

NBCUniversal

Pet Care Playbook 2023

An overview of the growing pet care industry and key considerations for brands as they look to reach and engage pet parents




Overview

A combination of increased pet adoptions and continued humanization of the pet category has fueled ongoing category growth since the start of 2018.

The landscape is becoming increasingly competitive, as CPG and retail players consider the pet care category a growth engine and look to capture share. This presents an opportunity for both endemic and nonendemic brands to consider how best to connect with pet parents and differentiate their brand and offerings in an increasingly crowded category.

In this deck, we explore the pet care industry, identify key trends, and showcase how partners can leverage NBCUniversal opportunities and solutions to reach, engage, and influence pet parents.



What We'll Cover



Industry Landscape



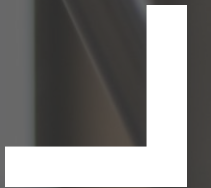
Marketplace & Audience Trends



NBCU Opportunities & Solutions



Industry Landscape

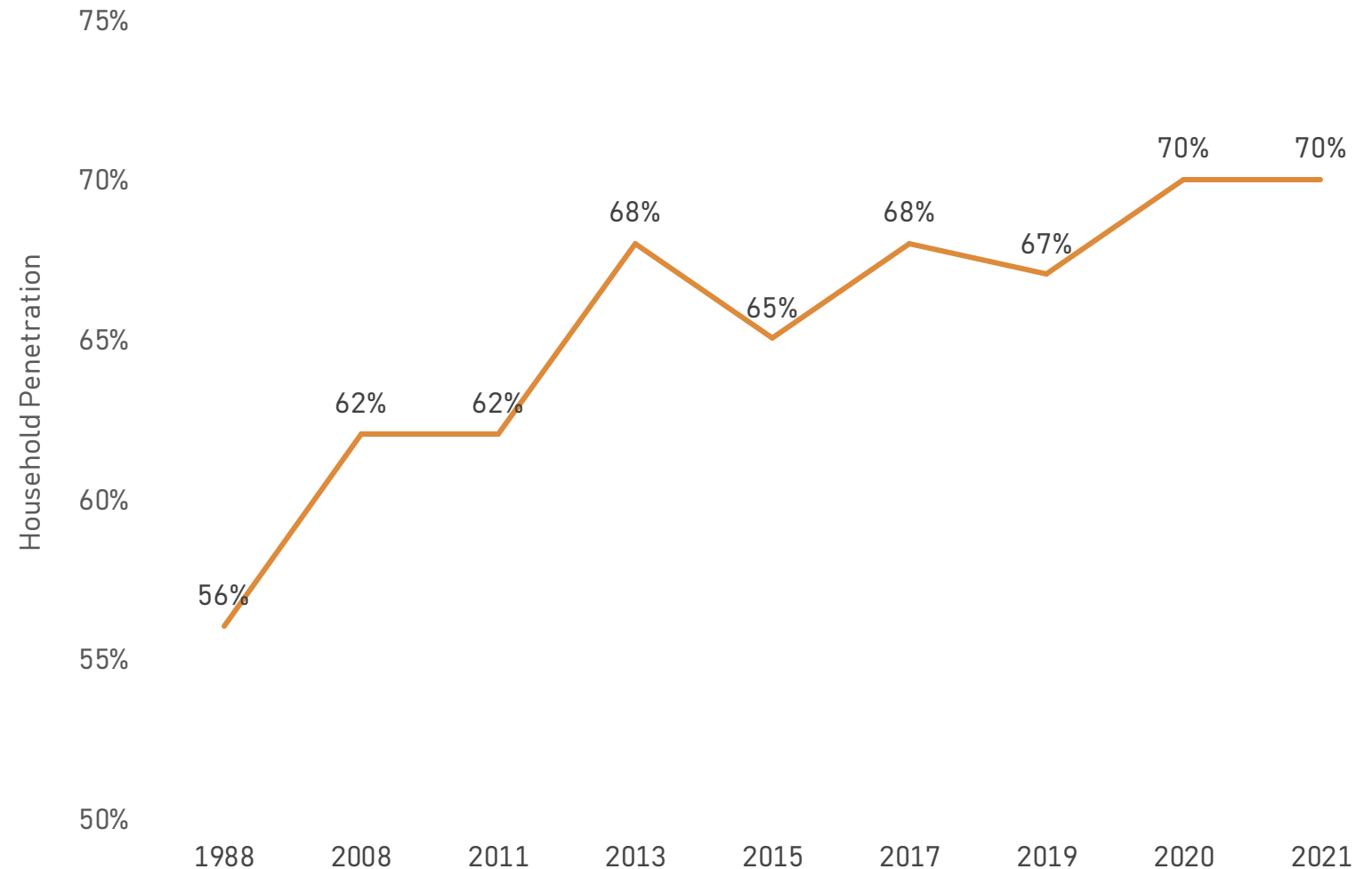


The Pandemic Prompted Growth in U.S. Pet Ownership

The pandemic spurred an uptick in pet ownership, with **22% of households acquiring a new pet since COVID began**. During that time, households were most likely to get a new dog (82%) over a new cat (68%).¹

Source: AVMA

U.S. Pet Ownership Household Penetration



Source: APPA

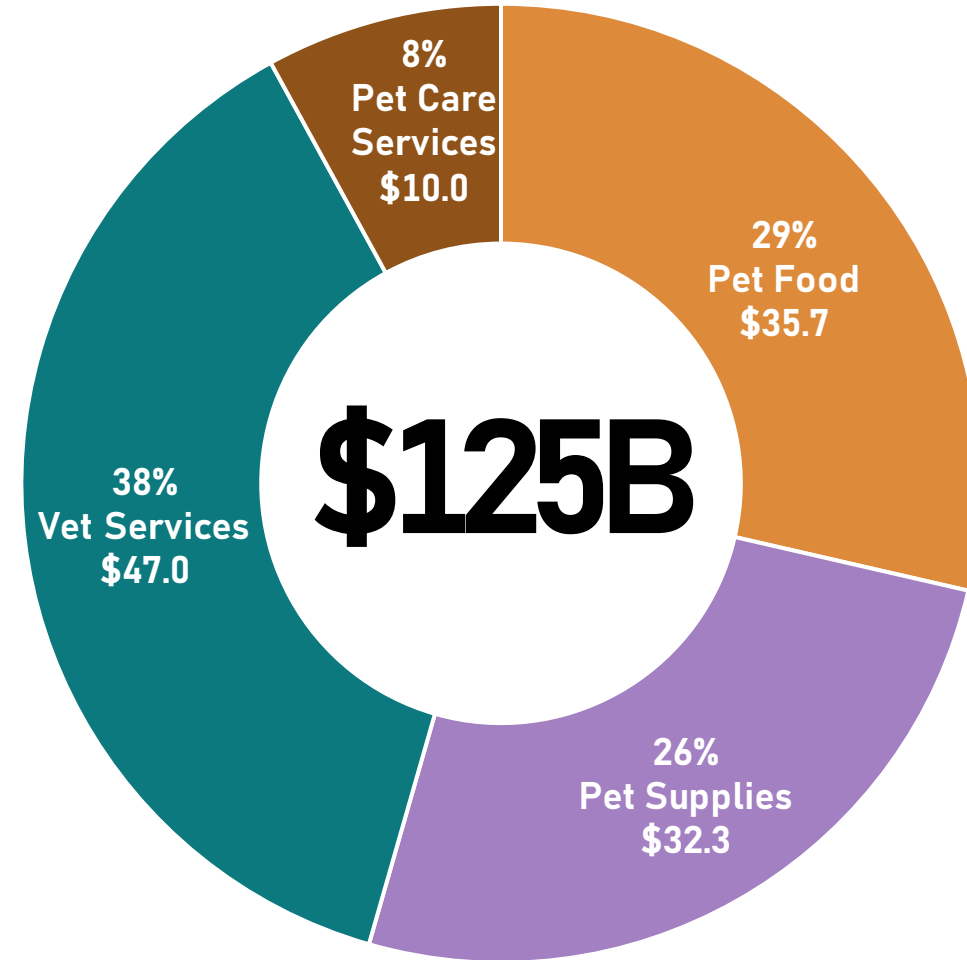
A Rise in Pet Ownership Resulted in a +21% Increase in Pet Expenditures

