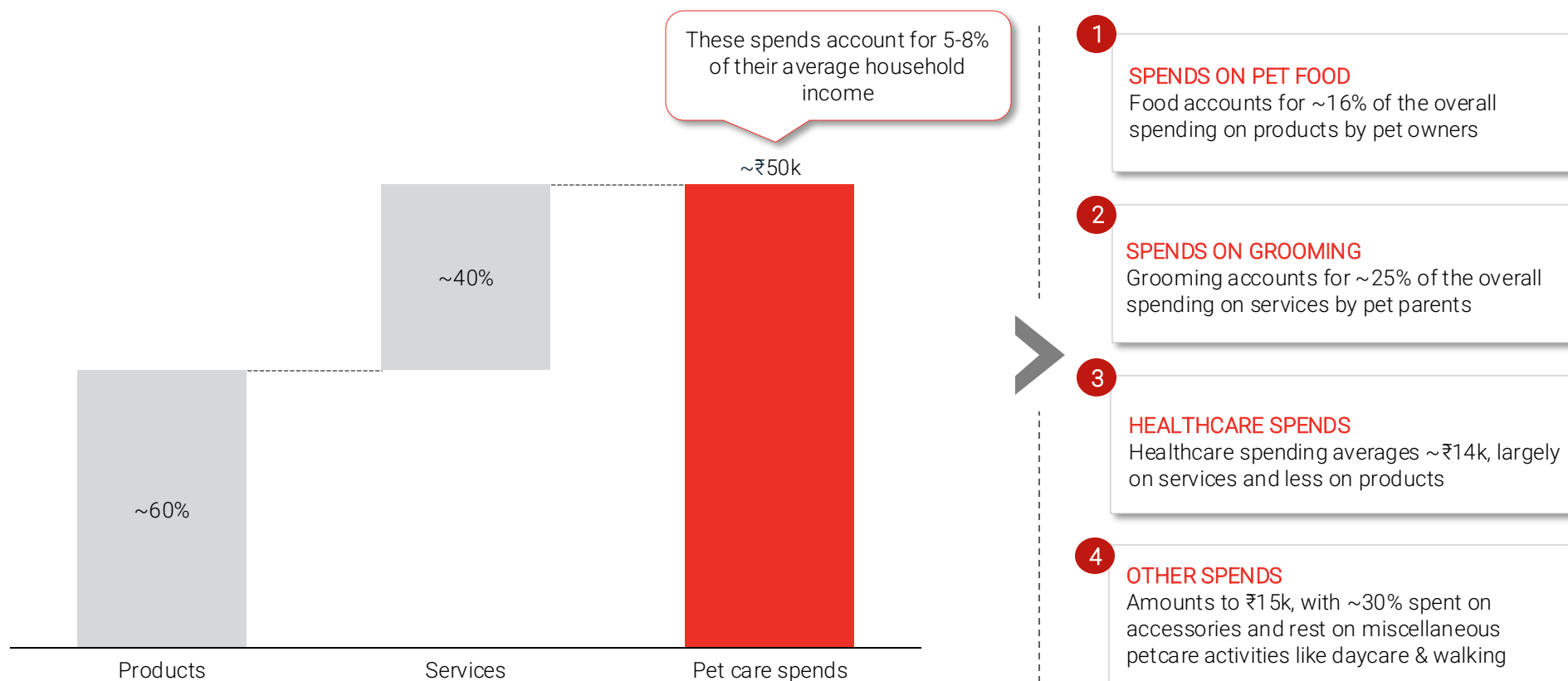
These pet parents spend ~₹50k yearly on petcare product and services

Metro / Tier 1 - Annual expenditure – split by product & services (N=493)

Q: What is your estimated annual expenditure on pet-related products/ services?



