DATAWEAVE

Climbing the Food Chain in an Ever-Expanding Pet Food Universe

How Ratings and Reviews Kept the Top 3 Brands on Top:
Monitoring and Managing Digital Shelf Reviews

EACH YEAR, AMERICAN PET OWNERS ARE SPENDING MORE AND MORE ON THEIR FURRY FRIENDS.

According to the American Pet Products Association, U.S. pet food sales rose 10 percent in 2020 and there's a continued healthy 5 percent growth forecasted for 2021, with a large part of these sales slated to happen online.

According to one report, in 2013 only 3 percent of pet owners in the U.S. reported buying pet food online. By 2018 that number was up to 13 percent, and by March 2020, 17 percent of U.S .consumers reported buying more pet food and supplies online than in-store, due to the Covid outbreak.

The global pet food market is expected to grow to a retail value of more than US$121 billion by 2025, with the biggest markets located in North America and Western Europe. In the United States, the pet store market is a highly concentrated industry.

Just two retailers, PetSmart and Petco, accounted for nearly half of the retail market in 2019, while in the same year Nestle Purina PetCare held the largest brand share of market for both dry dog and cat food.

HOW DID THESE THREE GIANTS GET WHERE THEY ARE?

Well, let's consider the trends: more people adopted pets during the pandemic than ever before, and of these, 13 percent are first-time pet owners. People who are new to any game turn to online reviews, often in the wee hours, to find out how others are dealing with the same experience. Enter the ratings (stars) and reviews (written commentary) system. Aren't you more likely to order a product that gets 5 stars than one that gets 2?

To test the hypothesis that the rating system is largely responsible for the runaway online success of these winning companies—and the next dozen or so in line—we took a deep dive into the current state of the Pet Care market in the U.S. to see which brands have won the hearts of both consumers and their pets.

SURVEY METHODOLOGY

- We tracked over half a million reviews across the top three U.S. online pet retailers—Chewy, Petco and PetSmart—as well as on Amazon.

- We analyzed customer reviews from 2005 through 2021 to gain insights into consumer perception for the top pet food brands.

TOP 3 BRANDS THAT PET LOVERS LOVE

If you are a pet food brand and you don't appear among the top 16 brands surveyed here, what do you need to do if you aspire to get to where they are? More pointedly, what did the top 3 brands do right, and how can the rest be more like them?

Here's a look at online reviews of top pet food brands. By analyzing the number of reviews garnered and percentage of those reviews with more than a 3-star rating, we began to understand what pet lovers are looking for in pet food.

Top 3 Brands that Pet Lovers Love
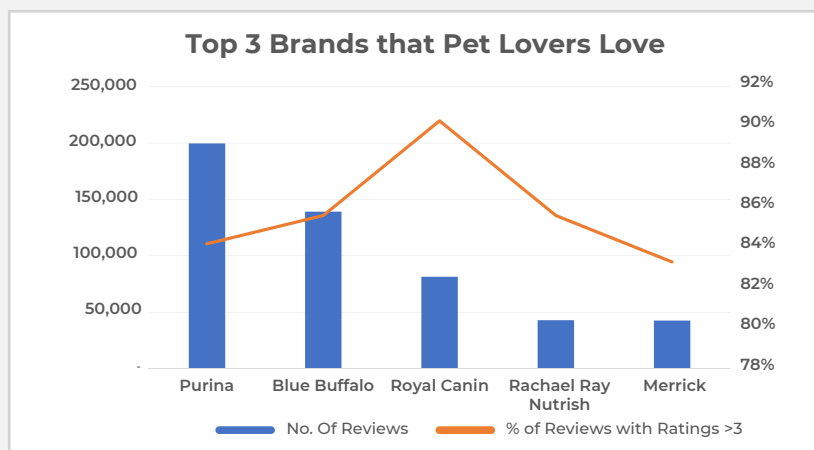
Based on over half a million customer reviews, brands that occupied the top 3 spots were Nestle Purina with close to 200,000 reviews, Blue Buffalo a distant second at around 140,000, and Royal Canin in third place with about 80,000 reviews. But here's something to consider: even in third place, Royal Canin came through with 90 percent customer ratings of over 3 stars. Nestle Purina and Blue Buffalo, in first and second place in number of reviews, had around 85 percent reviews with over a 3 star rating. This begs the question – what's more important? Quantity or quality of reviews?

