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# 2025 PET CARE INDUSTRY TRENDS

The pet care industry is experiencing rapid growth, driven by shifting consumer behaviors and rising demand for high-quality products. The global pet food and toys market is projected to reach a staggering $500 billion by 2030, with the US market expected to make up 40%. Market growth will be driven by premiumization and a focus on proactive health management. As pets continue to be viewed as integral members of the family, owners are reaching for more than just the basics—they want personalized, tech-driven solutions to enhance their pets' lives. Today's pet owners, particularly Millennials and Gen Z, are not only embracing technology but actively seeking out innovative, personalized solutions for their pets. These generations are reshaping the industry, with a strong demand for healthier, smarter, and more sustainable products and services.

In response, pet companies are adjusting their strategies to cater to this increasingly tech-savvy, proactive, and sustainability-conscious consumer base. From AI-powered health wearables and personalized diets to sustainable manufacturing practices and direct-to-consumer (DTC) models, the trends shaping the future of pet care reflect a shift toward greater transparency, customization, and convenience. To remain competitive in this evolving market, brands must stay ahead of these trends, adopting new technologies and growth strategies while aligning with the values of the modern pet owner.

This article delves into the key trends that will define the pet care industry in 2025, offering insights into the changing landscape and how companies can capitalize on these shifts.

1. **TECH-SAVVY SHOPPERS:** NEW PET OWNERS ARE DEPENDENT ON TECHNOLOGY TO SHAPE THEIR PURCHASING JOURNEY

2. **AI IN PET CARE:** HOW PERSONALIZED, DATA-DRIVEN SOLUTIONS ARE ENHANCING PET HEALTH AND WELL-BEING

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4. **MERGERS AND ACQUISITIONS:** HOW PET COMPANIES ARE NAVIGATING ECONOMIC PRESSURES TO EXPAND AND DIVERSIFY OFFERINGS

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# 1 TECH-SAVVY SHOPPERS: NEW PET OWNERS ARE DEPENDENT ON TECHNOLOGY TO SHAPE THEIR PURCHASING JOURNEY

As pet ownership continues to grow, tech-savvy Millennial and Gen Z owners are becoming the driving force in the pet care market. These generations actively utilize technology to research, shop, and purchase products, with the goal of personalizing their shopping experience. E-commerce and subscription-based services continue to be important shopping channels as they offer tailored, automatic deliveries based on pets' needs and preferences. Online purchasing is the preferred shopping method for Gen Z and Millennials, and it now accounts for 39% of total pet care sales.

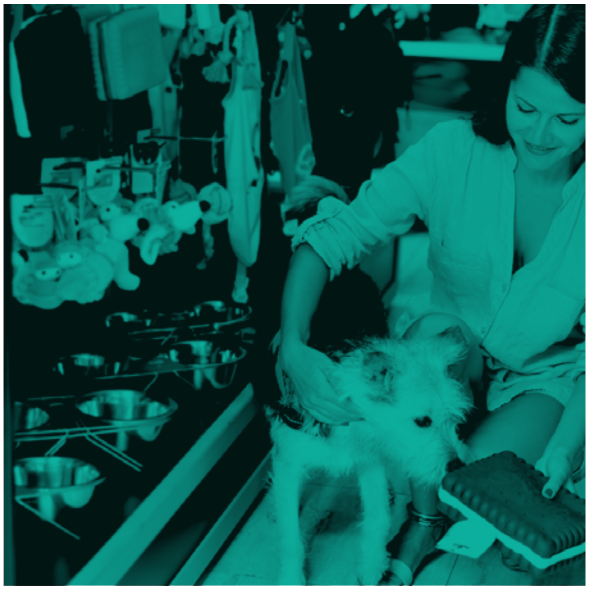
The near-ubiquitous use of social media is also shaping purchasing behavior, with pet owners discovering new products through influencers, reviews, and user-generated content on platforms like Instagram and TikTok. According to the American Pet Products Association's 2024 National Pet Owner Survey, 56% of Gen Zers and 32% of Millenials learn about products via TikTok. While the use of social media allows shoppers to feel more educated on trends around their favorite brands, a company's corporate responsibility, and product nutritional quality, it also allows customers to move past brands and search for items that fulfill key attributes or desires, rather than rely on branding specifically to win their cart.

Additionally, AI-driven shopping tools are becoming more prevalent, with apps and websites offering personalized product recommendations based on pets' age, breed, and health requirements. Pet owners will expect more seamless, personalized shopping experiences, with brands leveraging data to offer tailored recommendations and smart features like virtual try-ons for pet accessories and customizable product options. For pet companies, embracing convenience, personalization, and social influence will be key to reaching the new pet category shoppers moving forward.

# 2 AI IN PET CARE: HOW PERSONALIZED, DATA-DRIVEN SOLUTIONS ARE ENHANCING PET HEALTH AND WELL-BEING

Pet owners aren't just using technology for themselves, they are comfortable adding technology to their pets' lives as well. As we move into 2025, AI is set to revolutionize the pet care industry with personalized, data-driven solutions that cater to the health and well-being of pets.

