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China Pet Market Analysis

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01

China Pet Industry Overview

China Market is BOOMING!



How Many Pets?

---- 27,400,000 and the average number of keeping pets in cities is around 11%.

How Big is the Market?

---- In 2017, Chinese pet market had reached 147 billion RMB (20 billion euros)

---- In 2018, the market ended up to 167.8 billion (22 billion euros).

---- Within the future 3 to 5 years, the pet industry will keep the rise at more than 20%.

Why?

---- Rapid economy and growth.

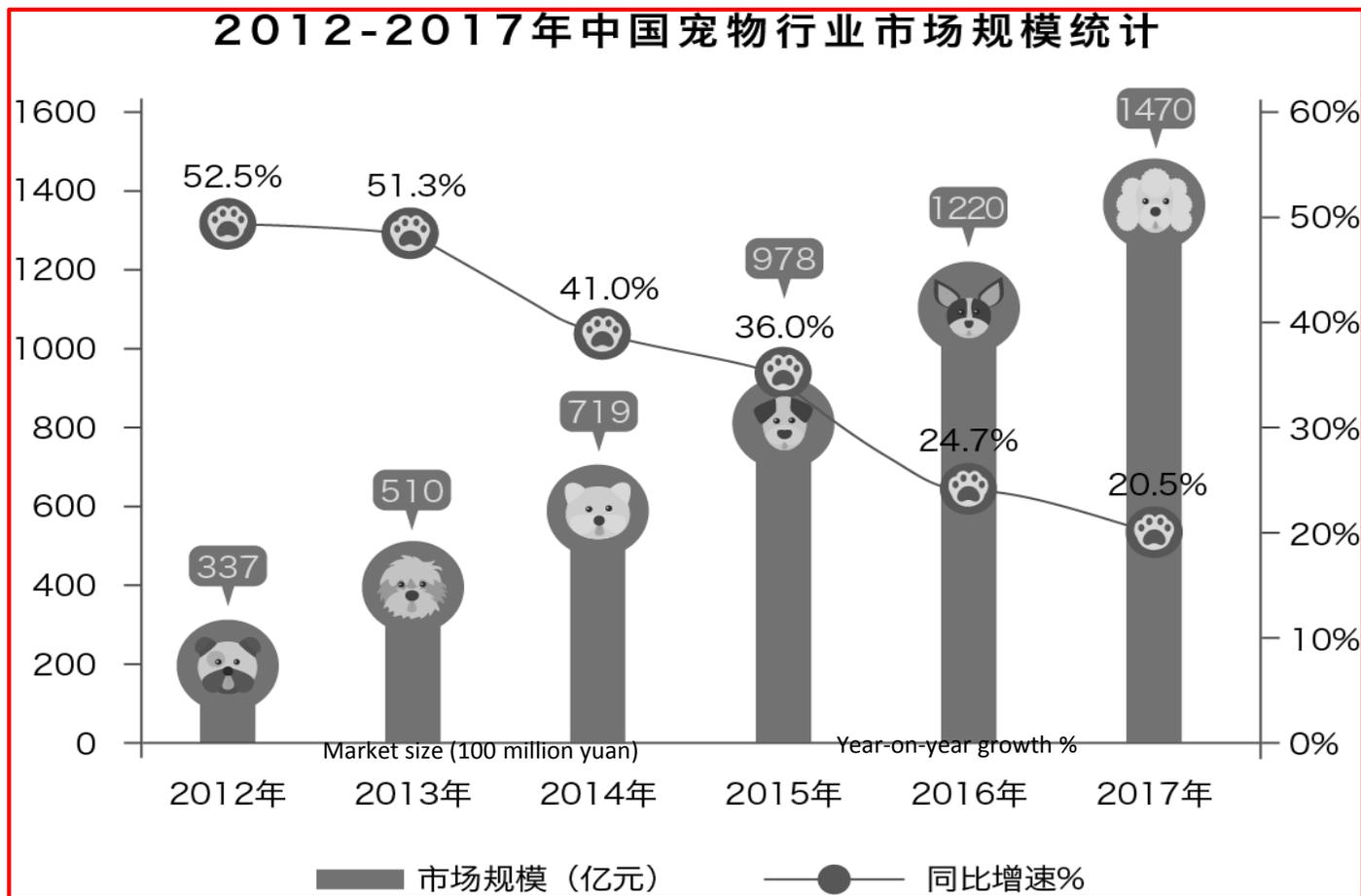
---- People' s desire for better life and comfort.

---- People' s attitude towards pets have changed, more as family members.

---- Population structure change (more empty nest families).

---- Overall Pet Industry Development as the driving force.





Remarkable growth in the Next 5 Years

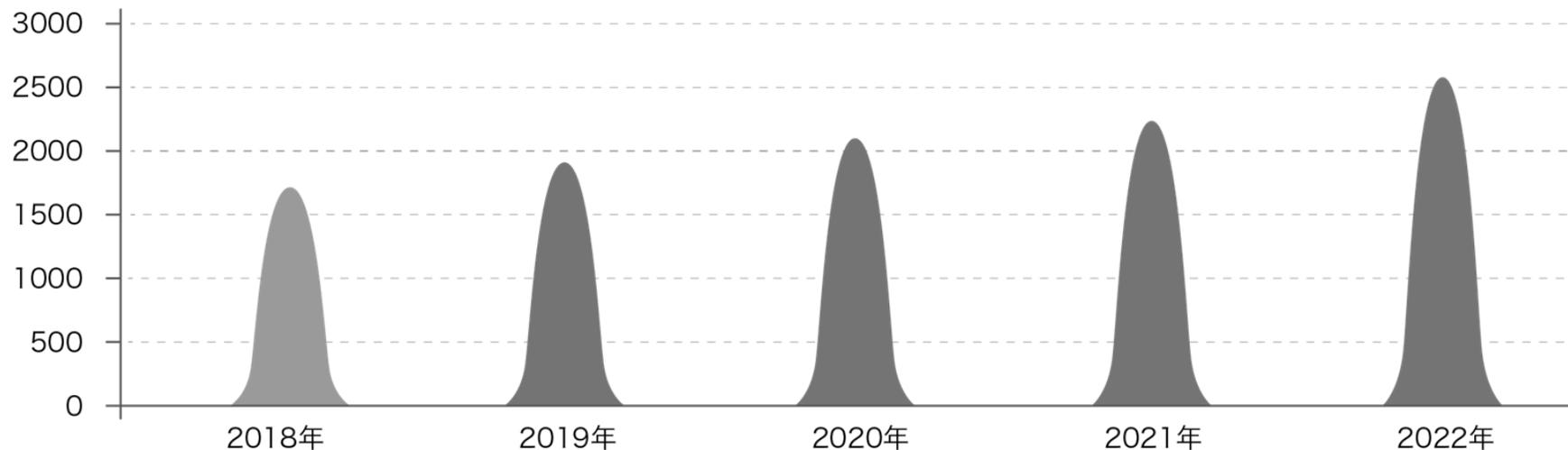
Break through 250 billion RMB in 2022. (33 billion euros)

