

# PET FOOD INDUSTRY REPORT

**INDARU**

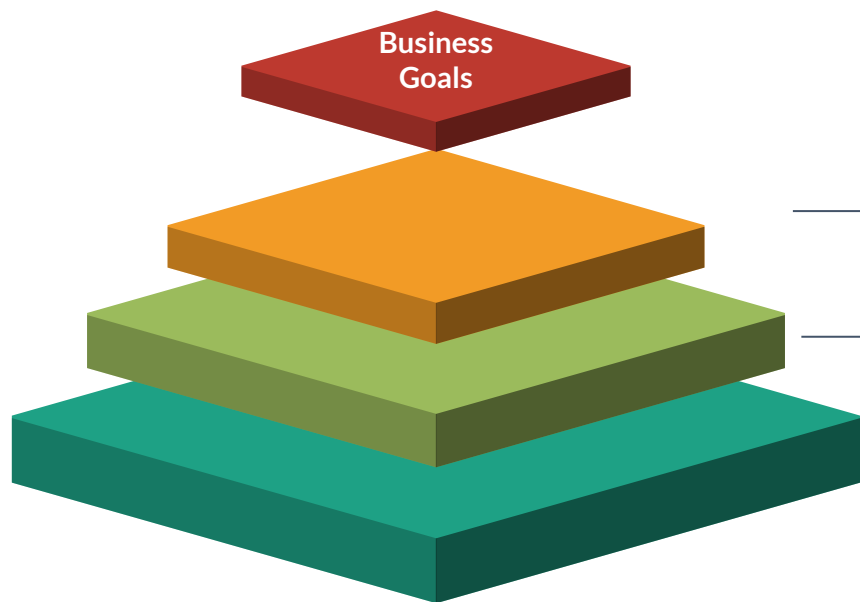


Independent Media & Data Advisors

# Who are we

**INDARU is a consulting firm**  
specialized in media and data analysis

# We provide services around media consulting, media audits and data & analytics with the final goal of optimizing advertisers ROI



## Data Science & Analytics

Strategic media and business recommendations based on data

## Media Audits

How is my current media investment performing? Are there currently any opportunities to improve?

## Media Consulting

Which agencies should I work with? Do I have the right Ad Tech tools? How should my marketing department look like?

# What is important to know about us



## Independent Advice

- We are **100% free of any conflicting** agreements with media agencies or technology vendors
- Being an owner-operated business also gives us **speed & agility**



## Data & Media Experts

- 50% of our employees are **mathematicians** with masters and PHDs in Data Science
- Media consultants have an average of **12 years of experience** in media



## Actionable Insights

- Our approach is **100% practical**. We have been in the customer side and we can understand your pains
- On top of strategic advice, we have the **hands-on knowledge** to activate campaigns if needed

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# Executive summary

1

Global pet market value will be valued at USD 225 Billion by 2027 (p.13) driven by **growth in LATAM and APAC** (p.20-21), the movement towards **more premium products** (p.15), and **pet humanization trend** (p.30-52)

2

In 2022, the **U.S. is the biggest market followed by China, Brazil, UK, Japan, Germany, and France** (p.22). The top 2 companies, Mars and Nestle, control 30% of the market but the rest is very fragmented (p.24-25)

3

With **pet owners treating pets like part of the family and some even as an alternative to children** (p.37-39), development in human lifestyle will continue to reflect development in pet care such as specialized diets (p.40-48) and cannabidiol (CBD) use (p.49-50)

4

The main purchase decision-maker in the pet food category is the **female Millennial or Gen X** belonging to a household with more than 2 adults (p.56-58)

5

Since pet owners are more receptive to advertising across a wider range of media (p.60-63), **Marketing Mix Modeling (MMM) is important to reach your target audience efficiently and effectively**

# Executive summary

- 6 Millennials are the **primary shoppers in a multi-person household** (p.66). Aside from price, proximity, research, reviews, and home delivery, **automation or online subscription is becoming another important factor** for Millennials (p.69, 76, 81)
- 7 Gen X are as **willing to try new products when shopping online** as younger generations (p.94). They are influenced more by retailers so **retailer-partnership is important** (p.87). They are the biggest spenders and are **willing to pay for convenience** (p.84-86)
- 8 The pet food industry's future is at risk as Gen Zs have **low interest in pet ownership and low awareness in brands** (p.104-106). Reaching Gen Zs effectively will be challenging since they are omni-shoppers and consume a wide range of media (p.99-103)
- 9 **Pet Industry only spends 9% on digital while the rest of the categories are already at more than 60%** (p.109). Across industries, marketers continue to increase spending on digital and decrease spending on traditional media (p.111)
- 10 Even with recent innovations, **marketers continue to face challenges in making the most out of digital media** such as connecting demand-side platforms with other marketing tools and limiting media waste (p.115-116)

# Recommendations to growth your business

1

**Increase your digital presence:** Online purchasing is growing (12%) however pet industry investment is only a 9% lagging far behind other industries. Marketing spend on digital is consolidated and growing in other industries due to its personalization and measurement capabilities.

2

**Approach your audience with relevant content and measure its effectiveness.**

With the humanization of pets, trends in the **personal lives of people are reflected in pet care** such as **health and nutrition**. Use these trends to reach your audience with different creatives and messages and test which works better and which helps you the most to engage with your audience.

3

**The importance of measurement:** pet owners are impacted by advertising across a wider range of media, with multiple touch points where measurement is key. **Marketing Mix Modeling (MMM) is the best tool to measure which is the best media mix to target your audience efficiently and effectively.**



# Recommendations to growth your business

4

**How to approach millennials:** Automation/online subscription is becoming a sought after feature. Leverage your knowledge of your customers and build a **strong 1st party strategy** to engage with them, work on their loyalty and strength your relationship.