HOW BRAND PERCEPTION IS BUILT: ONE REVIEW AT A TIME

Brands can build better marketing strategies by learning what people are saying about them—this is brand perception. Using data, you can communicate topline findings at a glance and consider the importance of consumer opinions.
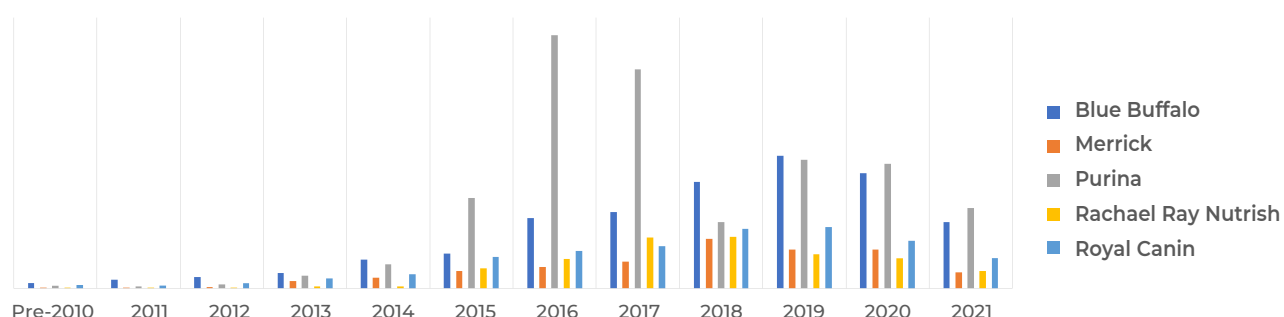
Warren Buffet famously said,

It can take 20 years to build a reputation and only five minutes to ruin it. If you think about it you'll do things differently.

Winning brands listen to what people have to say and make changes to their product accordingly.

Historical Review Trends for the Top 5 brands

Looking historically at numbers of reviews among the top 5 competitors gives some clues as to how various brands have embraced marketing to online pet owners. **Currently (in 2021) we see Nestle Purina in the lead at #1, followed by #2 Blue Buffalo and Royal Canin at #3.**

01 **Nestle Purina** gained maximum reviews in 2016 and 2017 with a massive lead over their competition. While this has remained fairly steady over the last decade, clearly Blue Buffalo did a massive marketing push in 2018, because Purina's review volumes dropped and they the lost the top spot to Blue Buffalo for two years. Purina re-established itself as the leader, however, and won back the #1 spot in 2020 and 2021.

02 **Blue Buffalo** had a slow start, but grew consistently from 2013 onward, steadily adding more reviews every year. In 2018 and 2019, as mentioned, Blue Buffalo even displaced the giant Nestle Purina and secured the #1 spot, garnering the highest number of reviews that year. But 2020 and 2021 saw a decline for Blue Buffalo—could that have indicated a lack of marketing intelligence?—and Purina bounced back, leaving Blue Buffalo at #2.

03 **Royal Canin** has been the most consistent brand – with the exception of a year or so, they've been occupying the #3 spot since 2013.

Ratings can fluctuate from one month to the next, and it's important for brands to stay on top of these changes by [monitoring their ratings and reviews](#) across online retailers.

WHAT ARE CUSTOMERS SAYING IN THESE REVIEWS?

In order to adapt to consumer feedback, pet food brands need to analyze their online reviews to get to the bottom of what their customers are saying. It's pretty hard going through 100,000 reviews by hand, so we put our AI-powered technology to work and culled out from these reviews the top themes and product attributes customers are writing about—both positive and negative.

Among the top four attributes we uncovered—performance efficacy, product characteristics, consistency, quality and safety—performance efficacy was the most frequently under discussion, making up nearly half (43 percent) of all reviews. Product characteristics came in second at 31 percent, followed by product consistency at 30 percent.