AI-powered health wearables, such as FitBark 2 or Whistle Go Explore, will become more commonplace, allowing pet owners to track their pets' activity, vital signs, and behavioral changes in real time, in turn helping to identify potential health issues before they become serious. Personalized diet plans powered by AI will tailor nutrition to each pet's specific needs, adjusting as their health or lifestyle changes—products like PetPlate, which offers customized fresh food for pets based on their health profiles, are leading the charge. Additionally, AI-driven tools will enhance pet behavior training, offering real-time insights and customized training regimens based on individual pet behaviors. As pet care continues to evolve, AI will also improve pet supply recommendations and streamline veterinary services, making the entire experience more efficient and personalized. The future of pet care is embracing smarter, more intuitive technology, empowering pet owners to provide the best possible care for their furry companions without sacrificing convenience.



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# 3 SUBSCRIPTION SERVICES: HOW PET PARENTS ARE FINDING CONVENIENCE AND RELIABILITY IN FOOD, SUPPLY, AND SUPPLEMENT DELIVERIES

Pet parents of today are expecting personalized tech-driven options, but there is still pressure for pet companies to provide these at a reasonable price. One method companies have started to adopt is sidestepping distributors and providing direct-to-consumer (DTC) shopping options. DTC models have been rapidly popping up in the pet industry, with companies offering a variety of products through e-commerce and subscription models. This growth is evident in the success of Chewy’s subscription service, which saw "record sales in their Autoship segment, totaling $2.2 billion" in Q1 of 2024. This success highlights the increasing pet owner preference for convenient and consistent deliveries, especially for essentials such as food, treats, toys, and other pet supplies such as litter. Brands like Chewy and BarkBox have capitalized on this demand, dominating the subscription-based pet market.

More recently, there has been an expansion into new categories, such as prescription medications and wellness products, with Chewy notably branching into "Chewy Health," reflecting the sector's adaptation to a broader range of pet care needs. This diversification is supported by continued shopper interest, particularly as pet owners increasingly seek reliable, subscription-based services for their pets' health and wellness, showing strong potential for continued growth in this segment. Additionally, as inflation has caused many pet owners to seek price-stability and bulk purchasing options, the demand for subscription services has surged over the past year, as these models offer a predictable cost structure and the convenience of automatic, discounted deliveries.

# 4 MERGERS AND ACQUISITIONS: HOW PET COMPANIES ARE NAVIGATING ECONOMIC PRESSURES TO EXPAND AND DIVERSIFY OFFERINGS

Pet companies face mounting pressure to offer products at competitive prices. Amid economic challenges, manufacturers are exploring strategies to protect their profitability while still reaching new pet owners. One tactic benefiting companies in today's pet industry is the use of mergers and acquisitions. These actions have allowed companies to significantly bolster revenue by expanding market presence and diversifying product offerings.