5

**How to approach GenX:** Gen-Xers are not only influenced by brands but also by retailers. Retailers play an important role in the shopping process. Work on an **omnichannel strategy** and track it with **marketing dashboards** that will allow you to see real time data from different sources to help you take better decisions.

6

**How to approach Gen Z:** The lack of loyalty to any brand is an opportunity to build a media strategy based on data where personalization is key. Deliver a better experience to your potential customers taking advantage of ad tech cutting edge tools.

# Indaru can help you save time and resources while increasing the return on investment of marketing activities



## MARKETING MIX MODELING

Measure and find the most efficient media mix



## CONSULTANCY

Marketing technology selection and data strategy



## MEDIA AUDITS

Evaluate your media performance



## DASHBOARDING

Track media buying results in real-time

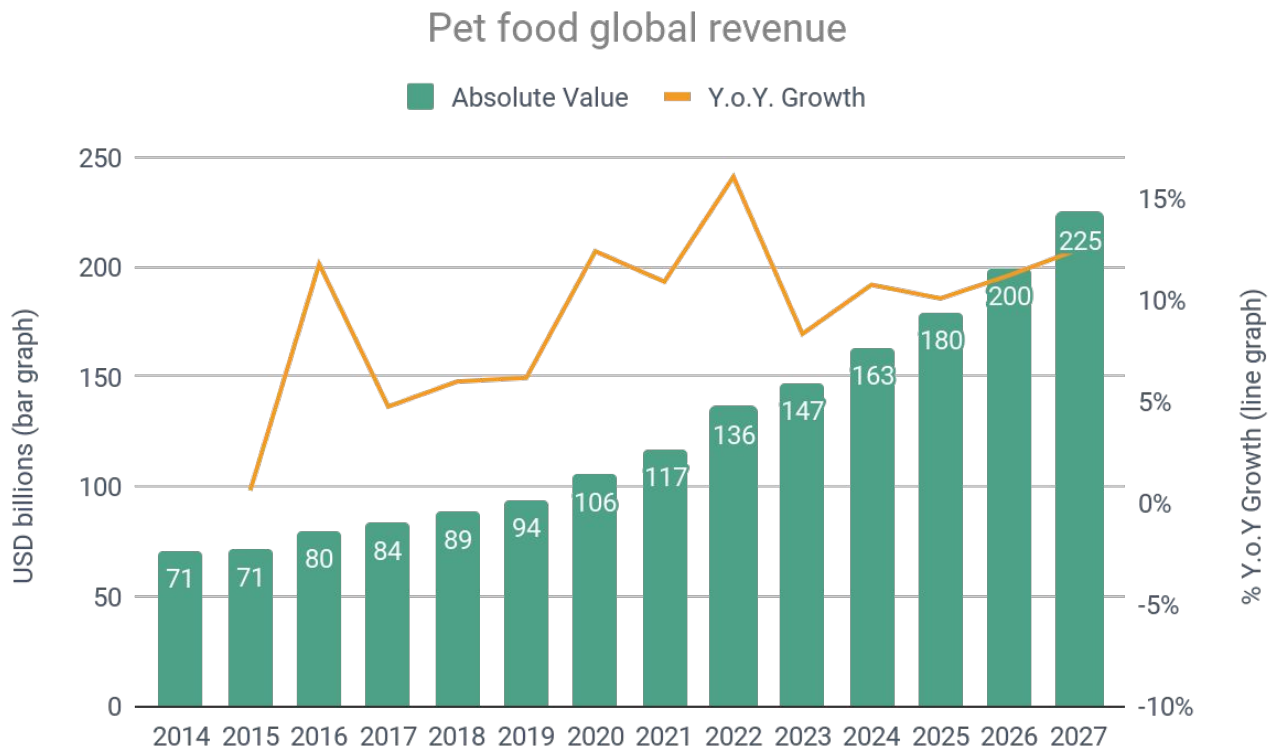
>> Find out more at [www.indaru.com](http://www.indaru.com)

