

**April 2013
New Adopter Survey
Aggregate Results**



Pethealth conducted a comprehensive adopter survey in April 2013 designed as a follow-up to a similar survey conducted in April of 2012, and to provide greater insight to three key objectives;

1. Determining the difference in purchasing behavior between those who adopt from an animal welfare organization (AWO) and those who adopt at a pet specialty retailer.
2. Determining if shelter pet food programs, which feature the distribution of free bags of food to new adopters, create loyalty among adopters for those brands and whether AWOs or pet specialty retailers have a greater impact on that brand's loyalty.
3. Determining the degree to which pet adopters purchase pet supplies and pet pharmacy items online.

The survey distribution was compiled using new pet adopter data collected through AWOs using our own industry leading PetPoint application for the period March 2012 to March 2013.

Launched in 2005, PetPoint is a cloud-based animal management application developed specifically for AWOs, and allows Pethealth to aggregate more data on dogs and cats in AWOs than any other company. As the most widely used application in animal welfare, licensed by nearly 2,000 AWOs, it is one of the industries largest and most accurate repositories of information related to the animal welfare industry, and is now widely regarded by leading industry analysts as the leading source of data relating to AWOs.

Data variables used to define the survey group included, though were not limited to:

- Adoption Location, i.e. Petco, PetSmart, Private Humane Society/SPCAs, Municipal Animal Control/Shelters, Rescue Groups/Breed Placement
- Adopter First Name
- Adopter Last Name
- Animal Name
- Adoption Date
- Email Address

The resultant dataset was then segmented based on two variables, AWO adoption partners and the location of adoptions, into 7 collector groups for distribution, as follows;

Group	AWO Adoption Partner	Location of Adoption
1	PetSmart	AWO
2	PetSmart	PetSmart
3	Petco	AWO
4	Petco	Petco
5	PetSmart and Petco	AWO
6	PetSmart and Petco	PetSmart
7	PetSmart and Petco	Petco

Survey invitations were delivered to approximately 257,000 unique adopters. Invitations were incentivized with an offer of \$20 toward the purchase of pet food or pet supplies from online pet specialty and retail site, ThePetangoStore.com.

Invitations and subsequent reminders were distributed to each of the 7 survey collector groups and included a URL unique to each group. The survey of 46 total questions was conducted online and developed with “skip logic” to ensure respondents were only presented questions based on their previous responses.

The survey enjoyed an open rate of over 13% of the greater than 235,000 survey invitation and reminder emails successfully delivered, and over 7,100 respondents who opened an invitation or reminder email completed the survey. The results of this survey are accurate at the 95% confidence level +/- 1%.

- Among the traditional retailers listed in the survey, there was little change in the share among respondents; PetSmart, Petco and Walmart occupied the 1st, 2nd and 3rd rank respectively, although Walmart and PetSmart each slipped approximately 2% YoY among respondents to 16.7% and 35.1% respectively, while Petco saw a gain of approximately 2% to >17%
- While most of the major online retailers listed saw slight gains among respondents who indicated purchasing online, the greatest increase was seen by Amazon.com/Wag.com with nearly 40% shopping there this year, vs. less than 29% last year; the same trend applies to the following question asking respondents where they most frequently purchase from online, with Amazon.com/Wag.com again seeing the greatest increase from 20% to over 28%. The greatest decline YoY among respondents was 1800PetMeds.com from just over 13% last year, to under 10% this year, followed by Petfooddirect.com which lost 0.5% for 1.9% this year
- While there was little shift in the brand of food provided at adoption, there was a slight increase in the number of respondents who were not contacted by the food manufacturer from less than 93% to nearly 95%
- There was, not surprisingly an increase in respondents who indicated they now purchased a different brand of food than was provided at adoption, over 78% this year vs. greater than 56% last year; while each source of adoption 'group' saw a decrease, the greatest loss was among PetSmart adopters (>60% purchased same food last year vs. 26% this year)
- Despite a decrease this year in respondents who indicated making a purchase at point of adoption, 55% of respondents indicated they did not make a purchase at point of adoption vs. greater than 40% last year, over 85% of respondents spent up to \$150 at point of adoption; of those who did not make a purchase at point of adoption, there was a significant increase, from nearly 10% to nearly 26% in respondents indicating it was because the product they wanted was not available for sale, with the biggest "losses" attributed to AWOs

