

Shaping The Pet Industry: A Decade of Trends Mark Continued Growth

Since 1988 APPMA has been the premier collector of proprietary research in the Pet Products Industry. The APPMA National Pet Owners Survey serves as a one-of-a-kind resource reporting data from the dog, cat, fish, bird, small animal, reptile and equine segments.

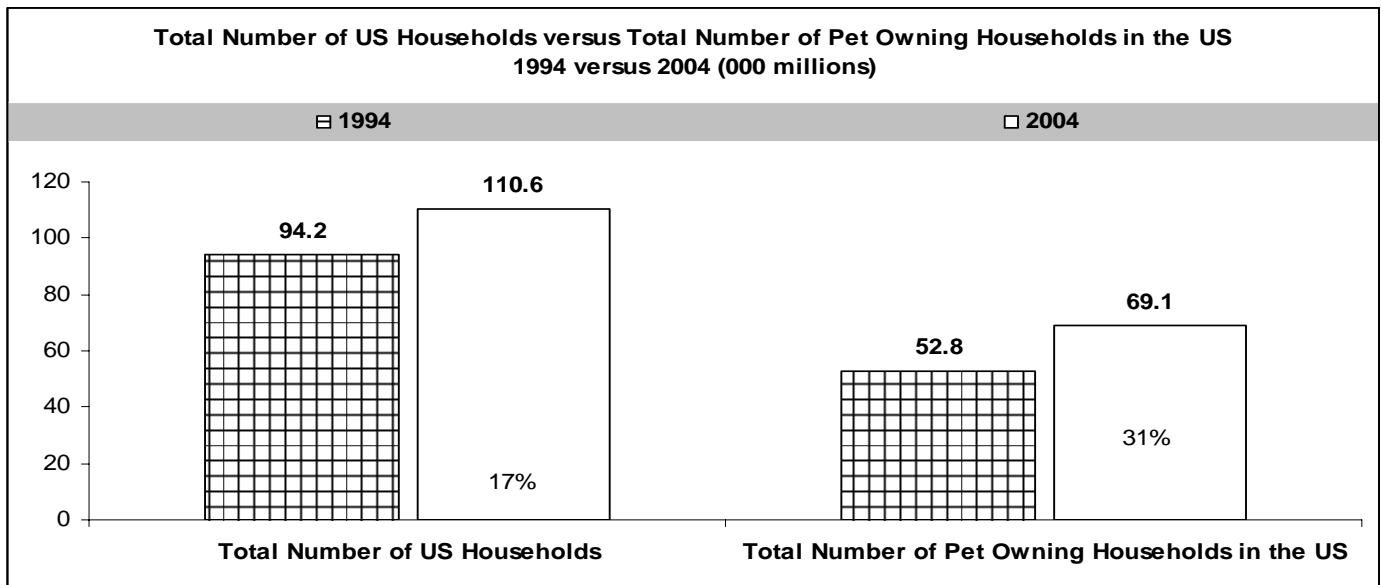
The Survey highlights trends within animal categories as well as trends across all animal categories. Based on a comprehensive demographic data set of America's pet owners and their recollection of their purchasing habits, The National Pet Owners Survey creates an in-depth profile of purchasing behavior and service consumption during the prior 12 month period.

Through the published findings for the past decade, The 2005-2006 APPMA National Pet Owners Survey reveals continued overall growth in both pet ownership and spending on America's pets. The following data was collected in 2004 and sets the stage for the newest findings, The 2007-2008 Survey, which will be released in the first quarter of 2007. The 2004 data highlights key areas of interest including number of pet-owning households, number of pets owned, information sources, medications, vitamins and supplements, gift giving and the benefits and drawbacks of pet ownership.

Total Number of U.S. Pet Owing Households Increases by 31% Over the Past Decade

- Since 1994, the total number of U.S. households has increased by + 17% to nearly 111 million households.
- At the same time, the number of pet-owning households increased at nearly twice the rate of the U.S. household population – with pet-owning households increasing by + 31% to 69.1 million households. (See Table 1).