Remarks

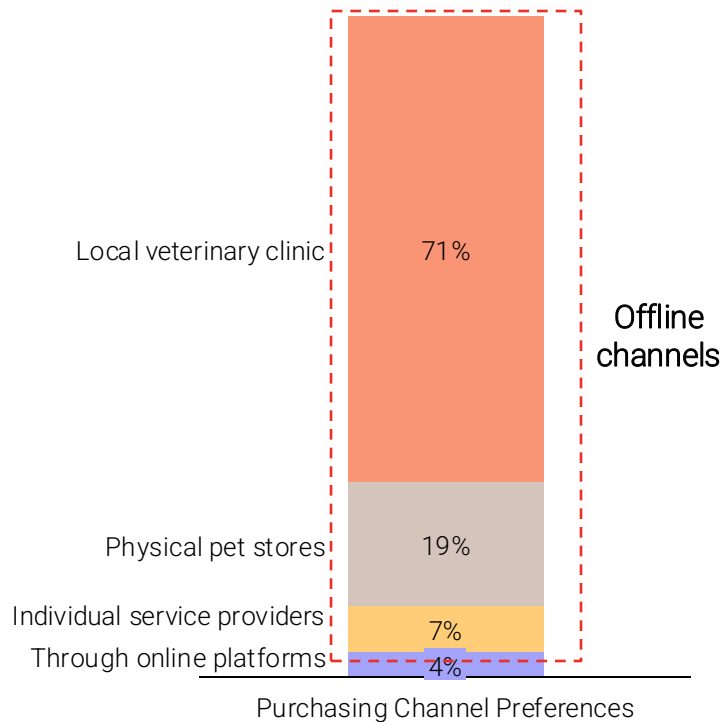


Note(s): (1) Food spends exclude spends on home-cooked food (2) Other spends on services include spends on behavior training, pet therapy, etc. (3) Other spends on products include spends on pet accessories like collars, leashes, toys, etc. (4) Healthcare spends also include spends on vaccinations and medical services like consultations, check-ups, etc.

Petcare spends on both products and services are primarily offline

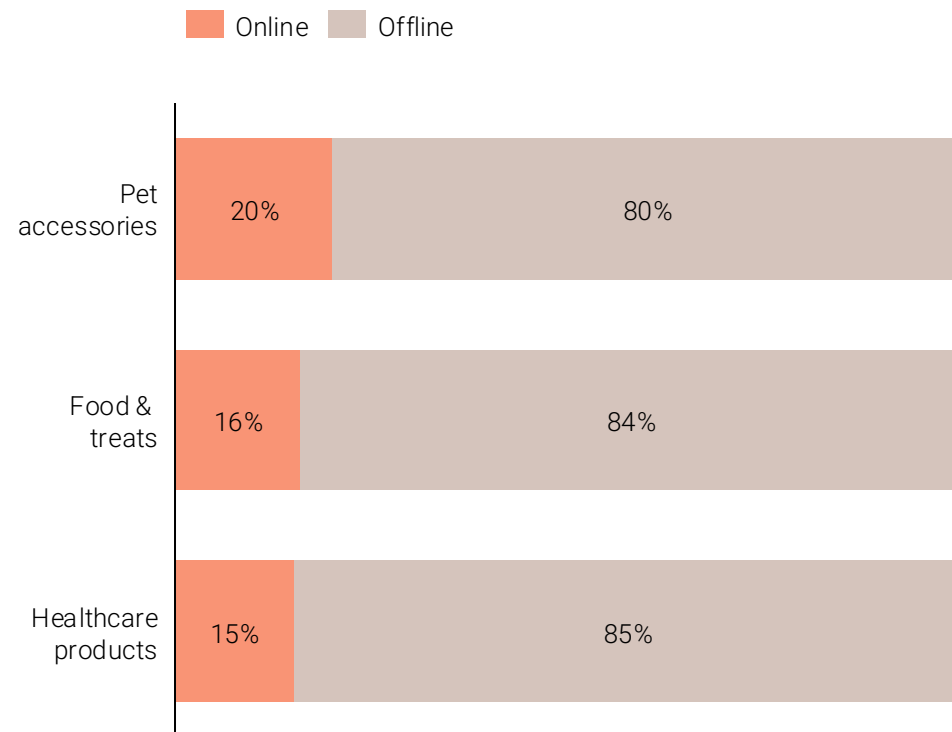
% split - services channel preferences (N=493)

Q: Where do you avail services for your pet?