Though recent years the pet market were experiencing the slowdown, it still keeps the growth of over 20%, higher than the average speed of retail industry.

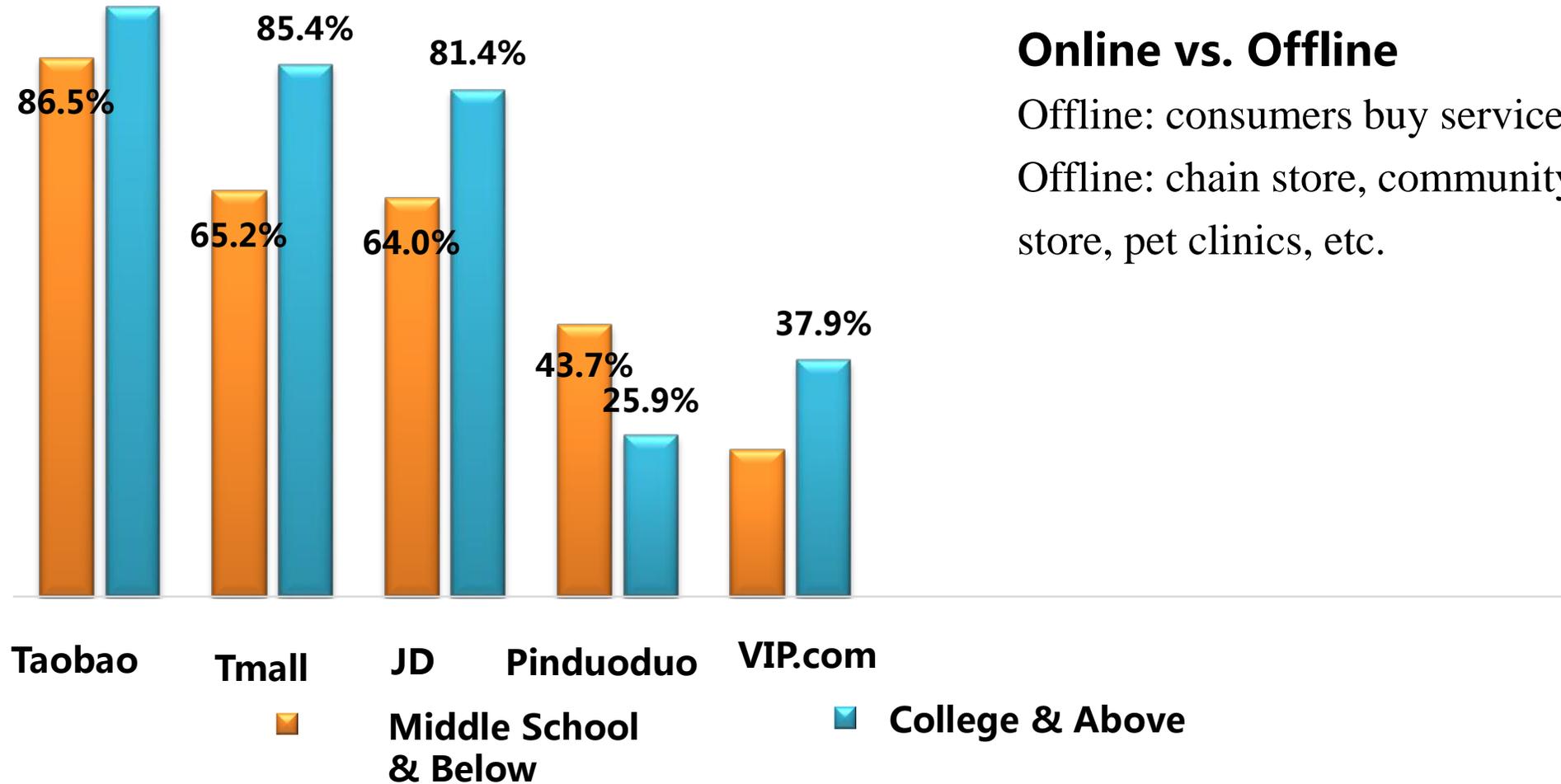
In 2021, the rate of keeping pets in cities will reach at 19%.

The market capability will double and the compound annual growth rate will be 16.6%.