Top 4 Attributes Discussed
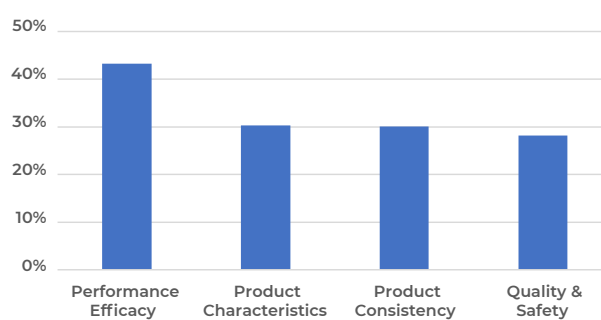
One item guaranteed to make pet owners feel itchy is when they watch their pets scratch themselves – so it follows that when it came to the attribute with the most negative reviews, 'infestation' of the flea variety, won hands down, with over 50 percent negative mentions. Customers complained about a given product either causing or increasing the degree of flea infestation in their pets.

Highest & Lowest Rated Attribute

Negative Mentions Positive Mentions

Performance Efficacy?
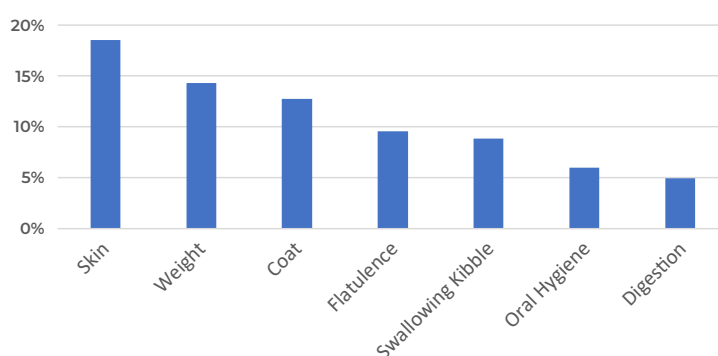## What's that— and why should Brands care?

What exactly does Performance Efficacy mean? And why was it the #1 key attribute customers were discussing in their reviews?

Let's break down that attribute further. When consumers wrote about performance efficacy, here's what they were referring to.

Performance efficacy is a term that covers more specific attributes such as skin, weight, oral hygiene, digestion, and so on – the really critical markers pet owners care about in caring for a healthy, happy pet.

More than 18 percent of all performance efficacy reviews we looked at were about their pet's skin, followed by 15 percent of those reviews being about their weight.

Performance Efficacy - Attribute wise Break up

Bar chart with y-axis from 0% to 20% (5% increments). Categories: Skin, Weight, Coat, Flatulence, Swallowing Kibble, Oral Hygiene, Digestion.

Brand Reviews V/S Retailer Reviews

Be it delayed shipping, products damaged in delivery or a complaint about a product feature – consumers don't differentiate between brands and retailers when they're
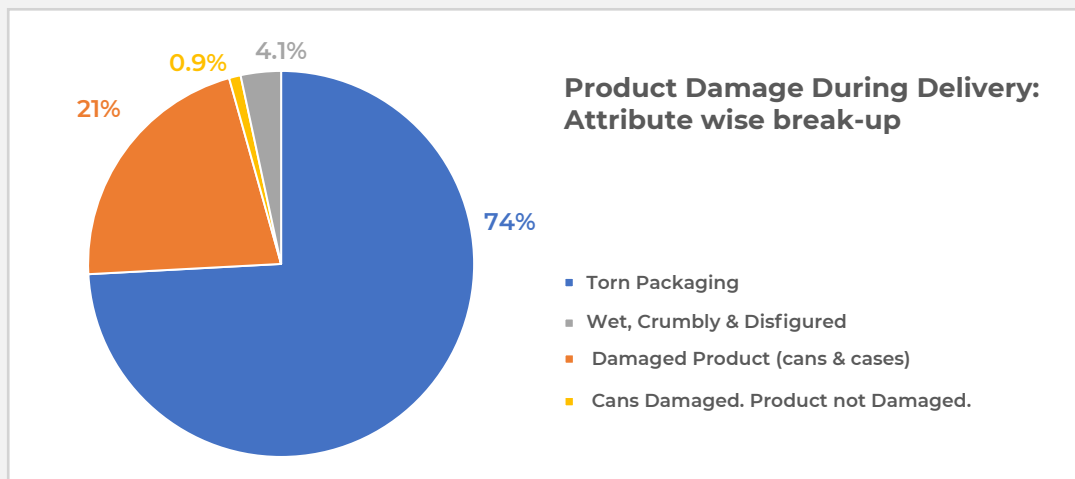
sharing a bad review. Fortunately, our AI-powered data analytics can—and it turns out that brands aren't the only ones who have to know what customers are saying about them.