% split - product channel preferences (N=493)

Q: Where do you usually purchase pet related products?



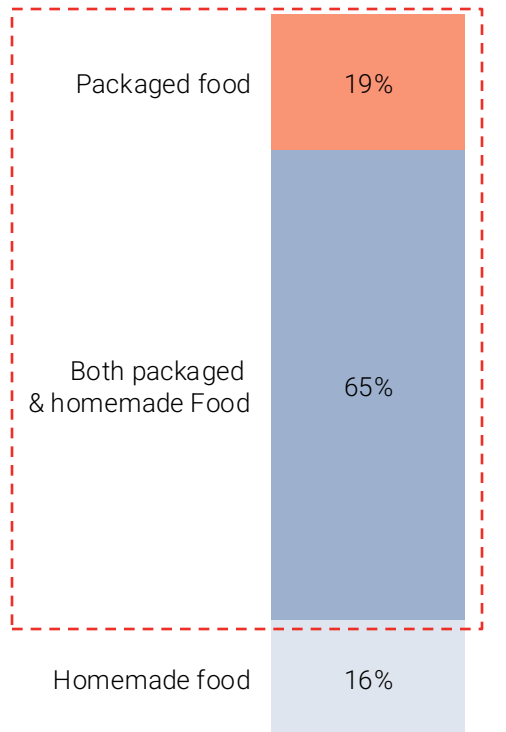
Note(s): (1) Online platforms include both standalone websites and aggregators (2) Online platforms is O2O service providers

Source(s): RedCore analysis

Packaged pet food is becoming increasingly common supplemented by vet recommendations

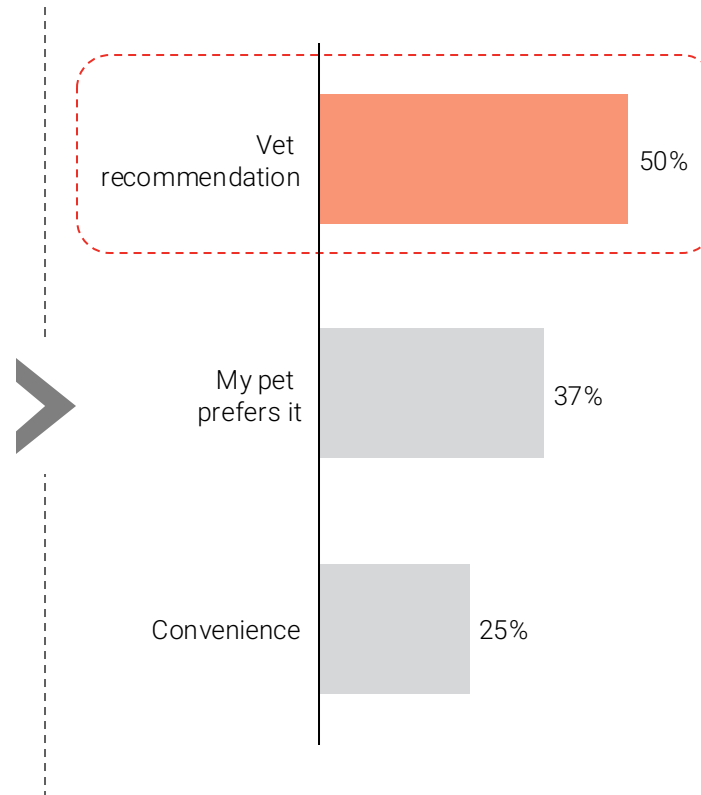
Type of food provided to pet (N=493)

Q: What kind of food do you typically provide to your pets?



% split – Reasons for providing packaged food (N=414)

Q: What are the reasons you provide packaged food?