2018-2022年中国宠物行业市场规模预测（亿元）



Remarkable growth of online pet consumption



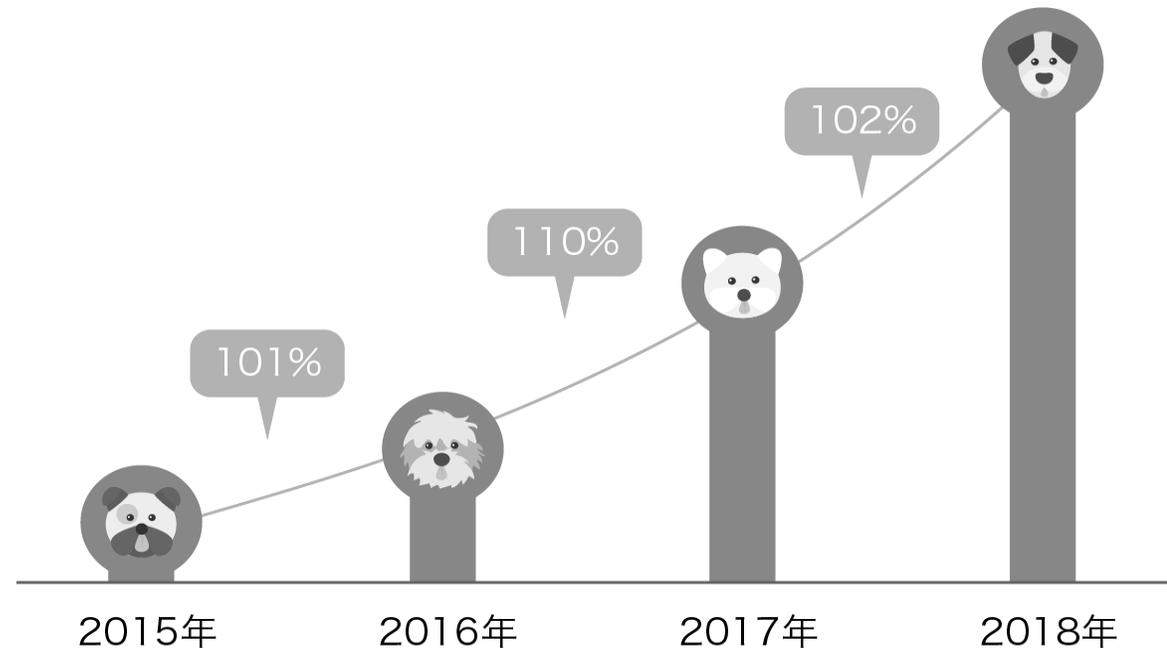
Remarkable growth of online pet consumption

JD Growth sales growth (source: JD)

◆ Sales Top 5 Categories of Online Consumption

- Food
- Home supplies
- Aquarium products
- Medical and healthcare
- Snacks

(from JD.com)





Cat Economy?

The remarkable growth of cat related products

---- in bigger cities

----limited living space

----young generation

----single, unmarried people

----cat can stay in the house by itself, esp. with smart products

---- cats as companions and even kids



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02

China Pet Manufacturers Analysis



For China Pet Products Manufacturers, the topics in recent five years have been:

OEM to ODM

Innovation

Smart Products

Consumers Targeted Design and Production

Huge Growth in Domestic Markets and Consumption



Trend 1: OEM to ODM

1. Old OEM Model: Getting orders and deliver the products at the lowest cost

The status of China' s economy development behind old OEM pattern.

China' s advantages in world economy

2. New ODM Model: Not only accepting orders, but involved in design.

The status of China' s economy development behind new ODM pattern.

World factory is moving out from China to South east Asia

3. Brands Awareness (private label)

Trend 2: Innovation, Innovation, Innovation!

----Innovation is a key competition among Chinese manufacturers.

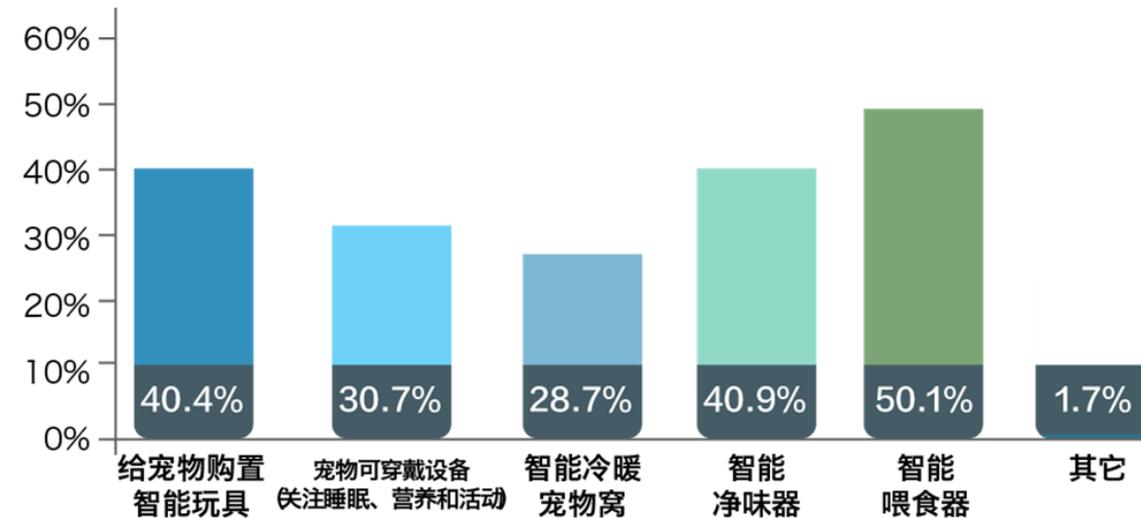
----Consumers are always looking for something new and better.

----CIPS Innovation Award is the leading industry award for Innovation.



Trend 3: Smart Products

- Both in dogs, cats and in aqua
- Consumers are looking for easy, time saving, cool and smart products
- Young generation as pet owners
- Industry design as a separate business and manufacturing companies can seek help from professional designers
- Smart products for people, esp. infants are transferred to pets
- Smart in one single product to the creation of a smart living environment
- Smart Zone on CIPS





Trend 4: Consumers Targeted Design and Production

----With the rapid growth in industry scale, the one-product-for-all stage is gone

---- Young generation are looking for something deferent! Special

(For young pet owners, their consuming pattern is similar to make-ups, clothes, etc.)

---- For female pet owners, their pattern is similar to infants and kids

---- Men?

Trend 5: Domestic Market

China Domestic Markets

----Booming? Yes!

----But Huge.





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03

China Customers Analysis

Pet Owners Profile

Analysis on: the consumers' genders, ages, places, occupations, income, education backgrounds, types of keeping pets, purchasing categories, consumption views, key words of searching, reasons of keeping pets.