The category experienced significant sales growth, **up +21% from 2020 (\$104B) to \$125B in 2021.**

More than half of all U.S. pet owners **spend more on their pets than on themselves.**

Consistent with rising costs, household spending on pet care is expected to increase more than 10% in 2022 with an **average annual household spend of \$952.**

Pet Care Products & Services
2022 Retail Sales by Segment (\$B)



As a result,

Brands Across Categories Are Leveraging Pet Care as a Growth Engine

CPG

"Acquiring Blue Buffalo, General Mills is hoping **pet food will help it fight lagging cereal and snack sales.**"



"Nestlé Purina Pet Care announced a \$450M **investment to meet increasing demand for its pet foods.**"



"Mars Petcare created the Companion Fund with a dedicated \$100M investment to back **corporate-wide investments in DTC businesses.**"



Retailers

"PetSmart **acquired Chewy for \$3.4B** in what was then the largest e-commerce deal ever."



"Amazon **entered the cat and dry dog food market** with the launch of its private label pet food brand Wag."



"Walmart is **adding vet clinics and launching pet pharmacy** as millennials spend thousands on their pets."



Emerging

"With its first national marketing push, the Whistle Health brand is **tapping into the heightened level of attention** that owners now give their furry companions."



"Fetch by The Dodo targets love-struck pet parents for **insurance brand rollout.**"



"Lemonade launches pet insurance; **first entry into new insurance vertical** for the brand since its launch in 2016."