Voice of pet parents

"I've a busy schedule, so I can't find time to cook for my dog every day. Packaged food has been a lifesaver for me!"

"Our vet suggested to switch to packaged food, and we've seen a positive change in our dog's health."

"On days when I can't cook, I feel good about giving my cat packaged food because it's a nutritious meal"

"Packaged food is convenient, especially when I don't have time. It has all the nutrients my dog needs."

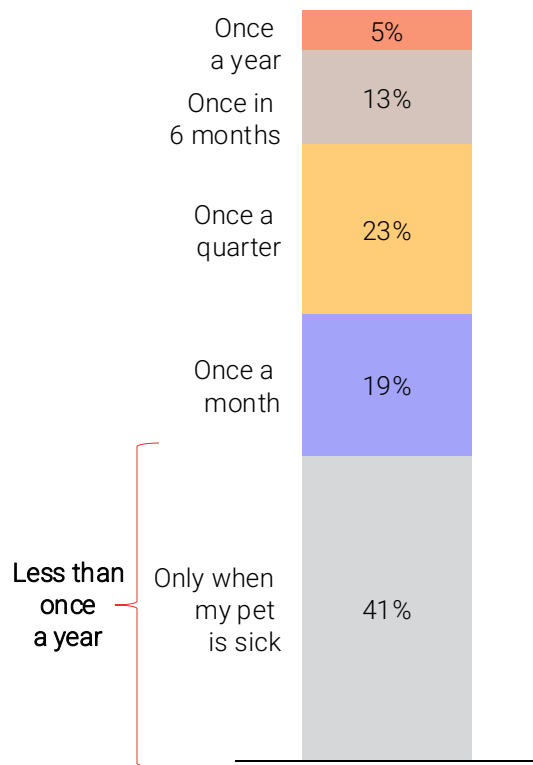
Note(s): (1) Packaged pet food includes dry kibble, wet food, and special diet options

Source(s): RedCore analysis

Vet visits are more frequent and cover a broad scope beyond need-based healthcare, but challenges remain

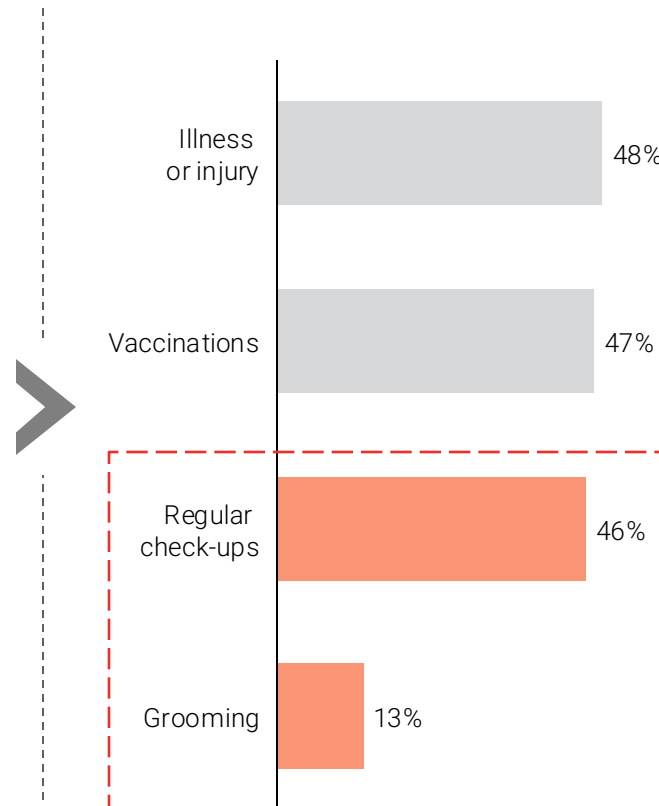
Frequency of visits to the vet (N=493)

Q: How often do you take your pet to the veterinarian?