Why Keeping Pets

- Adding joys to life (62.8%)
- Pets are lovely and cute (61.8%)
- As a companion to a lonely life (31.9%)
- Pets as kids (13.2%)
- Other reasons (4.9%)



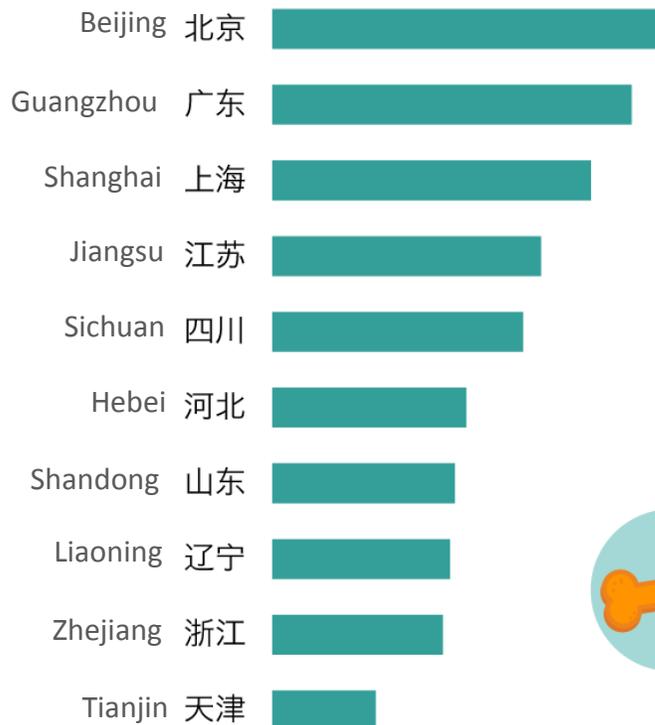
Geography Analysis

Top 3 cities: Beijing, Guangzhou, Shanghai



消费金额TOP10省份（宠物狗）

Consumption TOP10 Provinces (Dog)



消费金额TOP10省份（宠物猫）

Consumption TOP10 Provinces (Cat)



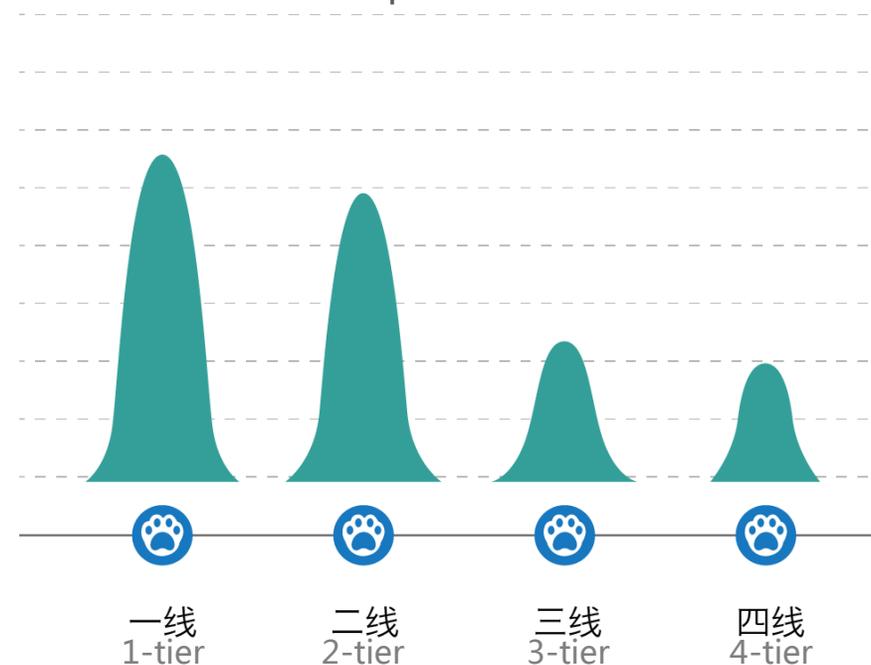
Growth: Big Cities & Towns

Data demonstrates that the consumption hotspots mainly locate in 1- and 2-tier cities. People in developed cities have higher acceptance of pet medical care, pet grooming, pet clothing and etc.

With the enhancement of Chinese economic level and per capita disposable income, the pet economy in 3- and 4-tier cities begins rising.