Table 1

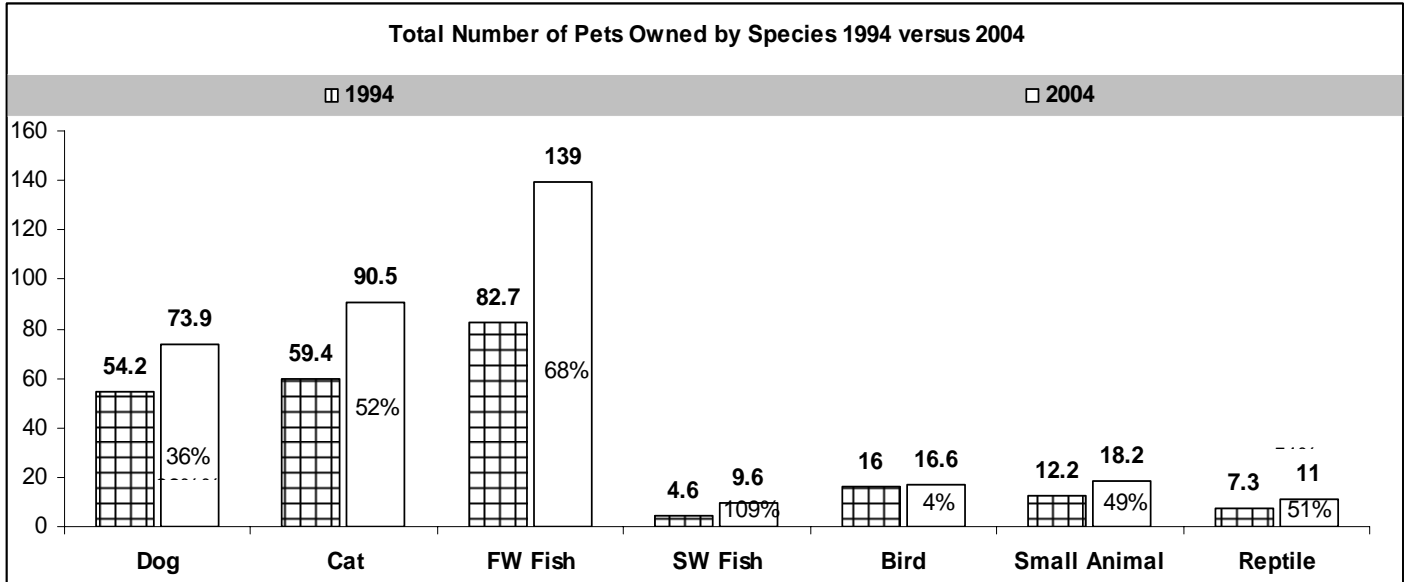


(Continued on the next page)

Total Number of Pets Owned Soars

- The 2004 Survey indicates substantial growth in the total number of pets owned in the U.S.
 - The total number of freshwater fish owned increased + 68% to 139 million while saltwater fish owned increased + 109% to almost 10 million.
 - The 2004 Survey reports nearly 74 million dogs owned, a gain of + 36% in a decade.
 - There are also + 52% more cats owned, at almost 91 million.
 - The past decade notes strong growth in the number of birds owned almost 17 million, a gain of + 4%.
 - Small animals and reptiles owned both increased by nearly + 50% to 18.2 million and 11 million owned, respectively. (See Table 2).