# MARKET OVERVIEW

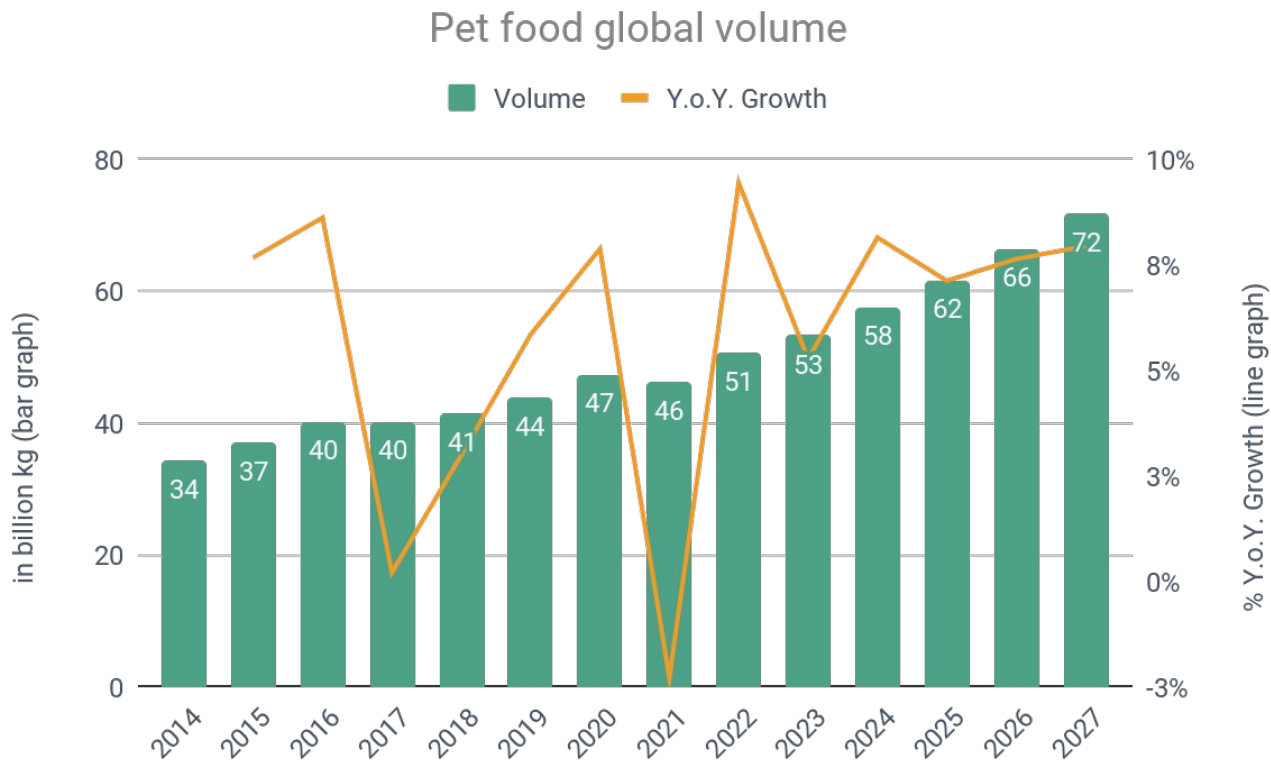
# Market overview highlights

- 1 Global Pet Market forecasted to be USD 225 Billion by 2027 with a **shift to higher priced products**
- 2 Consumers will both **spend and buy more pet food** in the next 5 years
- 3 Pet food is largely bought in offline channels (93%), but **online channel is growing (11.7%) thanks to the growing popularity of mobile use over desktop**
- 4 In 2022, **U.S.A. contributes 40% to the global pet food market** while 13 countries contribute the next 40%
- 5 In 2027, N. America will still be the #1 region but **LATAM and APAC will overtake then #2 W. Europe**
- 6 In 2027, **Argentina leaps from 14<sup>th</sup> to 2<sup>nd</sup> biggest country** while Indonesia enters the top 80%
- 7 Global Pet Food Production is largely **produced in Europe and N. America**
- 8 The **top 25 companies control almost 50%** of global pet food market value
- 9 **Mars and Nestle are the top 2 companies** contributing close to 30% of global value

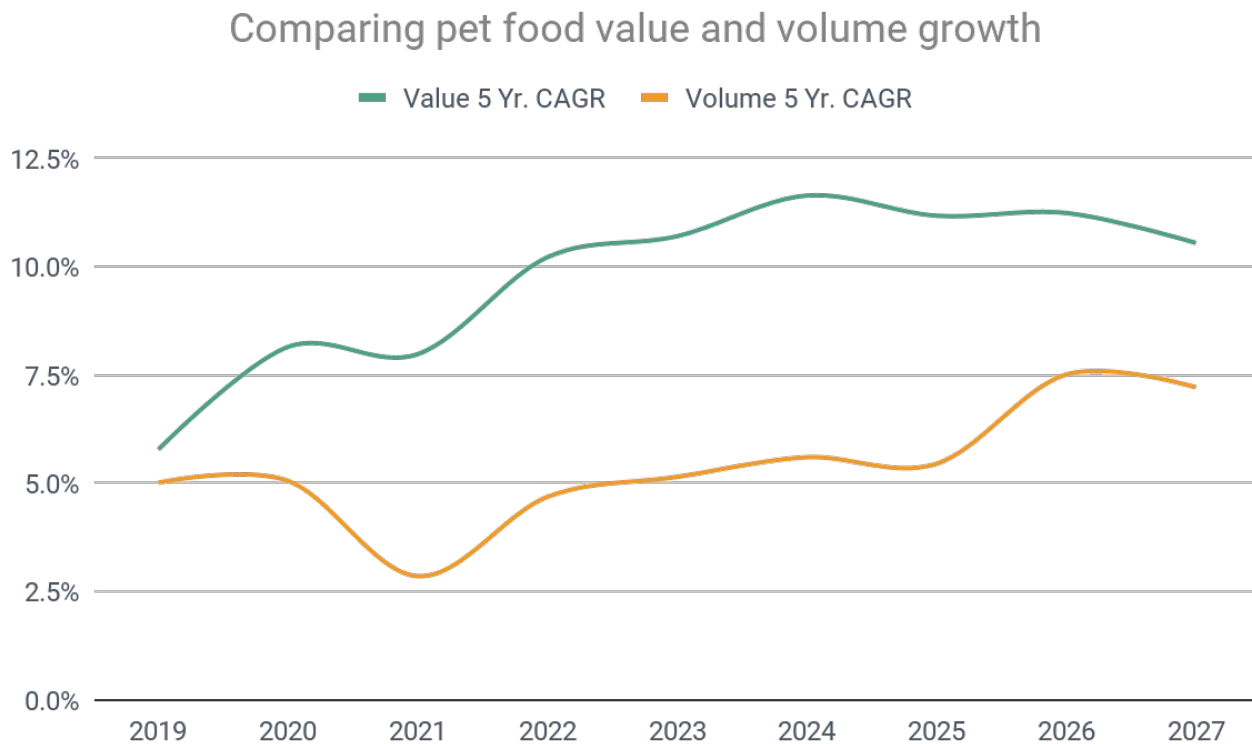
# Global pet market value forecasted to grow at 10.5% CAGR for the next 5 years and reach USD 225 billion by 2027