It turns out that the industry issue shared by retailers across all sectors is dogging pet care retailers, too: last-mile delivery. We identified that 8 percent of the reviews we analyzed concerned product damage during delivery. This is purely a retailer problem having nothing to do with the brand or quality of the product.
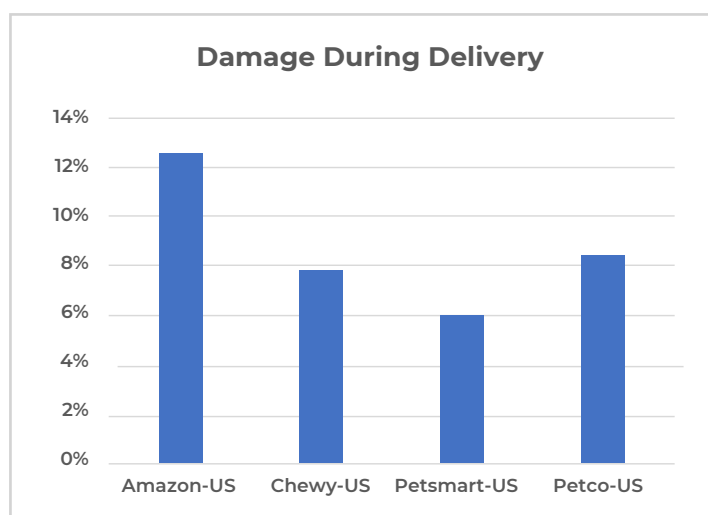
Let's deep dive into what was being said about Product damage during Delivery

Close to 74 percent of consumers who complained about product damage during delivery said that the problem was with outer packaging being torn or damaged during delivery, which means the damage was superficial. Luckily for brands, only 21 percent of these reviewers said that the actual product was damaged. Regardless, this is useful feedback that brands can take back to e-tailers or logistic partners and let them know how the customer experience can be improved.

Product Damage During Delivery: Attribute wise break-up

- Torn Packaging — 74%
- Wet, Crumbly & Disfigured — 4.1%
- Damaged Product (cans & cases) — 21%
- Cans Damaged. Product not Damaged. — 0.9%

Among these retailers, Amazon had the highest % of Shipping Damage related negative reviews. By far the lowest were on Petsmart.

With eCommerce booming post pandemic and more and more people shopping online, the delivery experience becomes even more critical. The stellar rise of delivery services such as Instacart during the pandemic suggests another avenue pet care brands and retailers would do well to explore.

Damage During Delivery

Retailer	Percentage
Amazon-US	12.5%
Chewy-US	7.8%
Petsmart-US	6.0%
Petco-US	8.4%

BATTLE OF THE BRANDS!