Table 2

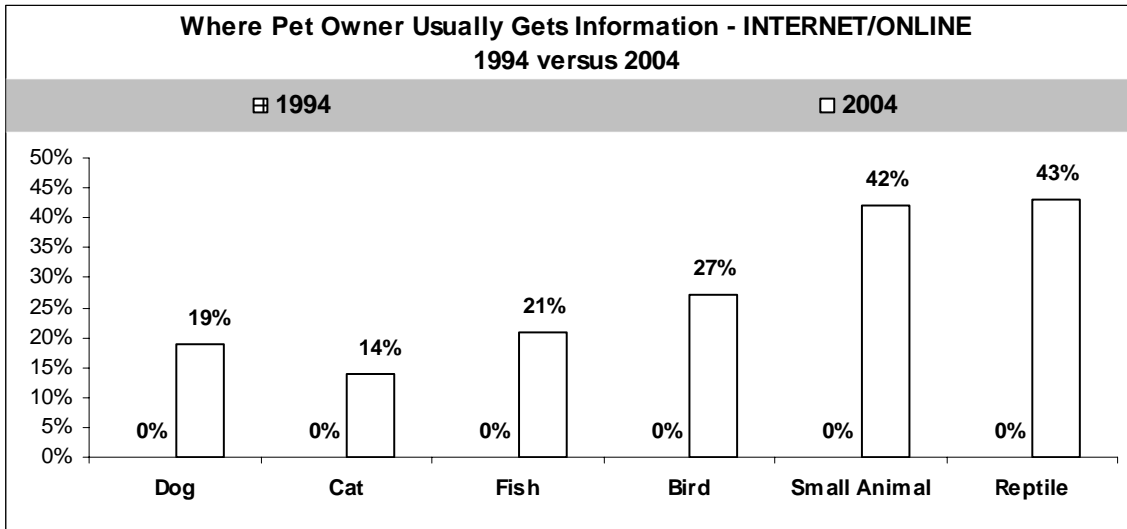


Americans are Turning to the Internet for Information about Their Pets

- In 1994, the internet/online was not a noted source used for information about one's pet.
- In 2004, the internet/online has become a formidable source of information, especially among owners of small animals and reptiles.
- Approximately two-out-of-ten owners of dogs and fish use the internet/online as a source of information, while three-out-of-ten bird owners and one-out-of-ten cat owners will as well. (See Table 3).

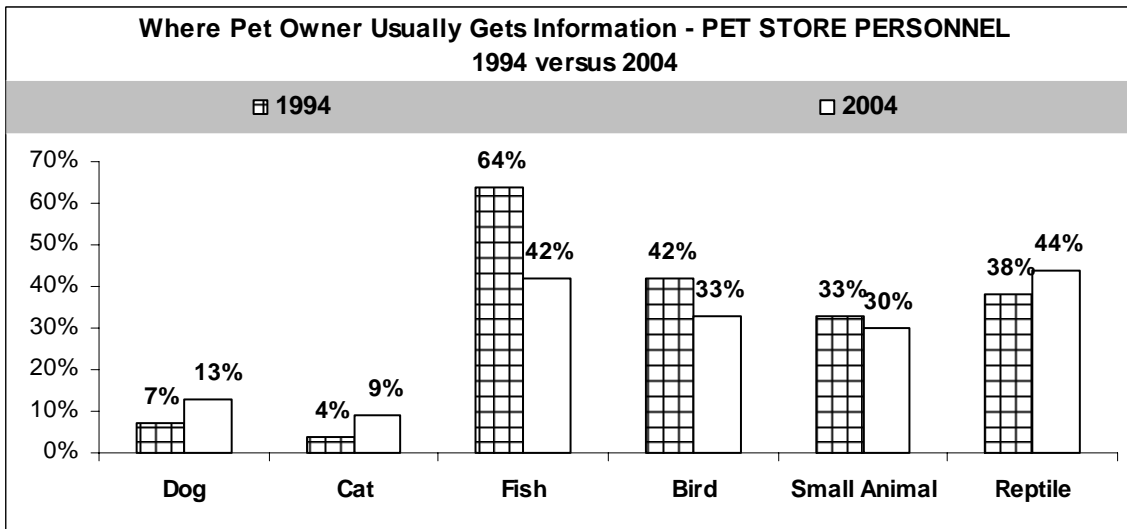
(Continued on the next page)

Table 3



- Compared with a decade ago, pet store personnel are being used less often as an information provider.
- This is especially true among fish owners; with 42% using pet store personnel when in need of information compared with 64% 10 years ago.