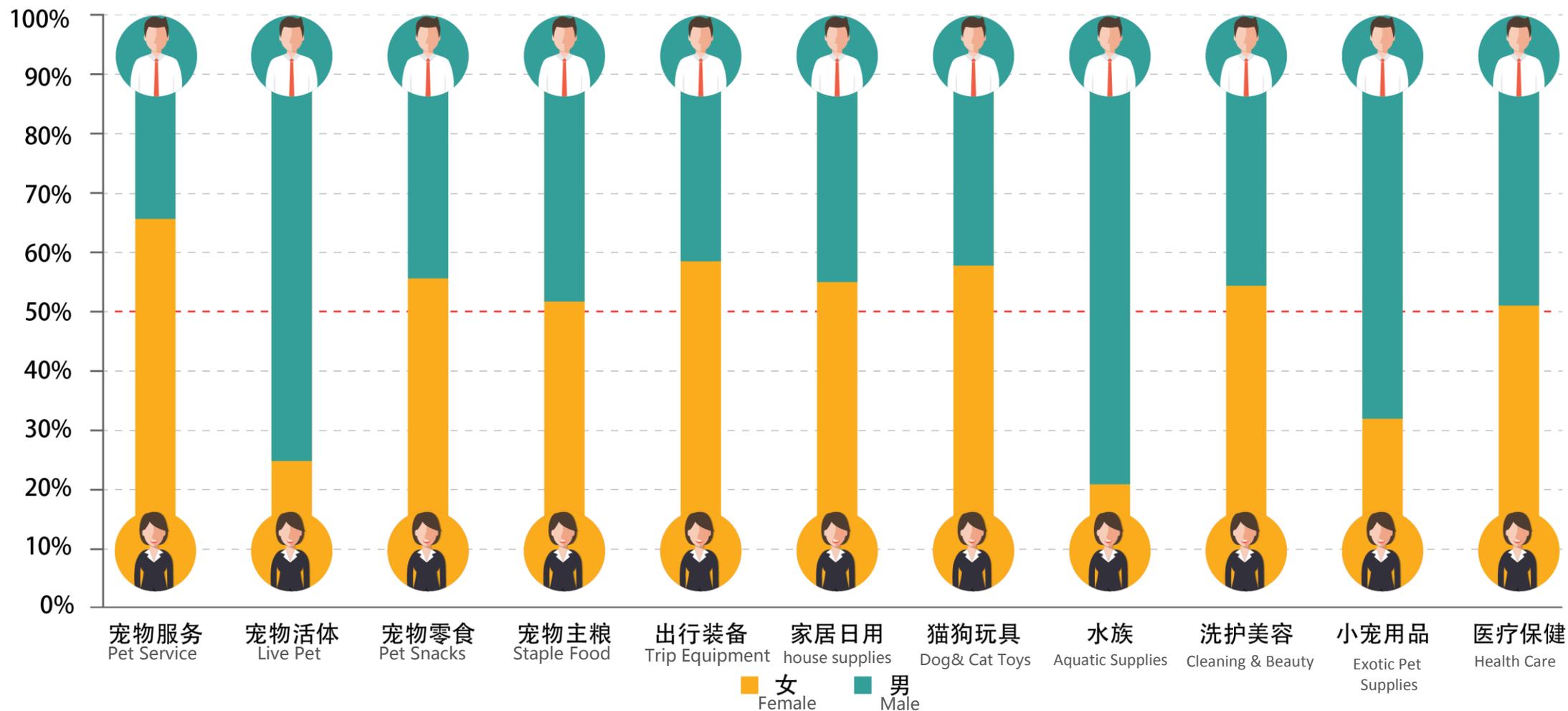
不同城市等级消费总金额

Total Consumption in Different Cities

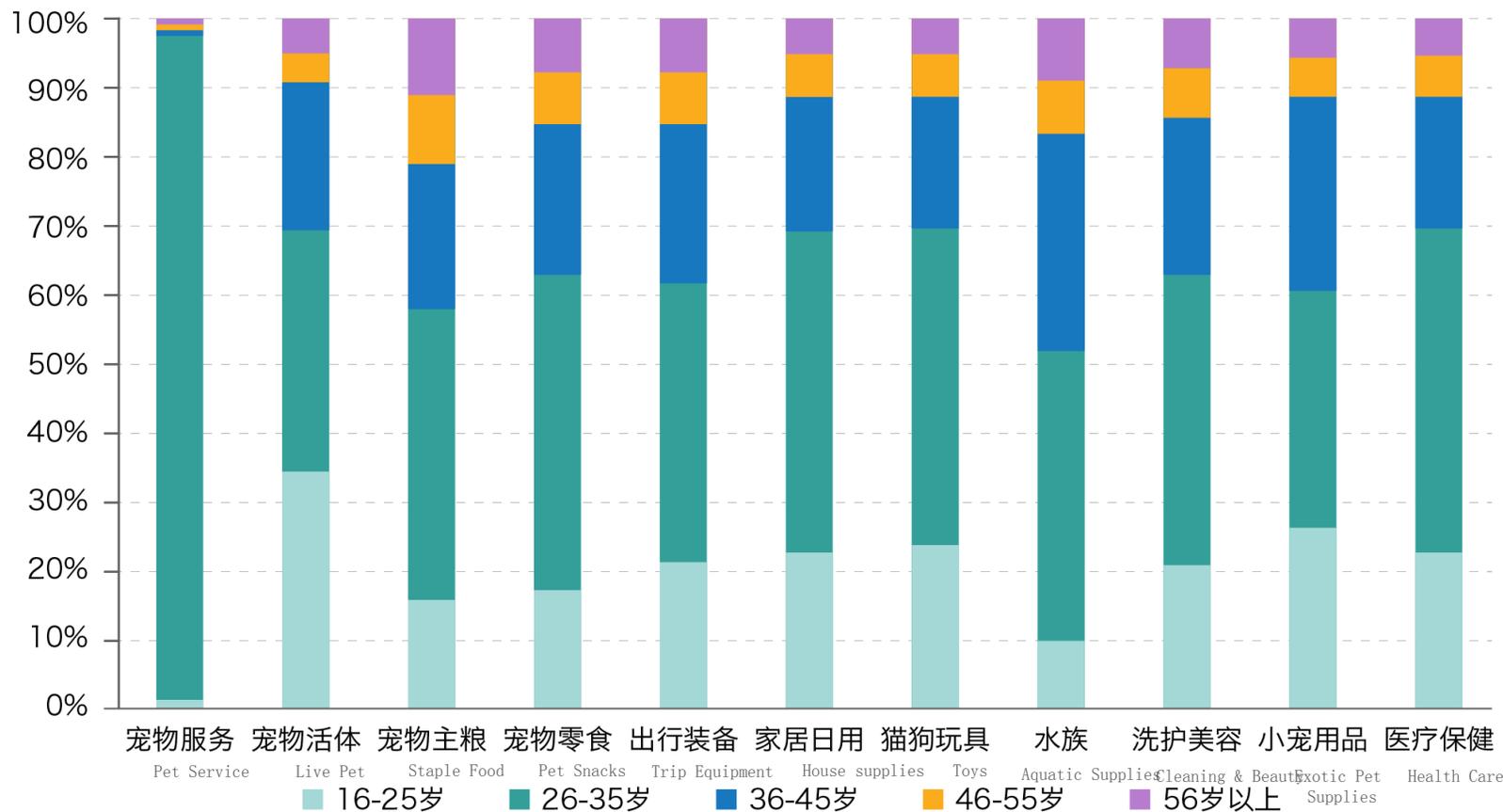


Gender Analysis

---female pet owners is bigger than male pet owners. (source: jd.com)



Age Analysis



更多的年轻人和中老年人会进行宠物消费，16-25岁、46-55岁人群消费占比高于全站





Income Analysis

Higher income (senior white collars) have the largest spending amount on pets, followed by general income (small white collars). People with low income have significantly lower spending amount on pets.