The Pet category is growing, not only in sales but in the number of brands that are now selling online—leading to an all-time boom in eCommerce competition. This makes it even more important for brands to know how they rank and where they stand in consumer perception vis à vis their competition.
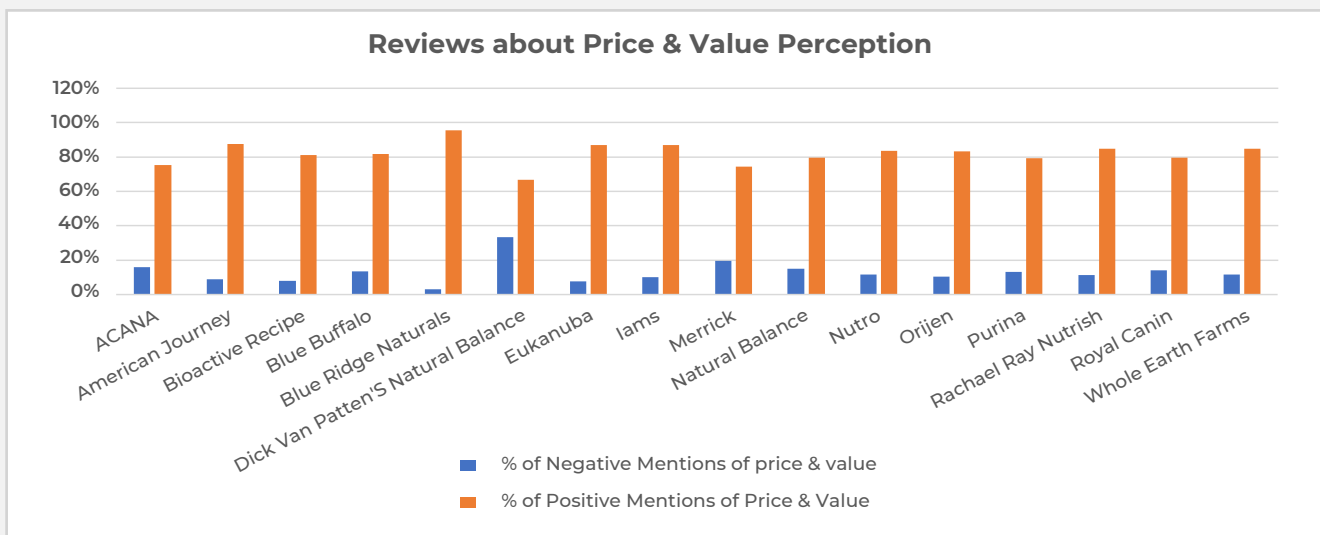
We looked at reviews for 16 brands, including **Natural Balance, ACANA, Eukanuba, Blue Buffalo, Orijen, Blue Ridge Naturals, Bioactive Recipe, Whole Earth Farms, Nestle Purina, Royal Canin, Rachael Ray Nutrish, Merrick, Dick Van Patten'S Natural Balance, American Journey, Iams and Nutro**.

Here we present data across the several attributes we've discussed, as well as in terms of how price and value impact consumer perception; product packaging design; weight management; and palatability and taste.

**01** ## The impact of Price and Value on Consumer Perception

First, let's look at price and value perception across all 16 brands.

Reviews about Price & Value Perception

■ % of Negative Mentions of price & value
■ % of Positive Mentions of Price & Value

What the data shows is that the public's perception of price and value gives the highest marks to **Blue Ridge Naturals**, with only 4 percent negative reviews and nearly 96 percent positive ones. On the other end, **Merrick** fared the worst, with 19.8 percent negatives reviews on price and value and only 74.3 percent positive ones.

Next we looked at a couple of specific brands' performance across the attributes we've been discussing—performance efficacy, product characteristics, product consistency, ingredient quality and safety, and price-to-value—along with overall customer experience.

ACANA shows a very different—though still successful—story through its review data. Its customers seem to be satisfied with various parameters across product, quality, and performance—scoring close to 90 percent on all. However, in consumer perception about price-to-value, their score of only around 75 percent is extremely weak.
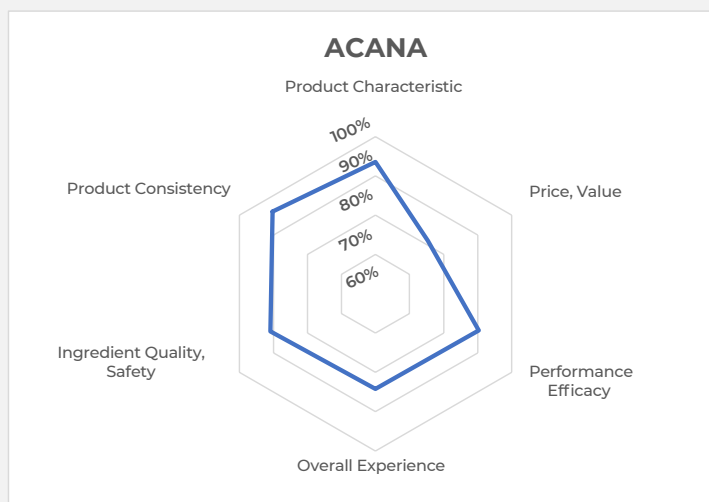
Royal Canin knows what attributes consumers care most about (efficacy/characteristics) and positions themselves successfully for the niche they address.