- There was little change in the brand of food most consistently purchased by respondents; Purina and Hills products again ranked 1st and 2nd respectively, although both lost approximately 2% over last year, while Blue Buffalo and Other brands not included in our survey each increased by over 2%; for food purchased online, while both Hills and Purina saw modest gains, Blue Buffalo now ranks first among brands listed with nearly 10% of respondents indicating it as the brand purchased online
- 65% indicated household disposable income was a consideration when purchasing pet food/supplies; of this group, over 27% indicated they would as a result be more likely to purchase online
- Over 44% of respondents indicated purchasing online, compared to greater than 35% last year
- Of those not currently purchasing online, with nearly 60% shipping fees were again cited as the number one reason respondents chose not to purchase online
- The leading reason cited for choosing to purchase online was price (nearly 62%); convenience was second with greater than 60% of respondents
- Changes in the demographic profile of respondents suggest the following; respondents are skewing younger than last year's survey with nearly 12% more respondents under the age of 40 and 5% fewer over the age of 60; accordingly, there was a decrease in respondent identifying their employment status as Retired, and Employed respondents increased approximately 4%; there was a decrease however, in indicated household incomes with fewer than 45% now indicating a household income greater than \$60,000
- These changes, coupled with the increases seen YoY in respondents of trust in online purchases, may help to explain the increase also seen YoY in online usage to purchase pet food and supplies and in dollars spent

Questions and Responses

Aggregate Response Results

Please tell us, when you recently adopted your new pet, where did you adopt from;

PetSmart	11.9%
PETCO	4.9%
Humane Society/SPCA	49.9%
Animal Control Organization	7.2%
Rescue Group	26.2%

At the time of adoption, were you provided either a complimentary bag of pet food or a coupon for pet food for your new pet?

A complimentary bag	32.9%
A coupon for pet food	32.9%
I was not provided either	34.2%

Please tell us where you redeemed your coupon for pet food?

My adopting shelter/rescue	5.5%
A pet specialty retailer, e.g. PETCO, PetSmart	81.2%
A grocery store, e.g. Kroger, Publix	5.8%
A discount or wholesale retailer, e.g. Walmart, Costco	7.6%

For which of the following brands of pet food did you redeem your coupon?

Hill's Science Diet	20.0%
Purina ONE	11.9%
Purina Pro Plan	19.3%
Eukanuba, IAMS	4.9%
Nutro, Pedigree	4.2%
I did not redeem my pet food coupon	22.8%
Other (please specify)	16.9%

Which of the following brands of pet food did you receive at point of adoption?

Hill's Science Diet	45.3%
Purina ONE	14.4%
Purina Pro Plan	11.0%
Eukanuba, IAMS	5.2%
Nutro, Pedigree	3.4%
Other (please specify)	20.7%

Questions and Responses

Aggregate Response Results

Were you subsequently contacted by the pet food company whose brand of food you received at point of adoption?

Yes 5.2%
No **94.8%**

Please tell us how long after the adoption of your pet you were contacted by this company;

1-7 days **47.7%**
8-30 days 32.0%
1-3 months 6.3%
Greater than 3 months 14.1%

Is the food you now purchase the same brand as the brand of food you were provided at point of adoption?

Yes 21.8%
No **78.2%**

Please tell us why you switched to another brand of food;

The complimentary pet food brand was too expensive to continuing buying 18.5%
My preferred pet supplies store does not carry the same pet food brand 4.3%
I did not like the ingredients of the complimentary pet food 17.2%
I have other pets who already have a preferred brand of food **21.8%**
Our pet supplies store recommended another brand 3.2%
Our veterinarian recommended another brand 7.1%
My pet did not like the food 13.3%
Other (please specify) 14.6%

Did you purchase any pet supplies from where you adopted your new pet?

Yes 45.0%
No **55.0%**

Please select what product types you purchased (more than one type may be selected);

Crate, Bedding 36.5%
Collar, Leash 60.0%
Bowls 36.9%
Toys **64.0%**
Pet food, Treats 62.9%
Grooming Products 25.9%
Pet Medication (Flea, Tick, Heartworm) 12.3%

Questions and Responses

Aggregate Response Results

What was the approximate cost of your initial purchase of pet food and/or supplies?

Under \$25	19.3%
\$26 - \$50	25.1%
\$51 - \$99	23.6%
\$100 - \$150	17.5%
\$151 - \$200	8.3%
more than \$ 200	6.2%

What was the reason you chose not to purchase your pet supplies at the point of adoption?