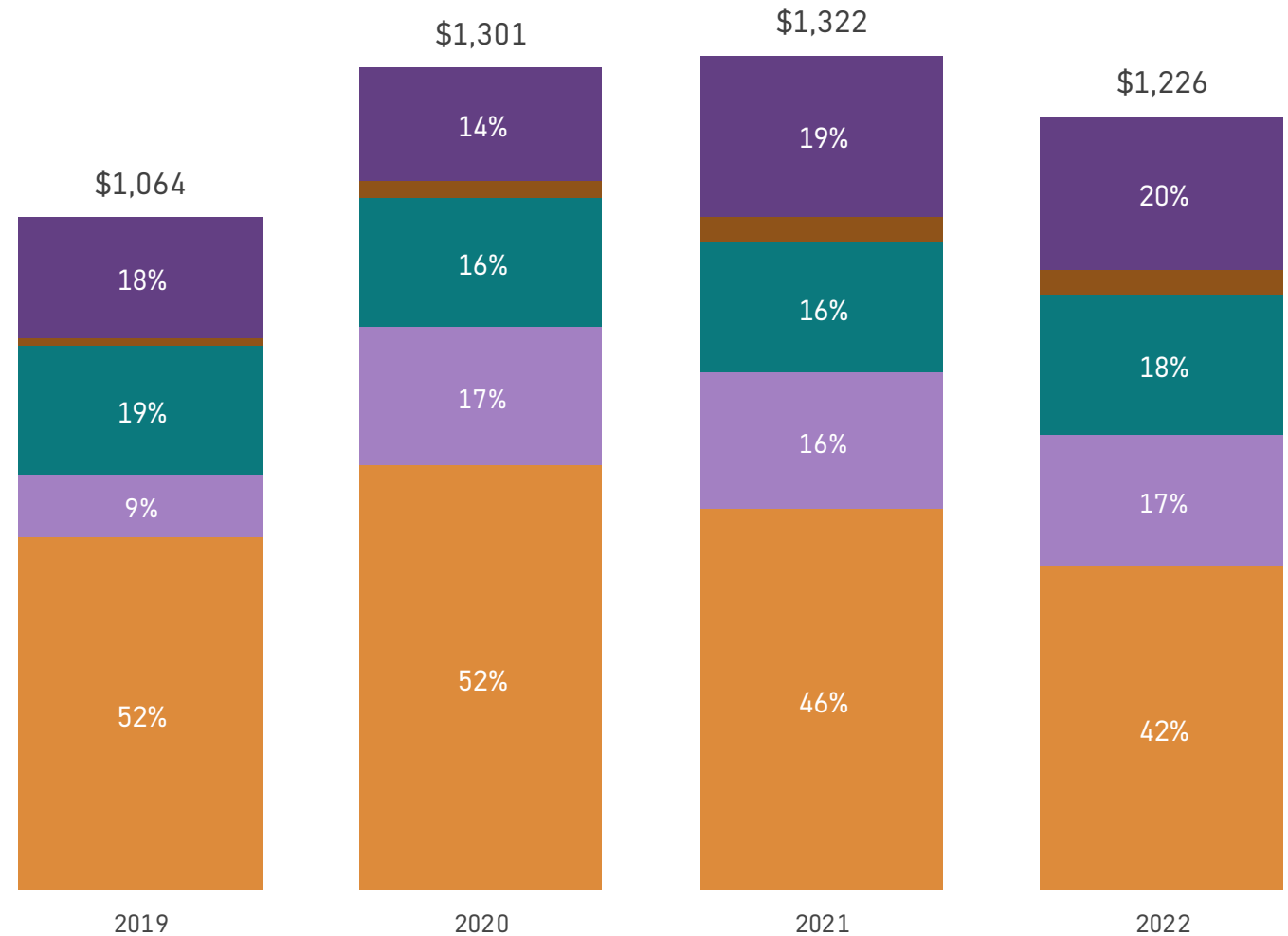
Pet Food Leads Ad Spend, but Spend Is Diversifying

Pet food has continued to be the largest sub-category in terms of ad spend, however its share of spend has declined over the past 5 years as spend from pet supplies and pet retailers grows.

Source: Media Radar

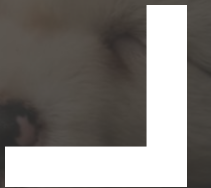
Pet Care Ad Spend by Sub-Category (\$M)

■ Pet Food ■ Pet Supplies ■ Vet/Med Care ■ Pet Services ■ Pet Retailers





Marketplace & Audience Trends



WHAT WE'RE SEEING & HEARING

Pet Care Category Trends



Prioritizing Pet Pampering

Despite rising costs due to inflation, **pet owners aren't willing to sacrifice when it comes to the health and happiness of their pets.**

Premiumization of pet products continues to drive the market forward, with 71% of pet supply shoppers agreeing they would cut back on spending in other areas of their life before cutting back on spending for their pet.¹



Wellness Widens to Pets

Pet owners are committed to the health and wellness of their pets, despite economic concerns. They will **invest in preventative wellness with a focus on functional health claims not only to support pet longevity but to minimize costly vet visits.** Premium products and services that deliver on mental wellbeing and functional health benefits will drive category growth.