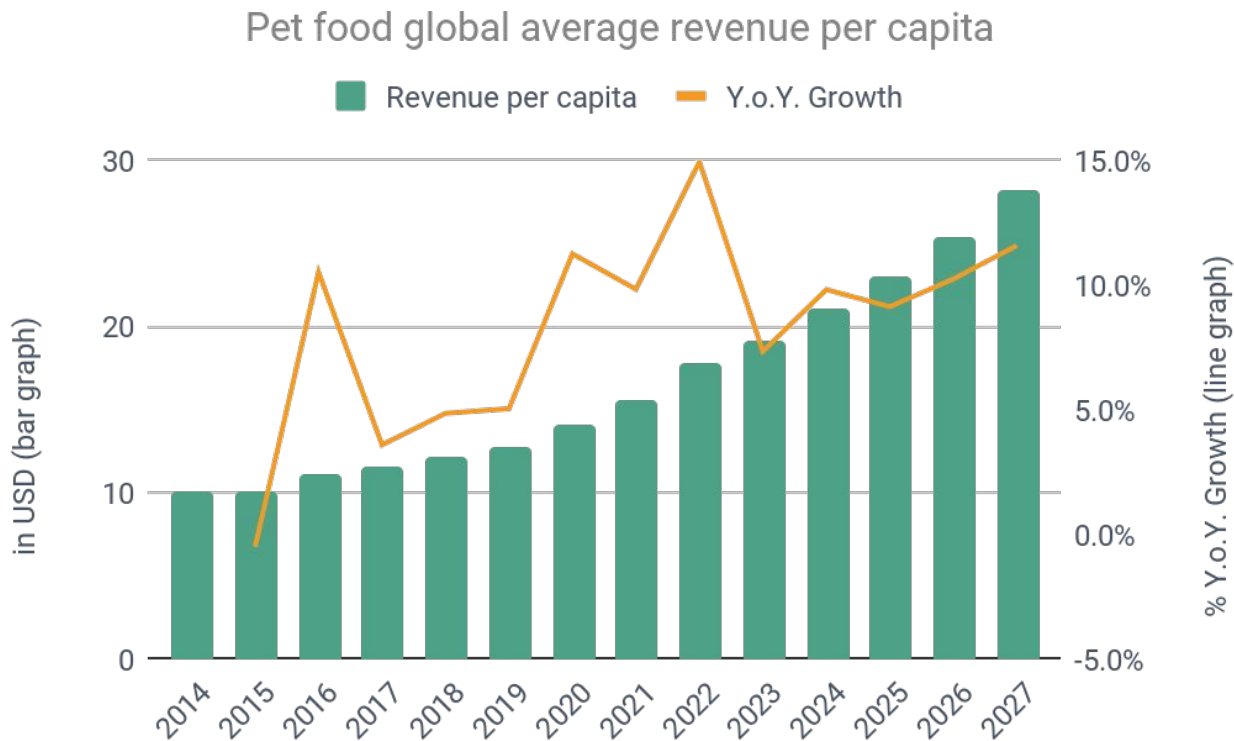
# Global pet market volume forecasted to grow at 7.2% CAGR for the next 5 years and reach 72 billion kg by 2027