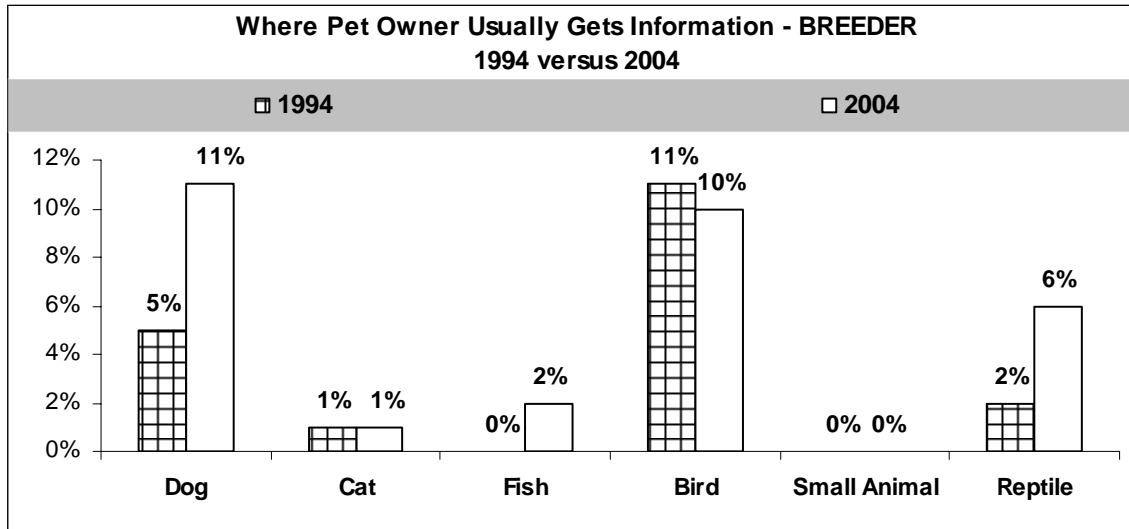
Table 4



(Continued on the next page)

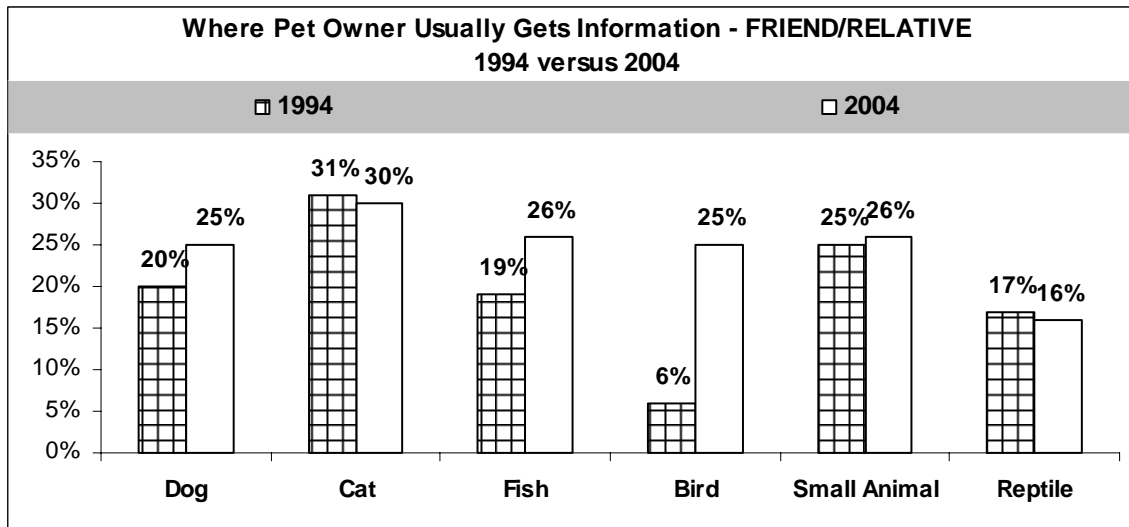
- Dog and bird owners, one-out-of-ten, are the only pet owners to use a breeder as a source of information.
- Few other species owners turn to their breeder now or 10 years ago.

Table 5



- Friends and relatives continue to be a valuable source of information for pet owners.
- The importance of friends and relatives has increased during the past decade.
- At least one-out-of-three dog, cat, fish and small animal owners currently rely on their friends and relatives when in need of information. (See Table 6).