Rise of Pet Tech & Services

Technology has streamlined caring for and interacting with pets, as new devices and smart home ecosystems are continually evolving. As new pet owners adjust to fluidity, they are **increasing engagement with pet care services.** The humanization of pets and the blurring between categories paves the way **for technology that supports the wellness of both pet and owner.**



Convenience Drives Ecommerce Growth

The pandemic accelerated the growing trend of ecommerce as a channel for pet care products. With Amazon and newer D2C start-ups like The Farmer's Dog entering the pet care market, brands are looking to build direct connections with consumers as **owners seek both the convenience and value associated with curated shipments.**

More than 90 Million Households in the U.S. Have at Least One Pet



Dog Owners

- In 44% of all U.S. households
- Above average income
- More likely to be between ages 35-54
- Married with kids
- Spends on avg of \$1202/year on pet



Cat Owners

- In 25% of all U.S. households
- Average income
- More likely to have a female head of household
- Married with no kids
- Spends an avg of \$687/year on pet

UNDERSTANDING Pet Owners

Spending Attitudes

75% of pet owners agree their pets deserve to be pampered. However, these consumers are more conservative when it comes to spending on themselves or their household, with 45% self-identifying as passionate deal seekers or penny pinchers.²

79%

of consumers feel it's worth spending more on pet products/services to ensure their pet's wellbeing.¹

Shopping Habits

Many pet owners are digital savvy and lean into ecommerce. Pet owners appreciate brands with purpose, with 33% expecting the brands they buy to support social causes, and 51% being more likely to purchase brands that support a cause they care about.²

35%

of pet owners order pet products/supplies online.²

Brand Preferences

When it comes to either pet food/care products or any other array of purchases, consumers who own pets tend to be loyal to brands that work for them, with only 21% regularly changing brands for the sake of variety.²

87%

of pet owners stick to a brand that they like once they find one.²

Media Consumption

Pet owners are no exception to the cord cutting movement, with 36% more people consuming content via streaming versus traditional linear TV. They are avid sports fans, particularly heavy viewers of NFL and MLB.²

90%

pet owners subscribe to or use at least one streaming service regularly.²

UNDERSTANDING Hispanic Pet Owners

Opportunity

The largest **opportunity within multicultural pet owners is among Hispanics**, who are 13% more likely to own a dog and consider themselves heavy pet supply shoppers.¹

Hispanics are more likely to purchase pet foods that are:¹

Organic	133i
All Natural	120i
Enriched with Vitamins	133i

Index against White Non-Hispanics

Shopping Habits

Hispanics adapted the way they shop during the COVID-19 pandemic. Nearly three-quarters (74%) of Hispanic pet owners reported purchasing pet products online through a retailer in November 2021, up from 57% in December 2020.² However, Hispanics prefer shopping in-store vs. online for pet supplies.

127i

I prefer to shop in-store for pet supplies as opposed to online.¹

Social Influence

Hispanic consumers are receptive to brand engagement on social platforms. 38% of Hispanic pet owners agree social media plays a role in what they purchase for their pet (vs. 30% of White Non-Hispanics).¹

127i

Social media influences the products and services I choose for my pet.¹

Apps & Subscriptions

Multicultural consumers lean into new innovations to care for their pets. In particular, Hispanics are 17% more likely to have used a pet walking/sitting app such as Wag! and Rover in the last year.¹

129i

I'm subscribed to a pet toy/treat box service (e.g., BarkBox or Meowbox).¹

NBCUniversal Reaches Pet Owners at Scale

Pet Owners

REACH

113M

COMP

80%

Heavy Pet Care/Food Buyers

REACH

86.5M

COMP

82%

Over-Indexing Network Highlights



Source: Nielsen-MRI fusion C3 unduplicated reach among A18+; 12/27/2021-12/25/2022
Network Index against A2 +Pet Owners OR Category Influentialism Segment: Pets {My family/friends trust my advice on the topic}





NBCU Opportunities & Solutions



NBCUniversal Has a Commitment...

...To Pets!

NBCU has a legacy of being the perfect place for purpose driven pet adoption initiatives with our company-wide commitment to **Clear the Shelters**.

Since 2015, the NBC and Telemundo NBCU Local stations have teamed up with shelters across the country to host Clear the Shelters, a nationwide pet adoption drive in August that helps find loving homes for animals in need.