# Global pet food market will continue to be more premium with value outpacing volume growth

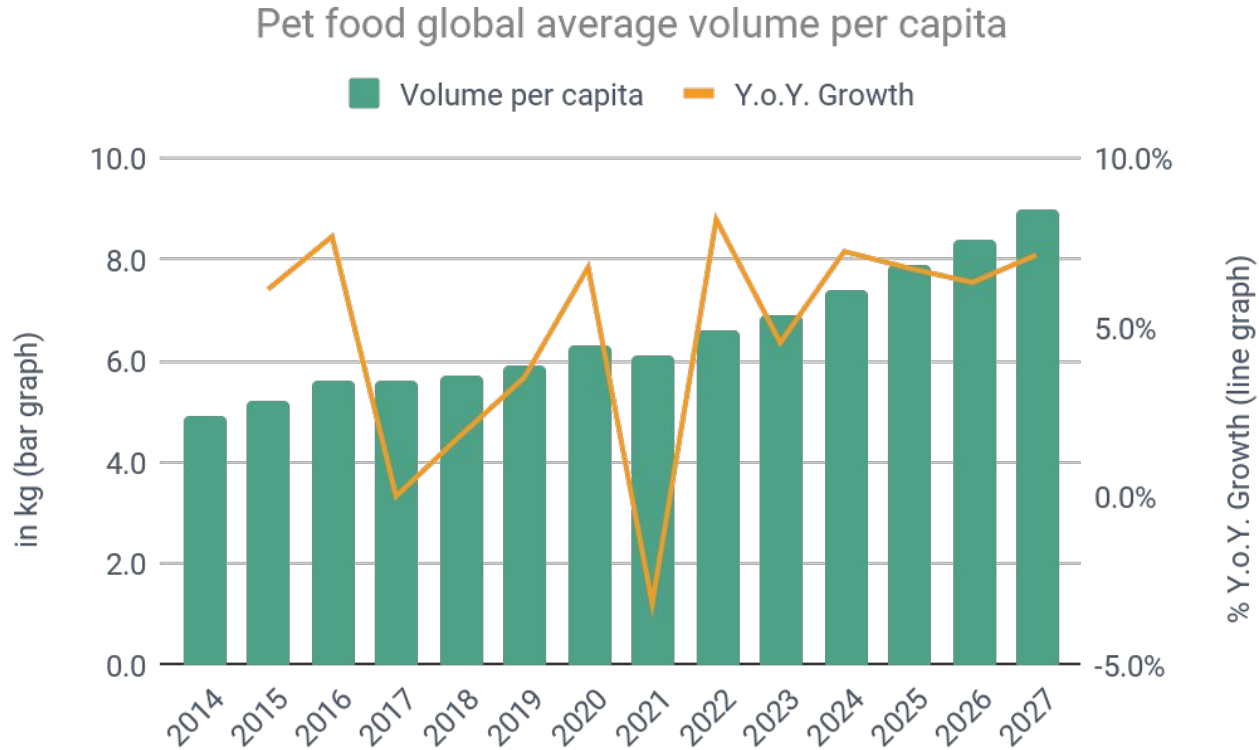


# Consumers are expected to spend more on pet food as global per capita spending will increase at 9.6% 5yr. CAGR

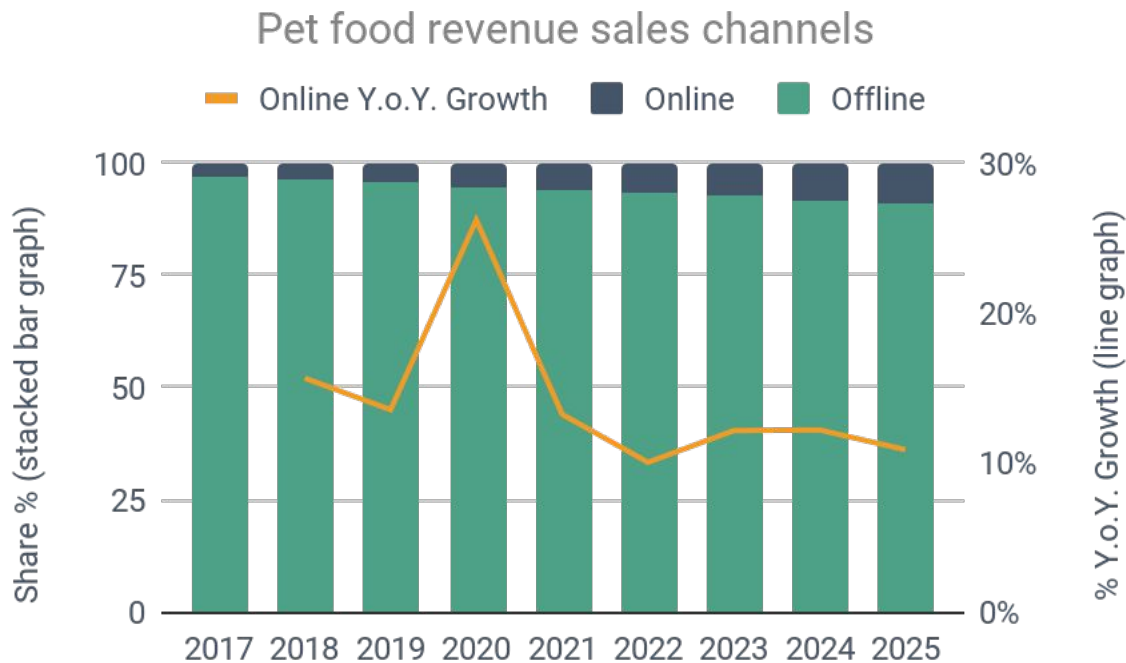




# Consumers are expected to buy more quantity on pet food