With the huge changes in population structure brought about by the urbanization process, the number of empty nesters and the population of late marriage and late childbearing is increasing year by year, and the emotional demand for pet care is rising steadily. In addition, driven by consumption upgrade, unmarried people spend more on pets.

Most popular dog breed: Husky

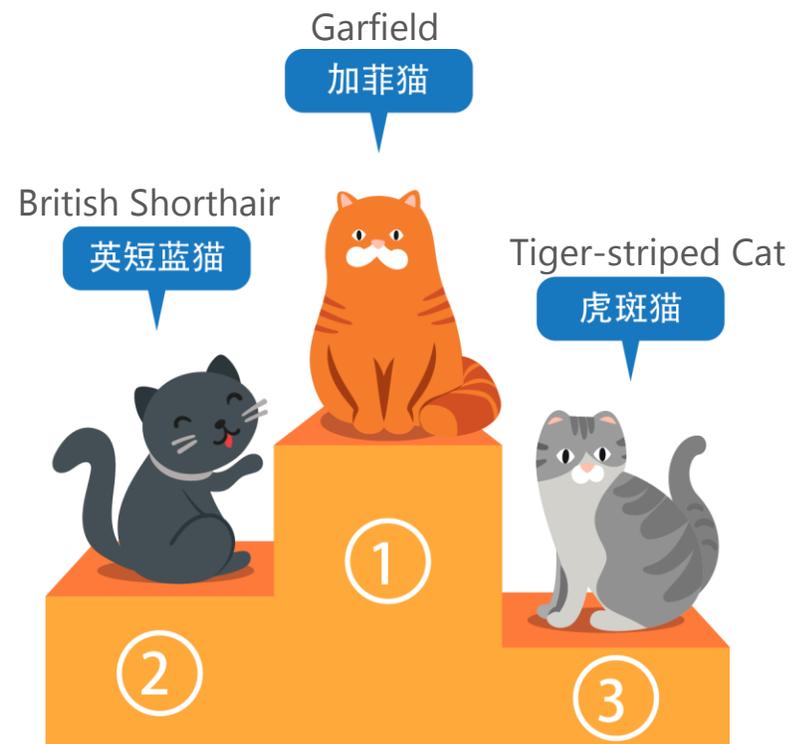
most popular cat breed : Garfield

Huskies and Garfield, with their distinctive looks, become the most popular breeds of dogs and cats.

Garfield is quiet and active. Husky is little silly.



最受欢迎的狗狗品种TOP 3
 Top 3 most popular types of dogs



最受欢迎的猫咪品种 TOP 3
 Top 3 most popular types of cats



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04

China Pet Industry Trend



Trend 1: Quality Awareness

With the enhancement of economic level, pets are more and more valued, and people pay more attention to the quality, safety and nutrition of pet food. At the same time, the consumption of service and health care products has also increased significantly.

----Imported brand sales grows faster than domestic brands

Sales is 118% higher than domestic brands

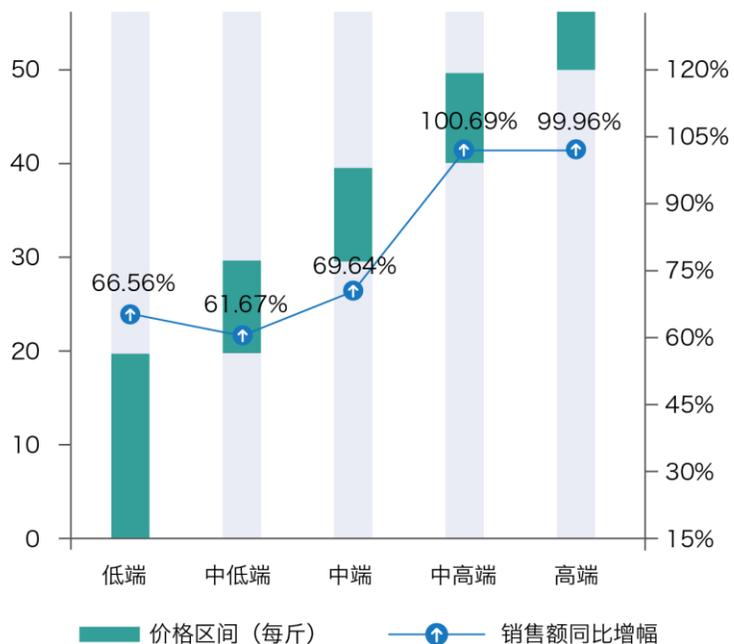
----Medical care and service consumption grow fast

---- Growth of main food is slowing down compared with other products

- ◆ About the dog food, the year-on-year growth of medium and high sales reach at 100.69%, 99.96%



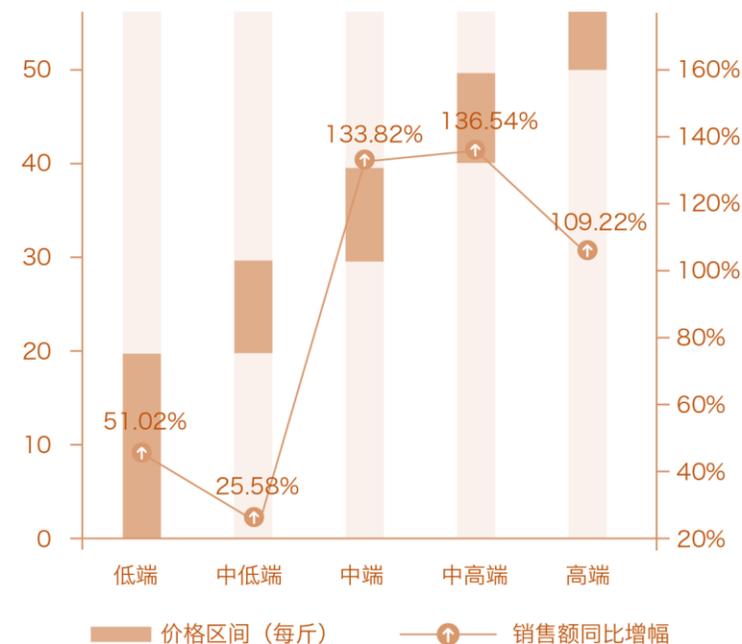
平均增幅 79.70%



- ◆ About the cat food, the year-on-year growth of medium and mid-to-high end sales are the highest, 133.82%, 136.54%. The high-end year-on-year growth is 109.22%.