NBCUniversal Has Experience with Pets

Best-in-Show Case Studies Across the Purchase Funnel

LEVERAGING ADVANCED AUDIENCE TARGETING



Blue Buffalo & Data-driven Linear

Blue Buffalo leveraged NBCU's Data-driven Linear advanced audience targeting capabilities to reach pet owners, maximizing the impact of linear ad exposures for the Tastefuls and Life Protection food brands.

DRIVING CHARITABLE DONATIONS



FreshPet & TODAY

In a *TODAY* Show in-show integration, Sue Bell, founder of The Homeward Trails Animal Rescue, received a surprise donation of \$20,000 and 1,000 meals for Homeward Trails for the year, all courtesy of FreshPet.

INFLUENCING PURCHASE CONSIDERATION






















PetSmart & E!

In partnership with PetSmart, *Daily Pop* invited Erin Lim to share the ultimate holiday gift guide for pets, filled with presents and treats, including sponsorship moments, brand mentions, and logo placement throughout the episode.

Premium Content for Pet Brands Throughout the Year

NBCU 2023 Portfolio Opportunities

	1Q'23	2Q'23	3Q'23	4Q'23
PET PULSE POINTS	National Dress Up Your Pet Day 1/14	National Pet Day 4/11	National Service Dog Month September	National Adopt A Dog Month October  11/23
QUARTERLY Scripted/Reality	 Premiere Feb	 Series Finale 5/19	   July  8/26	 October
ALWAYS ON	 	 	  	   

Custom Content

In-Show Integration

Digital/Social
Amplification

Thematic
Alignment

NBCUNIVERSAL ONE PLATFORM SOLUTIONS

TARGET

Strategically capture pet-loving audiences via opportunities leveraging our advanced targeting capabilities across linear, digital and social

CONNECT

Inspire audiences and influence their behavior via high impact storytelling, pet-loving talent, and actionable content

GO BEYOND

Generate excitement and deepen consideration via metaverse and gaming environments and capabilities

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Connect your brand with the right consumers through premium content on every screen

AdSmart
Advanced Targeting
& Optimization



Pet Owners



Data-driven linear

Enhanced delivery to your target audience at scale through the broad reach of national linear TV



NBCU streaming

Dynamic, addressable delivery to your target audience through the best in streaming—Peacock AX and Peacock Premier—across CTV, STB VOD, desktop, and mobile



Cross-platform

Single advanced target delivered across linear & digital media plans—plan once, activate everywhere

Activate your way:



Managed service



Self-service

Reach Key Audiences with Digital/Social Opportunities

Low-Lift, High-Impact Opportunities Designed for Pet Brands and Made for Pet Owners



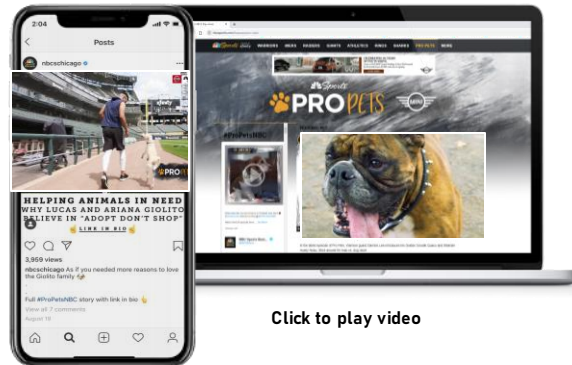
Peacock Ad Innovations Deliver for Pet Brands

Curator Ad: Organically integrate any pet brand into collections of the best titles across our library, all carefully curated by our editorial team.