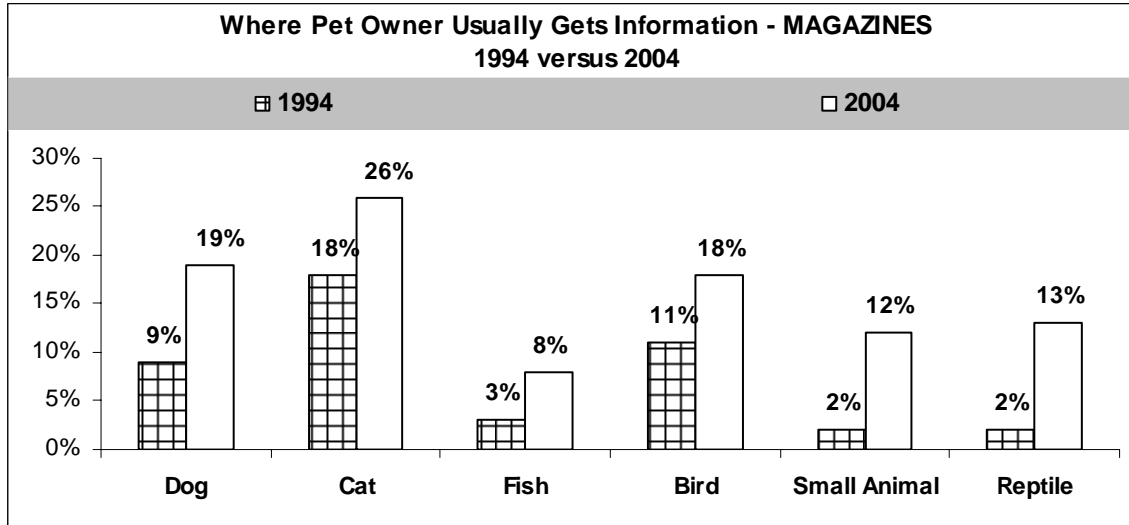
Table 6



(Continued on the next page)

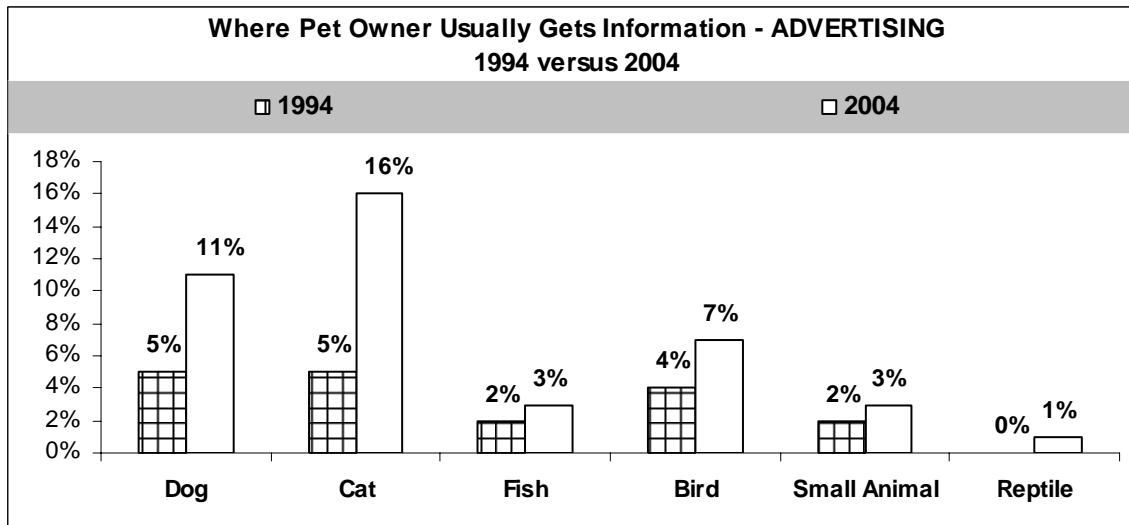
- Magazines as a source of information continue to be an important resource of information.
- Nearly two-out-of-ten pet owners still rely on printed material to learn more about their pet. (See Table 7).