as global per capita volume will increase at 6.4% 5yr. CAGR

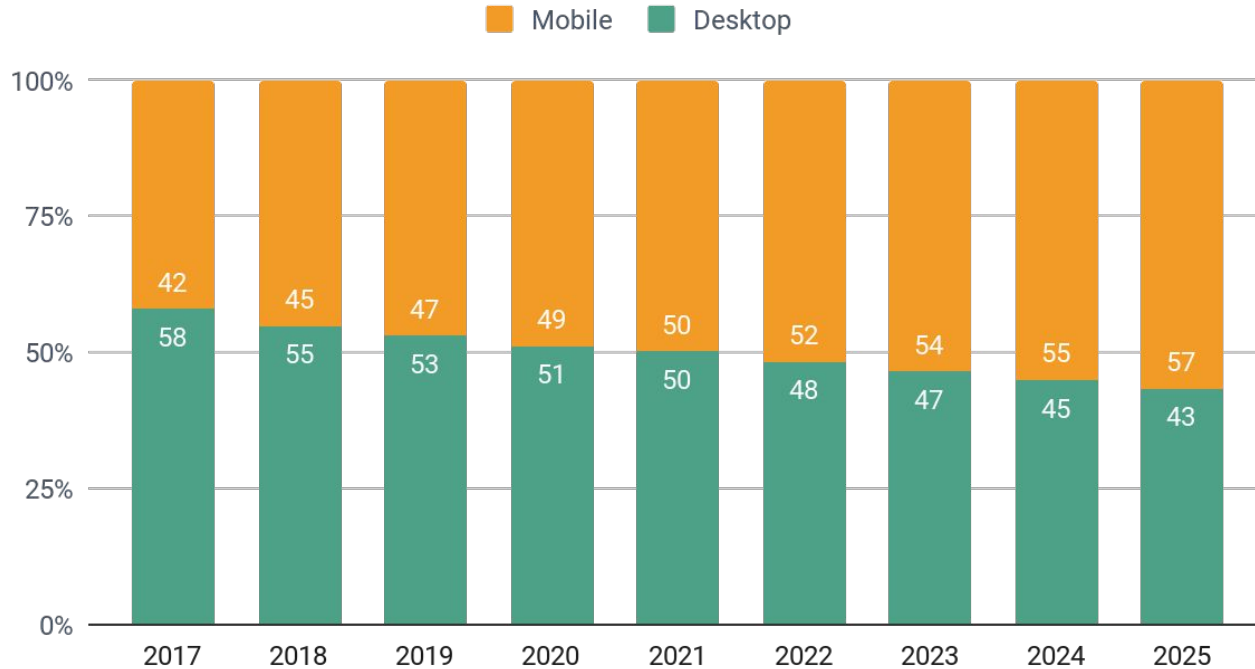


# Pet food is still largely bought in offline channels (93%), but online channel will grow at 11.7% for the next 3 years



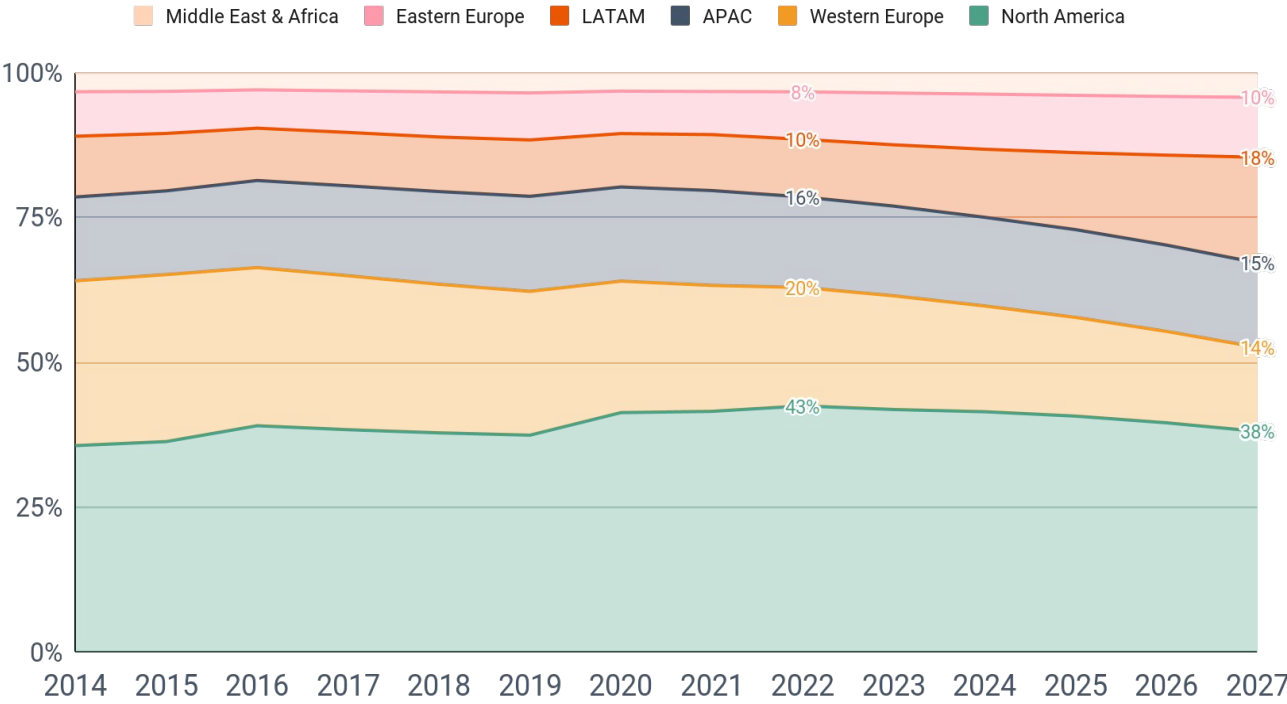
# Online pet food consumers are expected to use mobile devices more for purchases