Pause Ad: This high-impact ad experience uses a static brand ad which can include pet relevant messaging and call to action shoppable opportunities for pet brands

Sample Pet-centric Peacock Titles:

- Pets
- Madagascar
- Shark Tale
- Turbo



Click to play video

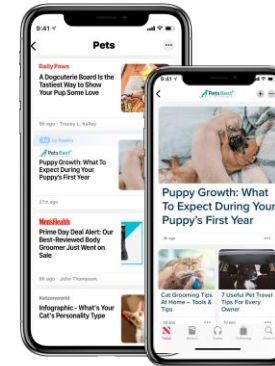
Click to play video

Engage with Sports & Pet Lovers via Digital ProPets Series

ProPets is a digital NBC Sports original content series featuring local pro athletes alongside their MVPs (Most Valuable Pets).

Digital video and social content offer a glimpse into the lives of sports pros, the pets they love, and the **pet brands** they can't live without.

- Custom Social Promotion
- Fixed Pre-Roll
- Brand Logo Integration
- Digital Display
- Option to Extend on Linear



Target Pet Owners On Apple News

Apple News provides a premium ad environment **for pet brands to strategically target and reach pet lovers**, featuring over 300 world renowned publishers with over 120MM global users.

- Wellness Spotlight
- Carousel Unit
- Topic Takeover



Celebrate Pets With Twitter Highlights

Stream your video ads across a series of curated must-see, feel-good pet moments—all brought to viewers by **your pet brand** via NBCU's trusted social handles. Surround these moments to drive brand awareness, relevancy and sentiment.

- Pre-Roll
- Targeting Options
- Brand Attribution
- Sample Programming

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CLEAR THE SHELTERS

&

PAWSITIVELY GOOD AWARDS

NBCUniversal Local

Owned Stations Regional Sports Networks

In 2023, Clear The Shelters will be a month-long multi-platform campaign, culminating in a one-day event at participating shelters in late August.

Sponsorship opportunities for the :30 min special:

- Contextually themed content opportunities
- Promo sponsorship
- Show integration
- Digital/social amplification leveraging
- On-site opportunities at shelters and integration

The PAWSitively Good Awards is a franchise pushing Clear the Shelters messaging beyond the month of August highlighting members of the community who are making an impact with shelter animals.

Available in select markets throughout the year:
Sponsored promos, and opportunity to participate in award to deserving shelter representative.

ADOPT A PET TODAY



hoyDia

TODAY + Hoy Dia will help deserving animals find a great home. Together, we can host an **adoption-oriented segment** – inclusive of expert tips to adoption success stories and help pets find their forever homes.

LOVE PETS WITH SETH



LATE NIGHT WITH SETH MEYERS

Dog lover Seth Meyers will amplify priority pet care messaging in a custom and **comedic in-show Late Night with Seth Meyers Live Ad** during October's Adopt a Shelter Dog Month!

NBCU Celebrates Pet Adoption Initiatives All Year Round!

Drive Awareness and Consideration for Pet Brands Year-Round

Dynamic Solutions Across NBCU's Portfolio to Spotlight Pet Brands



SURROUND NBC'S BIGGEST PET TENTPOLE OF THE YEAR

Every Thanksgiving, following the Macy's Thanksgiving Day Parade, man's best friend takes center stage at the Kennel Club of Philadelphia as we celebrate The National Dog Show.

Sponsorship opportunities:

- In-show verbal brand mention
- Billboard identification
- On-site opportunities, including venue signage



ENGAGE ANIMAL LOVERS WITH PET CENTRIC CUSTOM CONTENT

Pet brands can partner with NBCU to create out of show custom content featuring pets and our IP.

For example, Syfy's hit show Resident Alien can feature Sheriff Mike in a custom shoot along with his beloved dog Cletus solving a crime with the help of our pet sponsor.

Additional opportunities include but are not limited to:

- Housewives Dog Confessionals on Bravo
- Dogs Love USA
- Cospets on Syfy



MAKE AN IMPACT WITH PET-THEMED SEGMENTS

This Purrfect Access Daily segment can cover pet tactics from behavioral trainings, pet care, pet styling, to paw-ty planning, and more! Anything to shine the limelight on these deserving pets, while spotlighting your brand as an absolute favorite!

