

Reaching the Pet Lovers



Fun Facts Demographics Special Programs

160 Commerce Drive Rochester, NY 14623-1154

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160 Commerce Drive
Fun Facts/Demographics

The Pet Economy

Americans now spend \$41 billion a year on their pets—more than the gross domestic product of all but 64 countries in the world. That's double the amount shelled out on pets a decade ago, with annual spending expected to hit \$52 billion in the next two years, according to Packaged Facts, a consumer research company based in Rockville, Md. That puts the yearly cost of buying, feeding, and caring for pets in excess of what Americans spend on the movies (\$10.8 billion), playing video games (\$11.6 billion), and listening to recorded music (\$10.6 billion) combined. "People are no longer satisfied to reward their pet in pet terms," argues Bob Vetere, president of the American Pet Products Manufacturers Assn. (APPMA). "They want to reward their pet in human terms." That means hotels instead of kennels, braces to fix crooked teeth, and frilly canine ball gowns. Pet owners are becoming increasingly demanding consumers who won't put up with substandard products, unstimulating environments, or shoddy service for their animals.

It wasn't so very long ago that the phrase "a dog's life" meant sleeping outside, enduring the elements, living with aches, and sitting by the dinner table, waiting for a few scraps to land on the floor. Today's dog has it much better. APPMA reports that 42% of dogs now sleep in the same bed as their owners, up from 34% in 1998. Their menu reflects every fad in human food—from locally sourced organic meat and vegan snacks to gourmet meals bolstered by, say, glucosamine to ward off stiff joints. Half of all dog owners say they consider their pet's comfort when buying a car, and almost a third buy gifts for their dogs' birthdays.

The rising status of pets has started an unprecedented wave of entrepreneurship in an industry once epitomized by felt mice and rubber balls. There are now \$430 indoor potties, \$30-an-ounce perfume, and \$225 trench coats aimed solely at four-footed consumers and their wallet-toting companions. Even those who shun animal couture are increasingly willing to spend thousands on drugs for depression or anxiety in pets, as well as psychotherapy, high-tech cancer surgery, cosmetic procedures, and end-of-life care. About 77% of dogs and 52% of cats have been medicated in the past year, according to APPMA, an increase of about 20 percentage points from 1996. Some spending can be spurred by vets who find such services more lucrative than giving shots or ending a pet's life when it contracts a painful or terminal disease.

Once acquired as sidekicks for kids, animal companions are more popular now with empty-nesters, single professionals, and couples who delay having children. What unites these disparate demographic groups is a tendency to have time and resources to spare. With more people working from home or living away from their families, pets also play a bigger role in allaying the isolation of modern life. About 63% of U.S. households, or 71 million homes, now own at least one pet, up from 64 million just five years ago. And science is starting to validate all those warm feelings with research that documents the depth of the human-animal bond.

As many as 40% of dogs are estimated to be overweight or obese, with similarly high rates among cats, thanks to the indulgent habits of their owners. Being plied with carob bonbons all day while getting rolled around in an all-terrain stroller (retail price: about \$210) is not an ideal lifestyle for any animal. People who overeat or don't get enough exercise tend to draw their pets into the same behavior, vets say, and the growing inclination to regale pets with treats has come at a cost to their waistline. Along with creating interest in new anti-obesity drugs, it's prompting interest in diet pet food. It has also created a market for procedures including pet liposuction, which is becoming more common in cities like Los Angeles where owners are used to getting nips and tucks for themselves.

Some might question whether all this primping and pampering of pets has the makings of a bubble that could have owners telling Fido to get his own damn bone once the economy takes a turn. After all, Paola Freccero admits that when she grew up in Massachusetts, "Pets were pets. You didn't dress them, you didn't feed them special food, you didn't take them to play dates." But thanks to the advice of her vet and what she read on the Internet, she wouldn't serve up anything but the best for her puggle (pug/beagle mix), Lucy, including treats at \$2 apiece. And from the moment Eric Olander paid \$500 for a plane ticket to get a stray chow chow mix from Atlanta to his home in Los Angeles, the dog has been a focal point of his life. "I call him my 401(k) with paws," he says, "because that's where all my money goes."

Source: Excerpts from Business Week Aug 2007 – Article by Diane Brady and Christopher Palmeri

Pet Lovers Programs

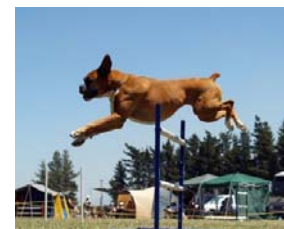
Pet Retailer In-Store Programs

- Reach pet lovers where they shop.
- Evolution has arrangements with today's largest pet retailers.
- Sample your product right in store.
- Tabled display area with counter card signage.
- Evolution provided brand ambassador.
- You tell us the metro markets and how many stores.
- Evolution takes care of the rest.



“Barktober” Festivals

- Many communities across the country now hold Barktober Festivals – think Oktoberfest (without the beer) for dogs.
- Your product can be on display with its booth.
- Create an interactive area.
- Sponsor the obstacle course.
- Give doggy samples.
- March in the parade.
- Hand out gift bags.
- You tell us the markets, we handle the rest.



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Doggie and Owner 5k races

- For the fit pets and pet owners, nothing brings you together like a fun filled 5k race you compete in together.
- These races are sprouting up all over the country and are news worthy.
- Your product can be on display with its own booth.
- Create an interactive area.
- Be in the race gift bag.
- Distribute samples.
- Supply branded t-shirts to the racers and pets.
- You tell us the markets, we handle the rest.



Pet "Spa" Programs



- Evolution works with over 100 Pet Spas across the nation.
- Your pet is pampered while you are on vacation.
- Sample your product.
- Be in a gift bag.
- Have your own "check in" bag for the pet owners.
- Reach your audience in a fun way.



Doggy Day-Care Programs

- Doggy Daycare facilities are another fun way to reach pet lovers.
- Evolution works with over 100 such places in the top DMA's.
- Sample your product.
- Be in a gift bag.
- Sponsor a "Snack" day.
- Create your own gift bag for owners.



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Dog Walking Club Programs

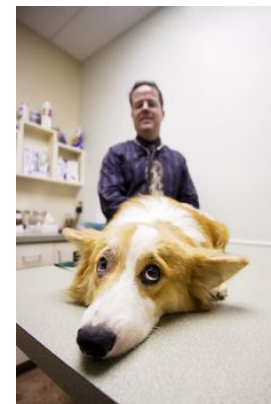
- Dog Walking clubs are in every major DMA. Groups of folks who like to walk their pets get together and walk: some weeks in the park, others a local hiking trail, or even at the beach.
- Evolution reaches over 500 of these groups with your sample products.
- Sponsor a walk-a-thon.
- Brand the clubs with t-shirts.
- Distribute samples/literature.
- You pick the markets, Evolution provides the rest.



Veterinarian Office Programs



- Evolution reaches over 750 offices around the country.
- Sample your product/literature.
- We help you theme the program.
- You pick the markets – Evolution provides the rest.



Pet Expos and Show Programs

- At the big shows, your typical value-add budget can't get you in the big sponsor driven pet expos and events. This is why Evolution has made arrangements with several "pet friendly" hotels surrounding the big events.
- Evolution provides tabling and sampling events at the hotels where the show pet's owners and the show attendees stay.
- Contact us for details.



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