Online revenue split by medium

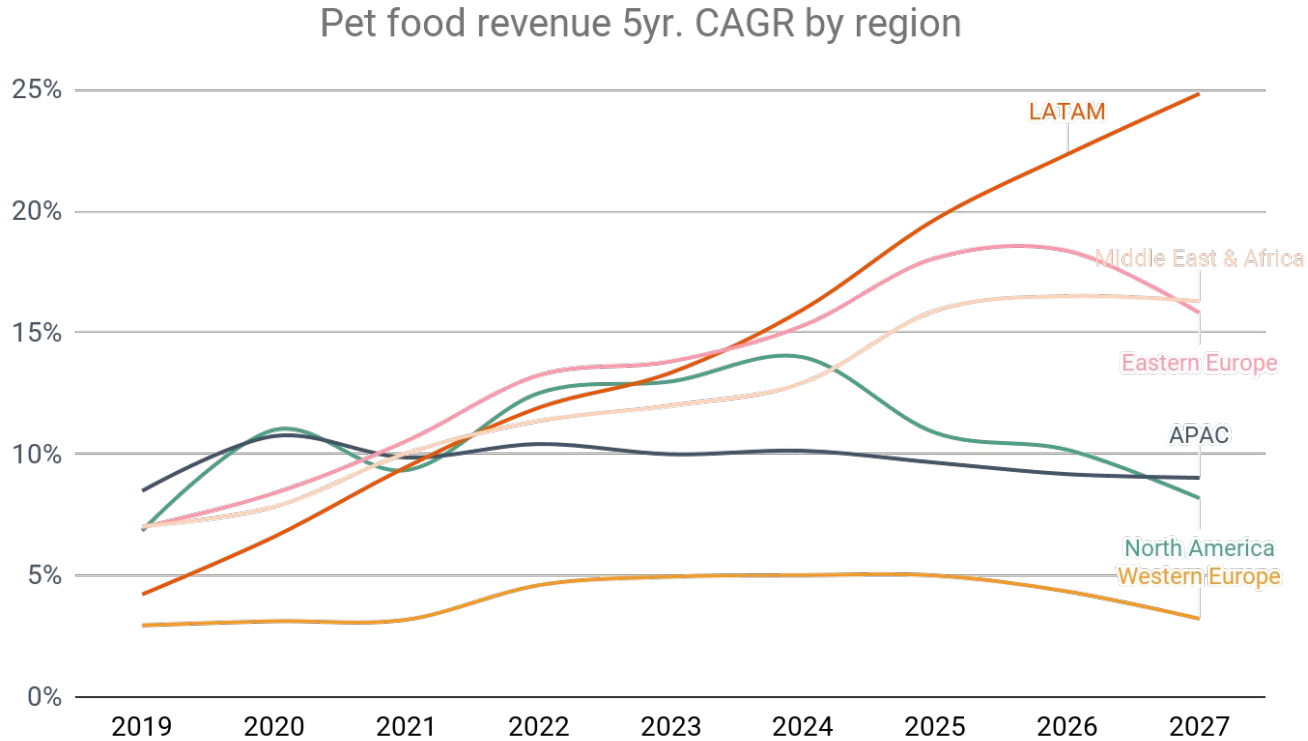


# By 2027, North America will remain #1 in revenue while LATAM and APAC will both overtake Western Europe

Pet food revenue % by region

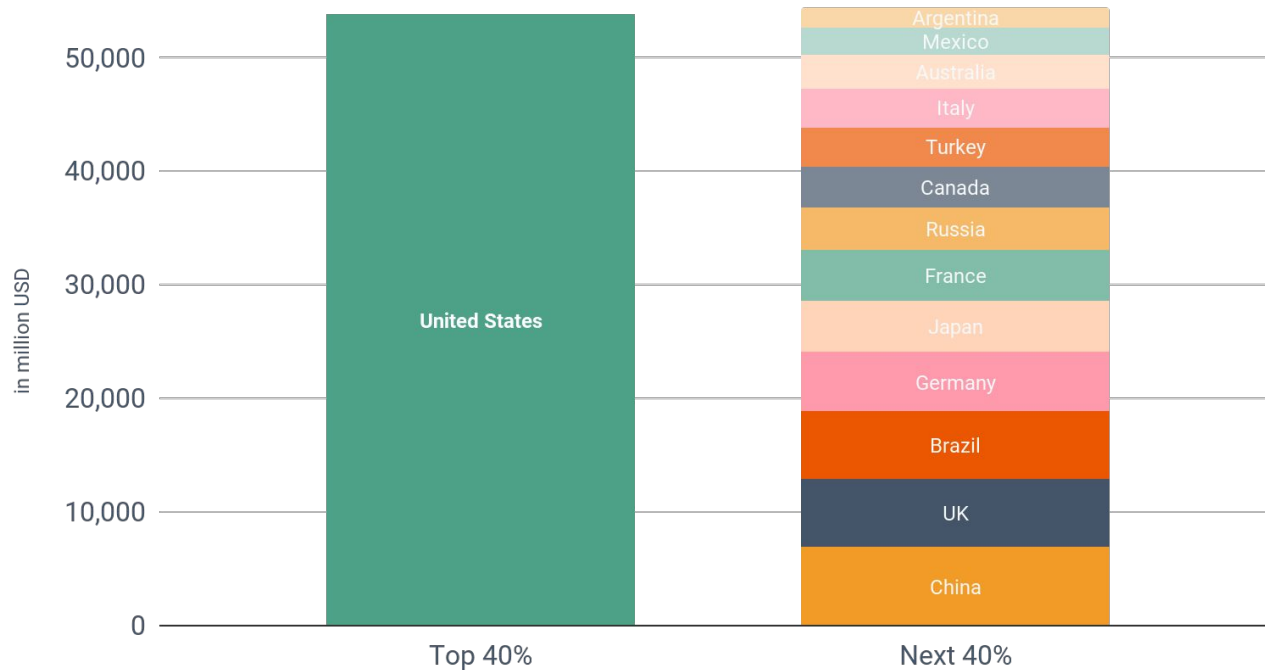


# LATAM will be fastest growing while Western Europe will be the slowest



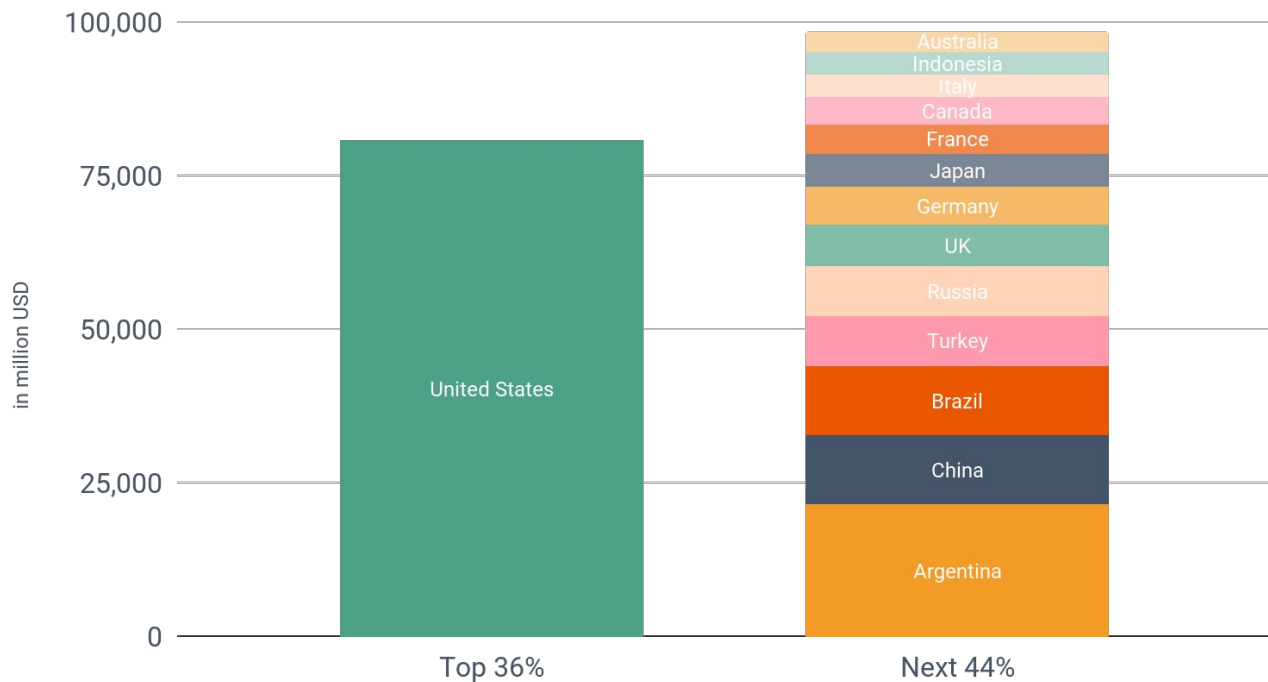