Royal Canin didn't rank very high on many parameters, including price—but it scored over 90 percent in performance efficacy. Nonetheless, their product positioning, based on effectively leveraging the information they glean from reviews leads them to understand that **consumers will pay top dollar for a good product**. The value the product delivers for people's beloved pets is a huge contributing factor in customer satisfaction and sales for this brand.


02 Packaging Design

Another way we looked at how brands are stacking up against their competitors was through packaging design. It seems pet owners do judge a book by its cover when it comes to the products they buy for their furry friends.

In this analysis, our data shows that **Bioactive Recipe** was the winner, with 95 percent positive mentions about its packaging and only 5 percent negative comments. On the other hand, **Merrick** received the most negative mentions about its package design, at 30 percent, while positive comments lagged at 63 percent.

Reviews about Product Design

- ■ % of Negative Mentions about Package Design
- ■ % of Positive Mentions about Package Design
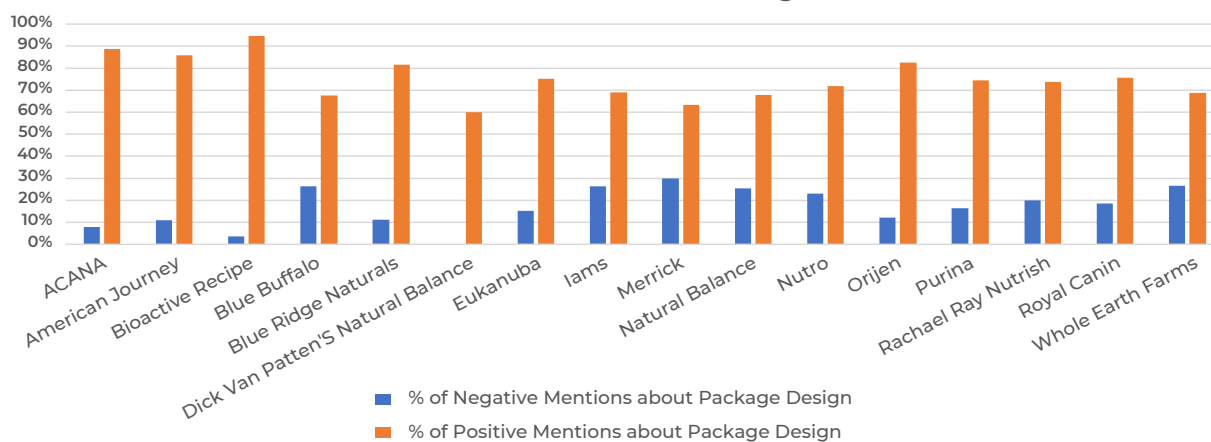
03 Weight Management

Finally, we looked at one important factor affecting the pets themselves. According to the American Society for the Prevention of Cruelty to Animals, around 56 percent of cats and 41 percent of dogs in the U.S. are overweight. It comes as no surprise, then, that American pet owners express high demand for weight management pet foods. Here, **Nestle**

Purina is the category leader, with its stable of products garnering with most reviews related to weight management. However, **Bioactive Recipe** wins here, with a greater proportion of positive reviews about its weight control products—97 percent, to Purina's 91 percent.

Meanwhile, Whole Earth Farms needs to put its recipes on a diet—or at least so its customers feel. It came out with the highest number of negative reviews of any of the brands we analyzed.