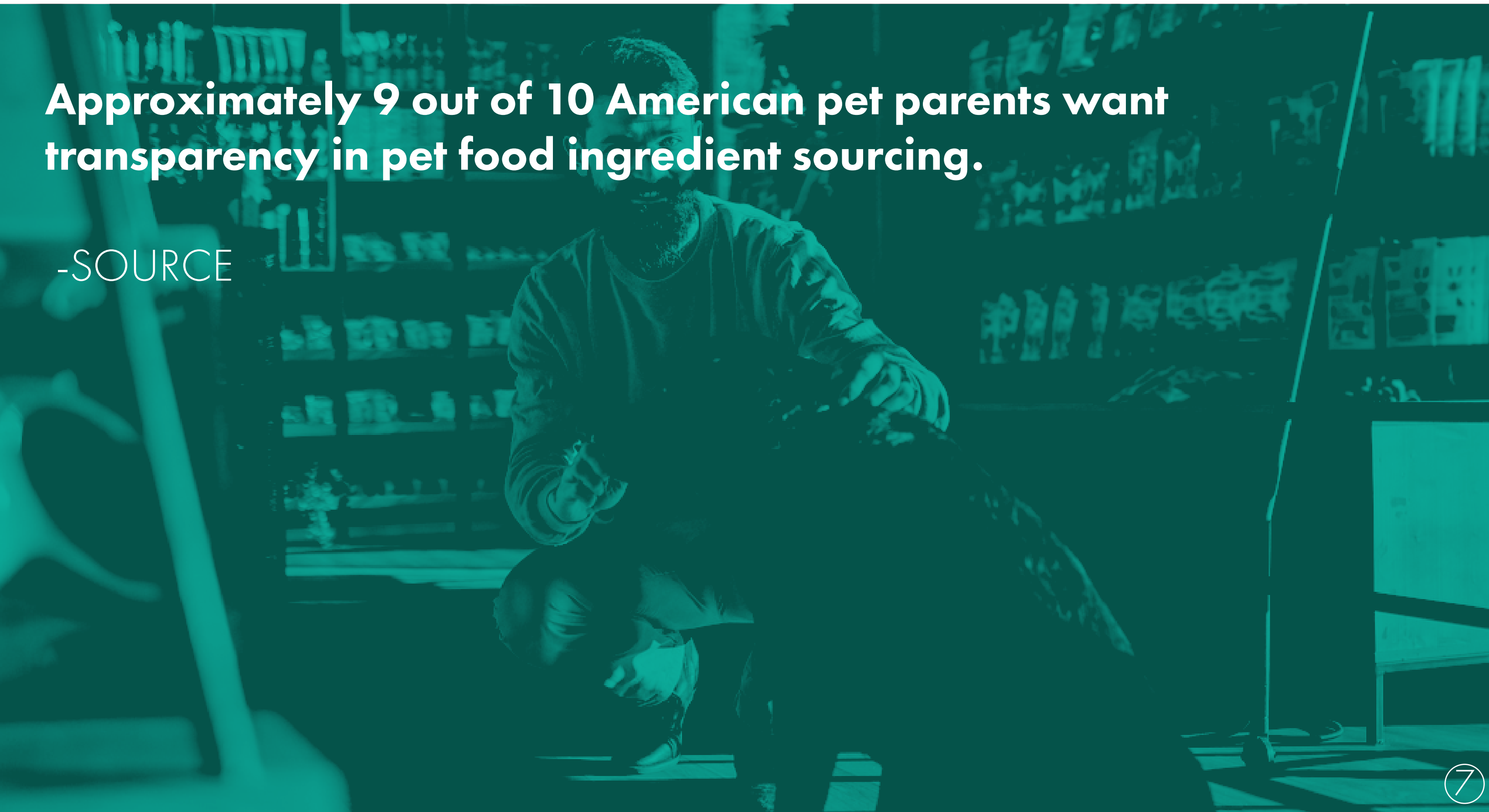
When it comes to food and treats, most new product launches in recent years have been reiterations of the same product ingredients and flavors, with limited launches of completely new formulations or packaging. In most cases, this is due to tightening margins caused by economic pressures. An effective tactic for companies wanting to expand into new categories without heavy R&D investment is through acquisitions. This strategy is especially helpful for expanding into the Veterinary and Pharmaceuticals segment, which has seen the most M&A activity recently. The Veterinary and Pharmaceutical business can have a complex and costly initial set up, which provides an opportunity for companies to acquire established operations rather than sink in more resources to start from scratch.


With pet owners increasingly concerned about their pet's health, we will likely continue to see increased investment in this segment going into 2025 and beyond.

# 5 PET FOOD TRANSPARENCY: HOW TRACEABILITY AND SUSTAINABILITY ARE WINNING OVER CONSCIOUS CONSUMERS

Pet owners today are scrutinizing brands and labels more than ever before. In response, manufacturers aim to attract pet owners by being transparent and sustainably focused. Approximately 9 out of 10 American pet parents want transparency in pet food ingredient sourcing, pushing manufacturers to not only produce quality food, but to utilize a transparent and sustainable process to do so. With clean ingredients and straightforward labels being a well-established trend in the industry, it seems traceability and carbon footprint reduction are the next cues that conscious shoppers are seeking. Purina has partnered with the agribusiness company Cargill to implement regenerative agricultural practices across their soy and grain supply chains. This is one way that companies can gain trust and loyalty among environmentally focused pet parents who don't want to compromise on quality.

Traceability of ingredients through the supply chain is not merely a failsafe for possible recalls but an increasingly desired indicator of quality. Traceability requires good data, which is propelled in the pet food manufacturing sphere by continuously improving technologies. For any pet food production to be successful, it is imperative that an ERP system is in place and aided by tracking technology such as RFID and decentralized identifiers (DIDs) to provide live location information and increase security. These systems provide trustworthy data throughout the manufacturing and distribution processes, allowing vigilant pet owners to understand exactly where their pet's diet came from and how it was processed.



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# LOOKING AHEAD

As we look ahead to 2025, the pet care industry is poised for continued growth and innovation, driven by a new generation of tech-savvy, health-conscious, and sustainability-focused pet owners. From AI-powered solutions and personalized health monitoring to eco-friendly practices and direct-to-consumer models, the trends shaping the market reflect a shift toward more informed, proactive pet care.

To stay competitive, pet companies must prioritize transparency, customization, and convenience while embracing new technologies and adapting to evolving shopper demands. By aligning with the values and expectations of modern pet parents, brands can build lasting relationships and ensure success in an increasingly dynamic and competitive market. The future of pet care is bright, and those who are ready to innovate and respond to these trends will thrive in the years to come.

To continue the discussion, connect with our pet care industry experts today.

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For more information about how we can help your company, please contact us.