

INDUSTRY TRENDS

- According to The American Pet Products Association, Americans spent \$69 billion on their pets in 2017, and every category, including pet food, products, and services, saw an increase *except* live animal sales, which they predict will continue to decline.
- Consultancy EY-Parthenon reported in July 2018 that the pet industry has become a “potentially explosive market” as Americans increasingly humanize their pets, predisposing them to spend more on fancy food, treats, clothing and premium services such as grooming and pet spas, and noted that 78% of people prefer to shop for their pets in brick-and-mortar stores. Plus, live animals sales will likely slow “as people align pet adoption with their social values.”
- *Pet Business*’ 2018 “Top 25 Pet Retailers in North America” included only one chain that sells puppies, while the rest of the pet store companies are thriving by selling quality products and offering in demand services such as grooming, boarding and training.
- *Entrepreneur* magazine included Pet Supplies Plus on its “2018 Fastest-Growing Franchise Ranking” and “Annual Franchise 500” lists, noting that the company was the top pet supply franchise. Pet Supplies Plus does not sell puppies, but rather focuses on natural pet foods, goods and services, and partner with shelters and rescues.
- Conscientious companies are refusing to do business with pet stores that sell puppies. For example, Honest Kitchen, a healthy pet food company with products in nearly 5000 stores across the country, regularly turns down requests from stores that want to sell their products but also sell puppies.