Table 7



- Advertising has become somewhat more important as an information provider to dog and cat owners (about one-out-of-ten).
- Other pet species do not use advertising to any noticeable degree now or 10 years ago. (See Table 8).

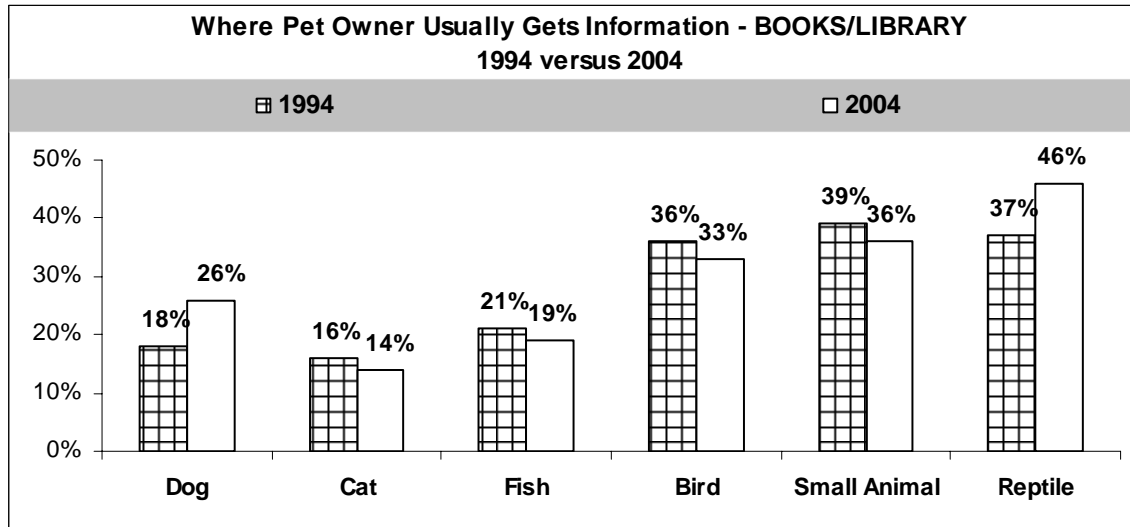
Table 8



(Continued on the next page)

- Among reptile owners, books/library has become an increasingly more important provider of information, currently to 46% from 37% in 1994.
- Approximately one-third of bird and small animal owners still use books/library when in need of information.
- While more dog owners use this source in 2004 (26% compared to 18% in 1994), fewer cat and fish owners reference printed materials. (See Table 9).