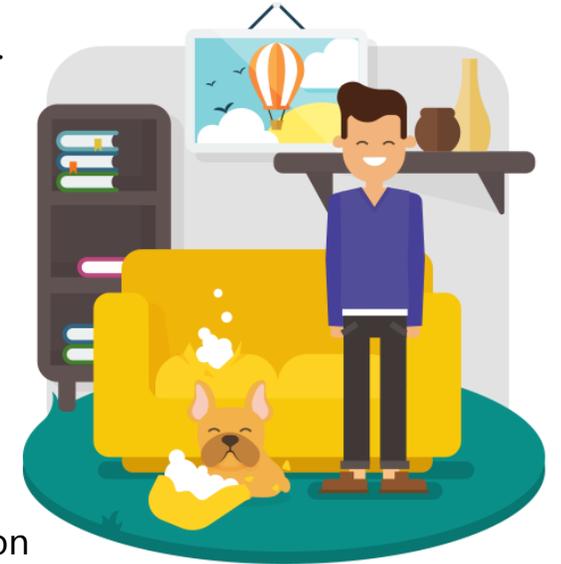
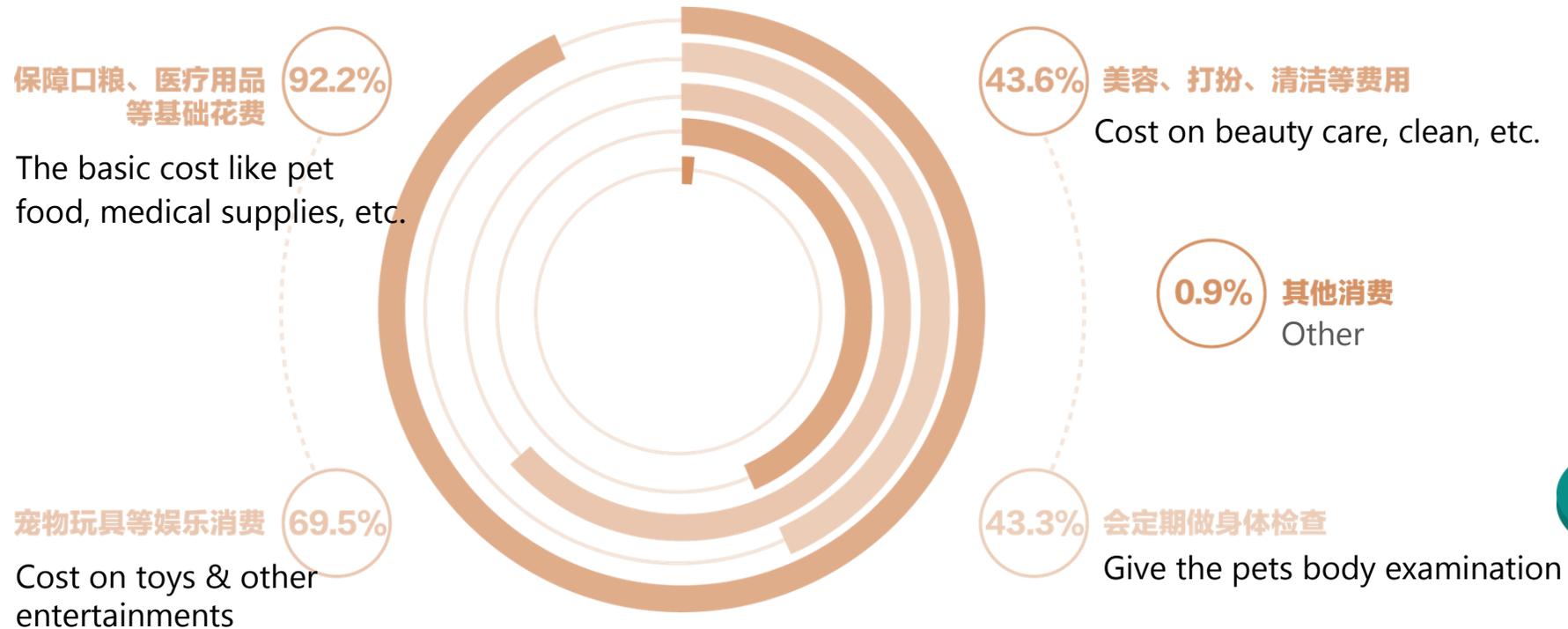


平均增幅 90.14%



Trend 2: Owners paying for the happiness of their pets

What is your consumption attitude towards pet? (Multiple Choice)



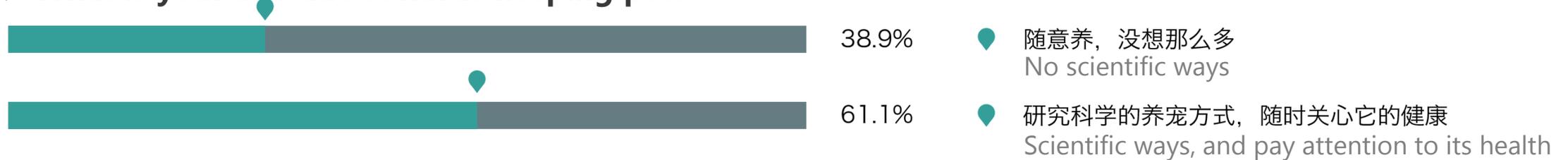
Trend 3 : Science & Technology

Smart equipment has attracted much attention. Technology changes the life of pets, and more consumers are willing to buy smart toys and odor purifiers for pets.