They did not carry the product(s) and/or brand(s) I was looking for	25.6%
The prices were not competitive	5.1%
The service did not meet my expectations	0.5%
I have another preferred supplier/retailer	20.1%
I was not able to take my pet home with me right away	4.2%
Other (please specify)	44.6%

Please tell us where you most frequently purchase your pet supplies from;

My adopting shelter/rescue	0.5%
PetSmart	35.1%
PETCO	17.7%
Walmart	16.7%
Costco	2.6%
Pet Supplies Plus	3.2%
Tractor Supply Co.	1.8%
BJ's Wholesale Club	0.2%
Other (please specify)	22.1%

Please tell us which brand of food you have most consistently purchased since adopting your pet;

Blue Buffalo	9.4%
Hill's Science Diet	11.8%
Purina Pro Plan OR Purina ONE	16.7%
Purina Dog Chow OR Alpo OR Beneful	7.2%
Eukanuba, IAMS	5.8%
Nutro, Pedigree	5.7%
Other (please specify)	43.4%

Questions and Responses

Aggregate Response Results

Please rank in order of importance (where 1 is most important), those factors which contributed to your decision to purchase [Q15];

Price	3.42
It contains ingredients I think are better for my pet	2.23
My pet liked the food	2.62
It was recommended	3.23
I trust the brand	3.50

Is your household disposable/discretionary income a consideration when purchasing pet food and supplies?

Yes	65.8%
No	34.2%

Are you more likely to search for, and purchase your pet's food and supplies online as a result?

Yes	27.3%
No	72.7%

Have you ever purchased pet food or pet supplies online?

Yes	44.4%
No	55.6%

Please tell us which online retailers you purchased your pet food or pet supplies from (more than one may be selected);

PetSmart.com	25.0%
PETCO.com	22.5%
Walmart.com	8.2%
Costco.com	2.2%
1800PetMeds.com	20.7%
Amazon.com/Wag.com	39.6%
Petfooddirect.com	4.1%
Petflow.com	2.4%
Tractorsupply.com	1.4%
BJs.com	0.4%
Petangostore.com	13.3%
Other (please specify)	27.3%

Questions and Responses

Aggregate Response Results

Please tell us which online retailer you MOST frequently purchased your pet food or pet supplies from;

PetSmart.com	13.0%
PETCO.com	11.0%
Walmart.com	4.8%
Costco.com	0.7%
1800PetMeds.com	9.9%
Amazon.com/Wag.com	28.4%
Petfooddirect.com	1.8%
Petflow.com	1.0%
Tractorsupply.com	0.7%
BJs.com	0.2%
Petangostore.com	5.2%
Other (please specify)	23.3%

What was the reason you chose not to purchase your pet food or pet supplies online? (more than one answer may be selected)

Concerns regarding timeliness of delivery	28.7%
Concerns regarding accurate fulfillment of my order	10.1%
They did not carry the product(s) and/or brand(s) I was looking for	6.3%
The prices were not competitive	15.2%
Concerns regarding online security	14.1%
Shipping costs	59.7%
A previous bad experience	1.7%
Other (please specify)	31.5%

If shipping were free, would you be willing to purchase your pet's food or supplies online?

Yes	88.6%
No	11.4%

Questions and Responses

Aggregate Response Results

For food purchases made online, please tell us which brand of food you purchased;

Blue Buffalo	9.6%
Hill's Science Diet	9.1%
Purina Pro Plan OR Purina ONE	8.3%
Purina Dog Chow OR Alpo OR Beneful	3.8%
Eukanuba, IAMS	4.4%
Nutro, Pedigree	3.8%
Other (please specify)	60.9%

What was the approximate cost of your online purchase?

Under \$25	26.3%
\$26 - \$50	38.5%
\$51 - \$99	25.3%
\$100 - \$150	7.2%
\$151 - \$200	1.5%
more than \$ 200	1.2%

Please tell us what helped your decision to purchase your food or supplies online
(more than one type may be selected);

Broad selection	20.6%
Carries the brand(s) I prefer	26.4%
Cause giving	5.1%
Prices were competitive	61.9%
Convenience of shopping online and home delivery	60.3%
Other (please specify)	15.1%

Questions and Responses

Aggregate Response Results

Are you male or female?

Male	18.4%
Female	81.6%

Which category below includes your age?

20 or younger	2.9%
21-29	30.1%
30-39	19.7%
40-49	19.6%
50-59	16.0%
60 or older	11.8%

What is the highest level of school you have completed or the highest degree you have received?

Less than high school degree	0.7%
High school degree or equivalent (e.g., GED)	10.7%
Some college but no degree	29.9%
Bachelor degree	38.1%
Graduate degree	20.6%

Which of the following categories best describes your employment status?

Employed	76.7%
Unemployed	10.0%
Retired	9.4%
Disabled; not able to work	3.9%

What is your current total household income?

\$34,999 or less	28.1%
\$35,000 to \$59,999	27.2%
\$60,000 to \$79,999	17.1%
\$80,000 to \$99,999	10.5%
\$100,000 to \$149,999	11.4%
\$150,000 or More	5.7%