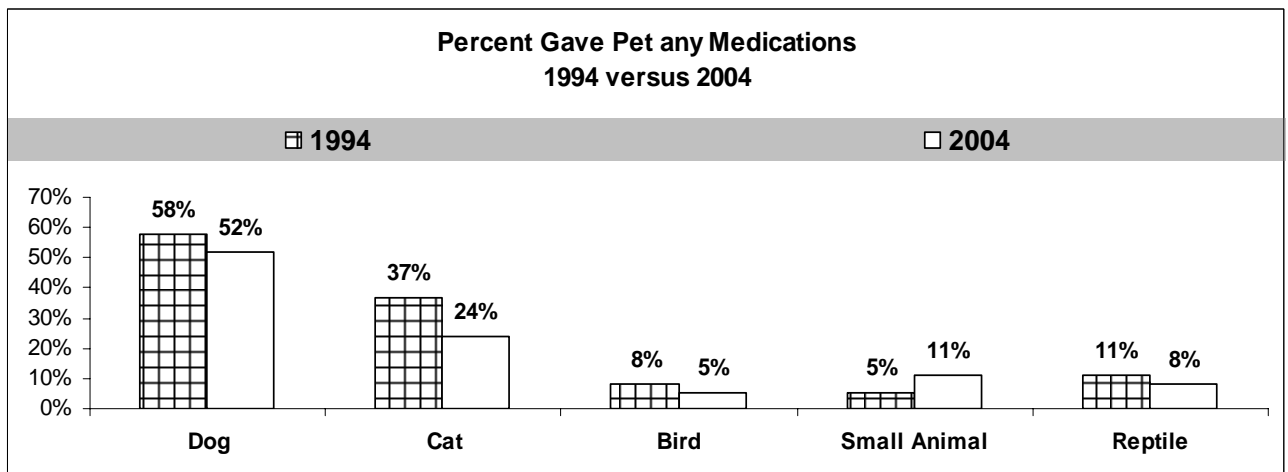
Table 9



Fewer Pets Receive Medications, Vitamins and Supplements

- Compared with 10 years ago, generally there are fewer pets that are given medications.
- Dogs appear to be the most common species of pet that receives medication, still at about one-half.
- Cat owners show a marked decline in the percent giving their pet medications in 2004 (24%) compared with 1994 (37%). (See Table 10).

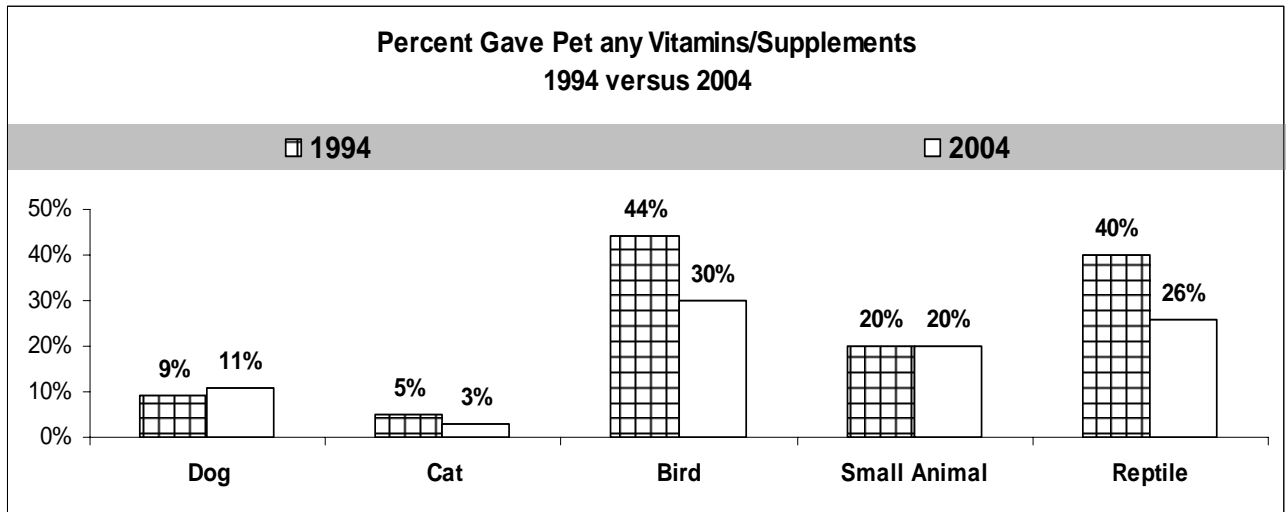
Table 10



(Continued on the next page)

- Like medications, 2004 shows declines in the percent of pets that are given vitamins/supplements.
- Between two-to-three-out-of-ten birds, small animals and reptiles are given vitamins/supplements, a decrease since 1994.
- Dogs show a modest increase to 11% from 9% while fewer cat owners administer vitamins/supplements now, to 3% from 5%. (See Table 11).