Weight Management Reviews by Brand

- ■ % of Negative Mentions
- ■ % of Positive Mentions
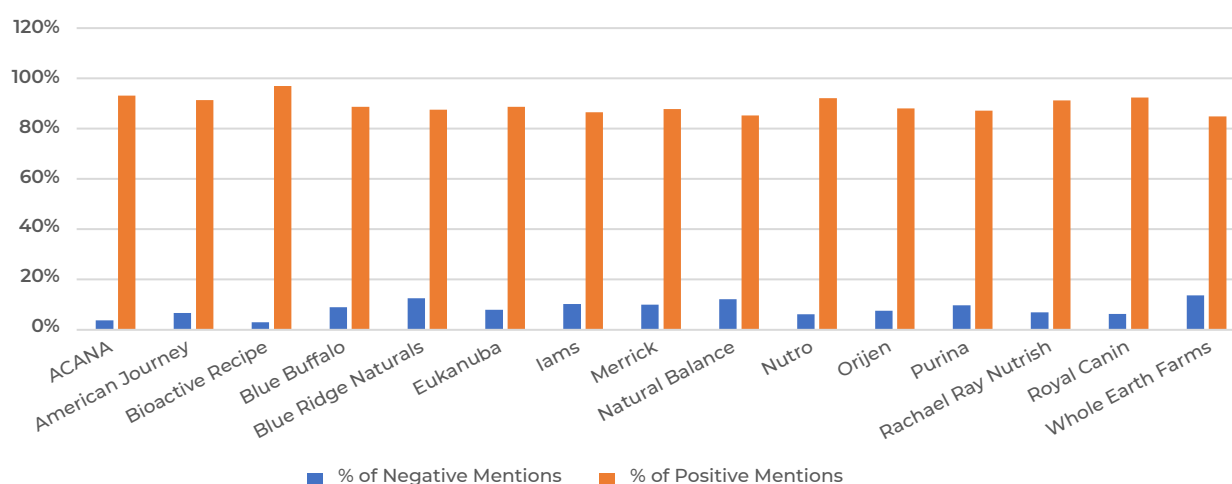
04 Palatability and Taste

While we assume pet owners are not actually tasting their pets' food, they still review it on their behalf. The data shows how eagerly pets trot over to the food bowl; or perhaps turn up their noses at any other offerings. In searches for 'best tasting pet foods,' brands that build their strategy around taste will rise to the top.

In this category, the three brands that got the maximum number of reviews were **Nestle Purina**, with over 5,300 'good taste' reviews; **Blue Buffalo**, with over 1,500 reviews, and **Royal Canin**, with nearly a thousand. It should come as no surprise that these are also the top 3 brands we analyzed in sales and overall number of reviews—as with any dish humans want to eat, taste is king.