Reasons to take to the vet (N=493)

Q: What are the most common reasons you take your pet to the veterinarian?



Issues faced while availing veterinary services

Q: What issues have you faced with the veterinary services you've availed for your pet?

- **Untrained or unskilled staff**
Pet owners expressed concerns about mishandling and aggressive behavior by support staff
- **Pricing concerns**
Respondents found veterinary services expensive, and not aligned with the quality of care
- **Long waiting time**
Disorganized vet work led to several hours of wait time for respondents

Note(s): (1) Regular checkup involves periodic vet visits to monitor a pet's health, separate from scheduled vaccinations

Source(s): RedCore analysis

Pet grooming is more outside the home through local pet groomers, where issues with staff & service quality dampen the customer experience

% split – Grooming channel preferences (N=452)

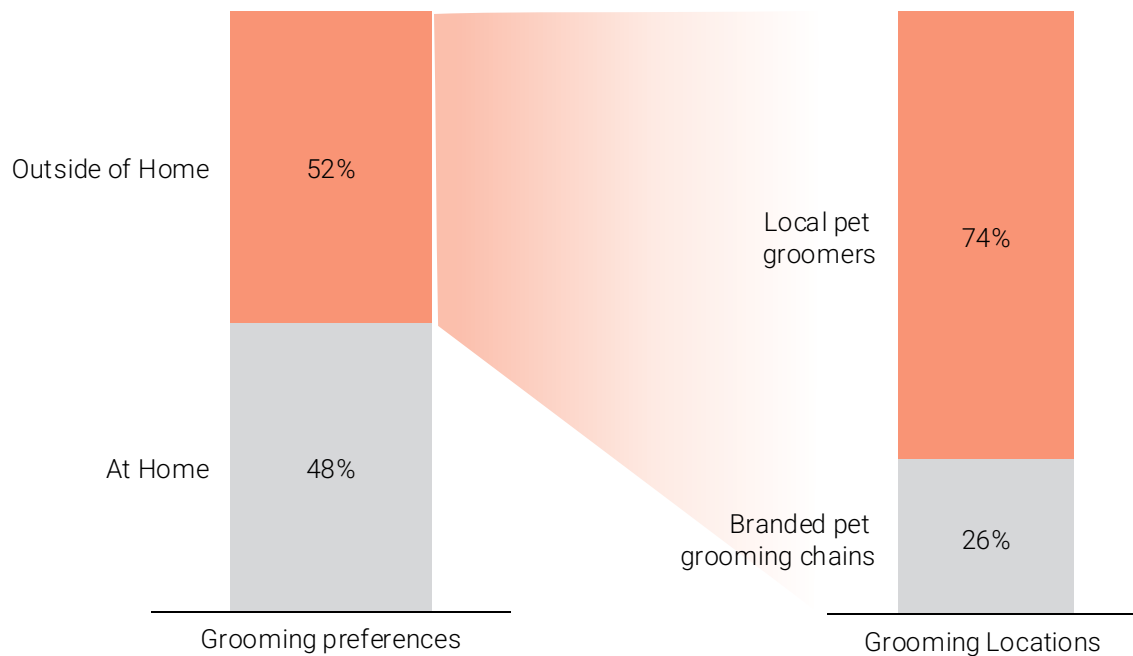
Q: Where do you typically avail grooming services for your pet from?

Place of availing grooming services (N=234)

Q: Where do you typically avail grooming services for your pets from?

Issues faced with grooming services

Q: What issues have you faced with the grooming services you've availed for your pet?



- **Untrained or unskilled staff**
Respondents reported rough handling of pets, and limited product knowledge among groomers
- **Long waiting time**
Respondents reported waiting over 30 minutes despite scheduled grooming appointments
- **Poor quality of service**
Pet owners were dissatisfied with the quality of grooming services, as results often fell short of expectations

Note(s): (1) At-home grooming involves a professional groomer visiting the home with all necessary equipment

Source(s): RedCore analysis

Acknowledgements



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Thank You

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