Sponsored Segment can include:

- Branded graphic w/ lead-in animation and tagline VO
- Verbal mention of brand
- Amplification of segment on Access socials



LEVERAGE WWE TALENT TO CONNECT WITH PET LOVERS

Together, WWE and pet brands can partner to create a custom feature to highlight some of our most defining moments in WWE.

We can profile a WWE Superstar/Legend with an animal inspired character such as: "The Viper" Randy Orton, "The Animal" Batista, Jake "The Snake" Roberts, Ricky "The Dragon" Steamboat, Junkyard Dog.

Leverage NBCU's Pet-Loving Talent

Engage fans at scale by creating animal-centric content featuring fan-favorite, pet-owning NBCU talent.



6.3M



KELLY CLARKSON (The Kelly Clarkson Show)

Dog: Joplin



4.1M



THE MIZ & MARYSE (WWE)

Dogs: Luna & Pumpkin



1.6M



922K



DOLORES CATANIA (RHONJ)

Dogs: Lolli, Lulu, Raz & Dog



303K



ERIN LIM RHODES (E! News)

Dog: Pearl



589K



AMANDA BATULA & KYLE COOKE (Summer House)

Dogs: Reese & Ryder

407K



Increase Purchase Intent for Pet Products Using Shoppable Capabilities Across Our Platforms



Order Pet Products Seamlessly Straight to Your Door

ShoppableTV ads have NBCU codes embedded in the creative and sold as a Programmatic Guaranteed video buy.

This capability helps **pet brands connect with the audiences that need pet products the most.**

- Integrations
- Commercials
- Programmatic
- Peacock Ad Innovations



Experience Virtual Shoppable Opportunities for Pets

Immerse **your pet brand** in the next frontier of **fandom** and offer **pet lovers a new way to explore.**

Elevate your audience experience with unique shopping environments that combine the power of AR/VR with the power of our talent & IP.

- Metaverse Shopping
- Shop the Show

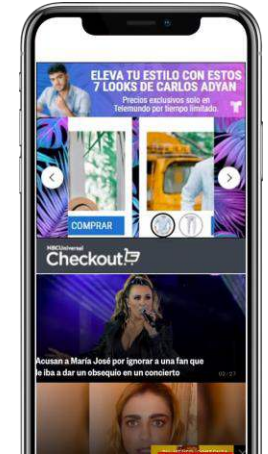


Collaborate With Influential Pet Loving Talent Using Social Commerce

Capitalize on this increasingly valuable intersection of content, commerce and community.

Take advantage of shopping capabilities combining **influential pet loving talent, across all social & streaming platforms in a real time commerce content experience.**

- Live stream shopping
- Influencer marketing
- Shoppable branded social



Checkout Our Custom Pet Products Through Our Interactive Web

Using NBCU Checkout, you can **create engaging shoppable touch points for pet lovers** as they're consuming NBCU content.

Guide the user journey for full funnel impact with captivating elements such as animations, videos, and articles.

- Rich Media Units
- Articles
- Digital Video

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Explore Pet Opportunities Beyond the Traditional with Metaverse and Gaming

METaverse



The metaverse reimagines brand and fan engagement beyond the physical, **taking co-branded pet centric campaigns** to new heights.

Imagine walking into a virtual co-created pet store designed for your specific pet brand with avatars exploring and buying your pet products. Pet brands can showcase fun new pet products in their virtual world reaching pet lovers in exciting new ways.

GAMING



Reach gamers in their favorite virtual gaming environments on mobile platforms with games that index strongly amongst pet owners and families.

Pet brands can activate with NBCU and Anzu and **get into the game via non-disruptive display and video ads with potential to explore custom opportunities as well.**

NBCUniversal

Thank You!

For more information, reach out to:

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- **Client Advocacy:** Robert HoSang, Marilyn White, Diana Barreto