of Reviews on Product Palatability
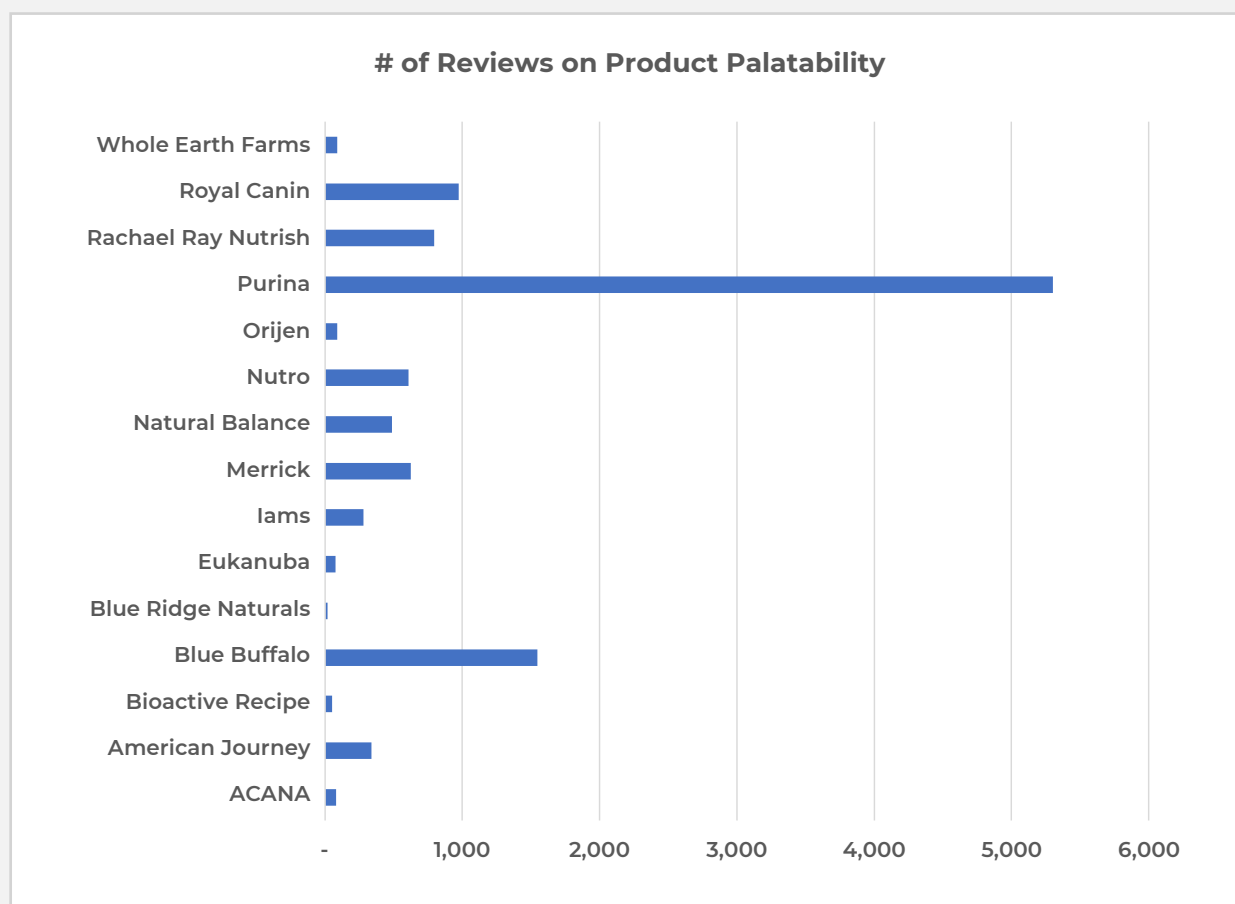
The global pet food category is highly consolidated, with the top few players occupying a major share in the market. But as in any category, the competition is tough and is driven by consumer loyalty—the trend toward smaller, healthier emerging brands, mirroring that of food and grocery, has only heightened with the pandemic. Once their owners find a winner, pets crave for the same brand of food repeatedly—so gaining market share from competitors becomes especially hard for pet food brands. In this dog eat dog market, brands armed with the right data and consumer insights can effectively prepare, understand, and respond to their customers' needs.
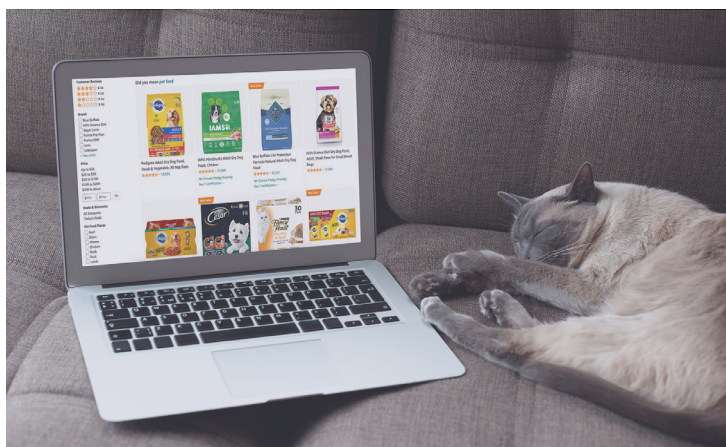
As eCommerce gains traction post pandemic, pet food brands will need to ensure that their digital shelf is prominent and visible in increasingly crowded online channels. Being well stocked with the right products, at the right price, offering strategic discounts with minimal to no out of stock instances remains the only sure way to guarantee customer satisfaction and skyrocketing sales.

Want help Optimizing your Digital Shelf? **Reach out to us** to know more.

AUTHOR PROFILE

Nadir Islam is the Lead Analyst at DataWeave. He has rich experience in the Analytics and Data Science space & works closely with some of our brand customers across verticals like CPG, Grocery, Fast Fashion, Pet Supplies, Furniture to name a few, to help them improve their Digital Shelf presence.

ABOUT DATAWEAVE

DataWeave is a leading provider of advanced sales optimization solutions for e-commerce businesses, consumer brands and marketplaces. The AI-driven proprietary technology and language-agnostic platform aggregates consumable and actionable Competitive Intelligence across 500+ billion data points globally, in 25+ languages, with insights to performance for more than 400,000 brands across 1,500+ websites tracked across 20+ verticals, to ensure online performance is always optimized.

Connect With Us

Email: contact@dataweave.com

Call: 1.425.458.5110

www.dataweave.com