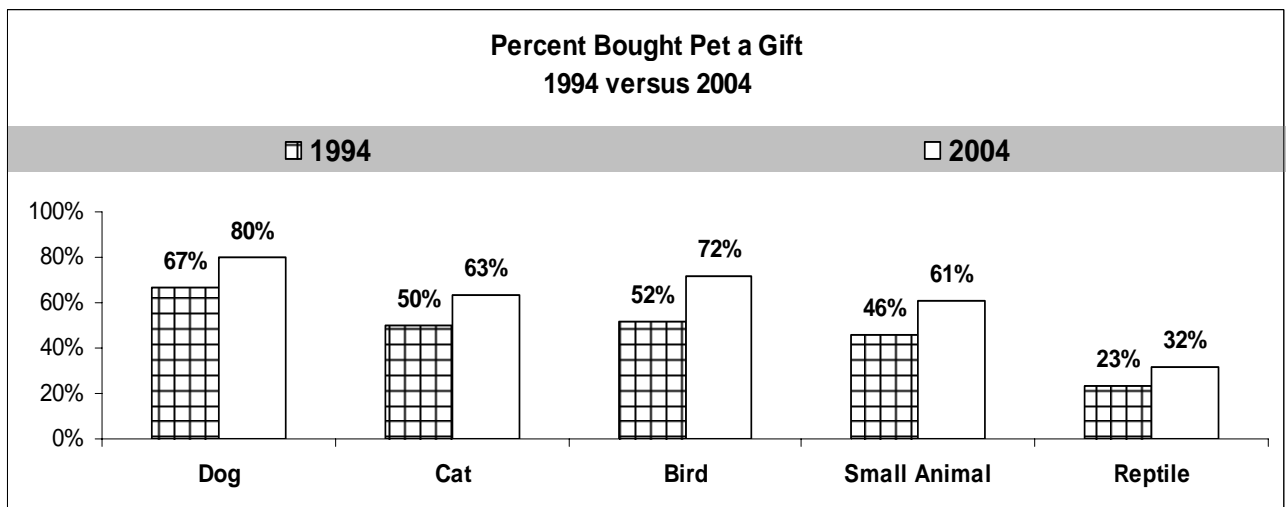
Table 11



Americans are Generous with their Pets: Gift-Giving is on the Rise!

- For the 2004 Survey, there are across the board gains in the percent of pet owners buying their pet a gift.
- An average of one-third more pets were given gifts in 2004 than 1994.
- The greatest increase in gift giving comes from bird owners to 72% from 52% and small animal owners to 61% from 46%.
- Gift giving to dogs while always strong notes 80% now receiving gifts compared with 67% a decade ago.
- Similarly, cat owners now report gift giving by 63% from 50%.
- Even reptile owners show substantial gains in those buying gifts to a current level of 32% from 23% a decade ago.
- Based on the current number of pets in the U.S., the 2004 data suggests that up to 20 million gifts were bought for pets during the 2004 Survey. (See Table 12).

Table 12



**Pet Owners Continue to Cite Companionship, Love and Company
As the top Benefits of Pet Ownership**

- Americans appreciate the companionship and love that their pets provide, especially to older owners. (See Table 13).
- A pet being good for their family's health shows strong improvement among owners of dogs, cats and small animals.
- Pet owners still believe a benefit associated with ownership is to help teach children responsibility.
- The convenience of a pet is valued among most owners, especially those who work and have young children.

**Table 13
BENEFITS OF PET OWNERSHIP**
DOG CAT

FISH

	1994	2004	1994	2004	1994	2004
Base: Total Owners	%	%	%	%	%	%
Companion/love/company	93	97	85	90	NA	NA
<u>SMALL ANIMAL</u>						
	%	%	%	%	%	%
Companion/love/company	85	80	55	75	29	35

**Owning a Pet is More Convenient than Ever Before: American Pet Owners are
Finding Responsible Ways to Care for their Pet When They are on the Go!**

Previously a more substantial drawback to pet ownership, Americans are now finding it easier than ever to care responsibly for their pets while they are away from home. The growing number of innovative products and the increased usage of pet services allow Americans to provide TLC for their pets even when they are on the go. (See Table 14).

**Table 14
DRAWBACKS OF PET OWNERSHIP**

	<u>DOG</u>		<u>CAT</u>		<u>FISH</u>	
	1994	2004	1994	2004	1994	2004
Base: Total Owners	%	%	%	%	%	%
Find care when away from home	59	37	47	19	32	20
	<u>BIRD</u>		<u>SMALL ANIMAL</u>			
	<u>REPTILE</u>					
Find care when away from home	54	20	50	24	61	23

For more detailed data on the American pet products market and to order your copy of the **2005-2006 APPMA National Pet Owners Survey** visit www.APPMA.org, email member services@APPMA.org, or call 203532-0000 ext. 501. -