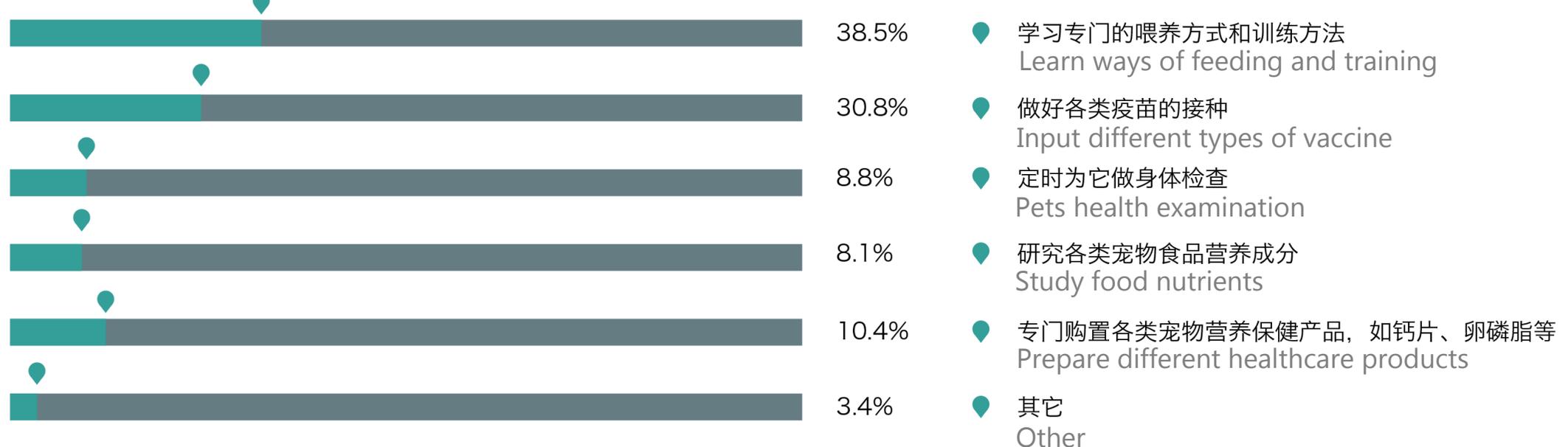


Trend 4 : Health & Wellness of Pets

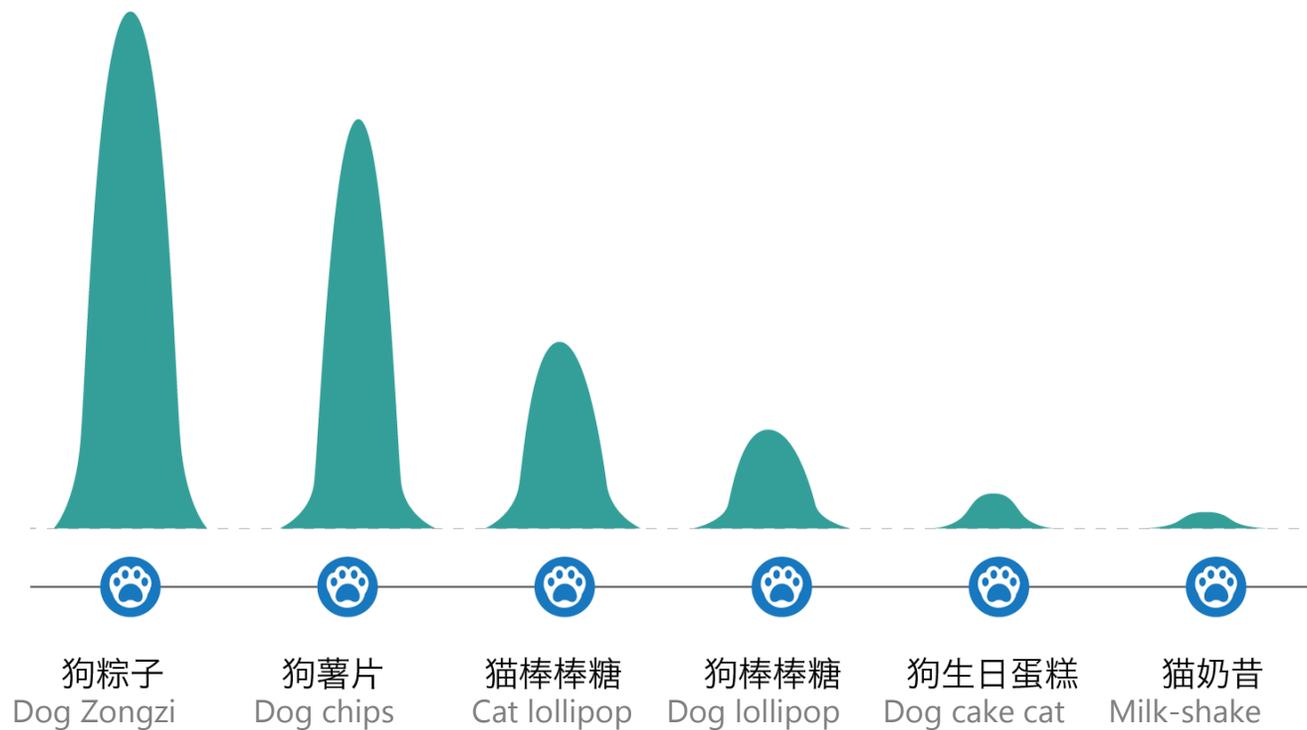
◆ What is your attitude towards keeping pets ?



◆ What should you do to keep pets scientifically ?



Trend 5: Humanization of Pets





China International Pet Show (CIPS)

Nov. 20-23, 2019

National Convention & Exhibition Center

Shanghai, China

www.cipscom.com

- Asia's only B2B trade show
- 1500 exhibitors, 65000 visitors, 5 million online audience, 100 countries
- Connecting China, Asia, the world!

- CIPS Innovation Award
- GPFA (with PET International)
- Other Activities
- Social Media Coverage



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