# United States has the biggest share of the pet food market in 2022

Countries representing top 80% of 2022 global pet food market value

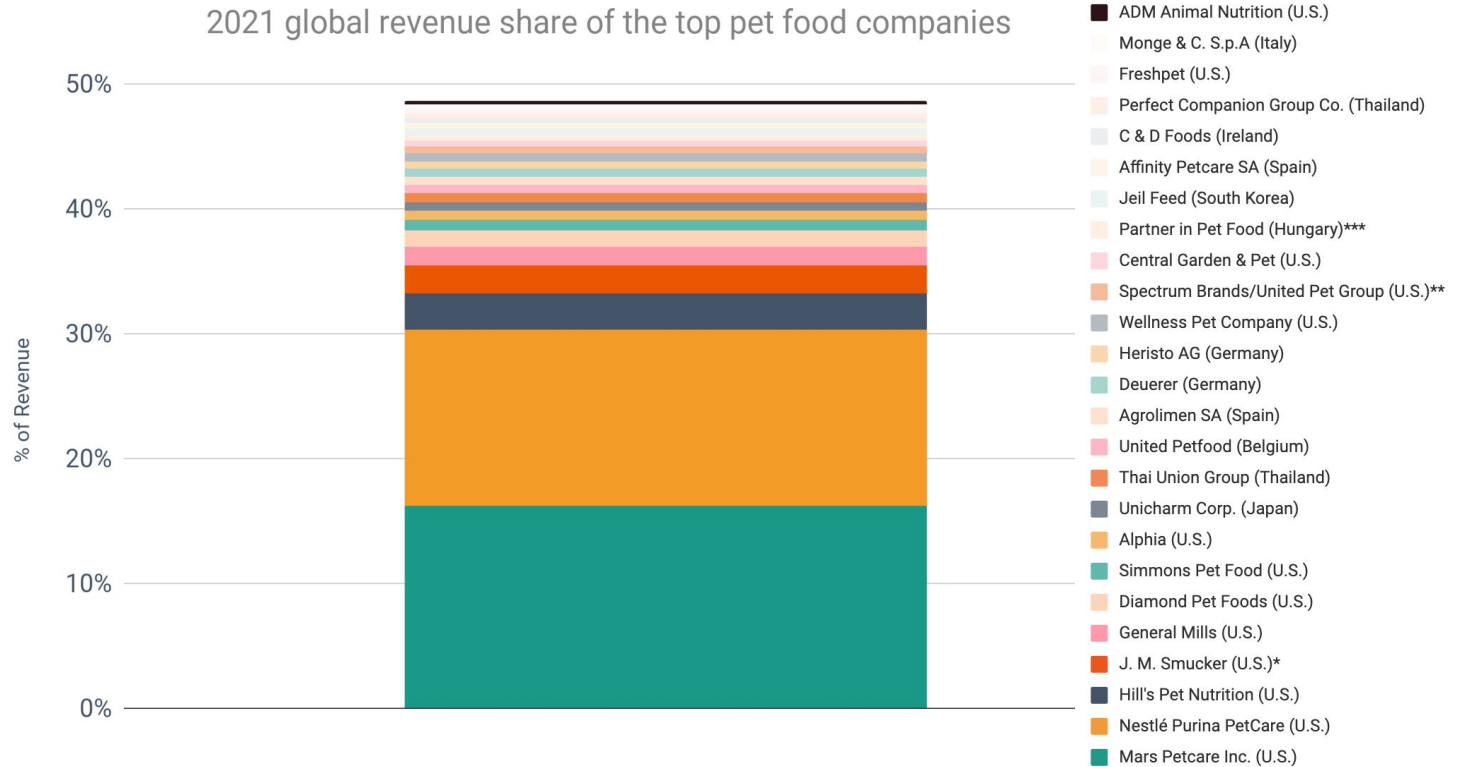


# In 2027, Argentina leaps to #2 with 10% share while Indonesia edges out Mexico to be part of the top 80%

Countries representing top 80% of 2027 global pet food market value

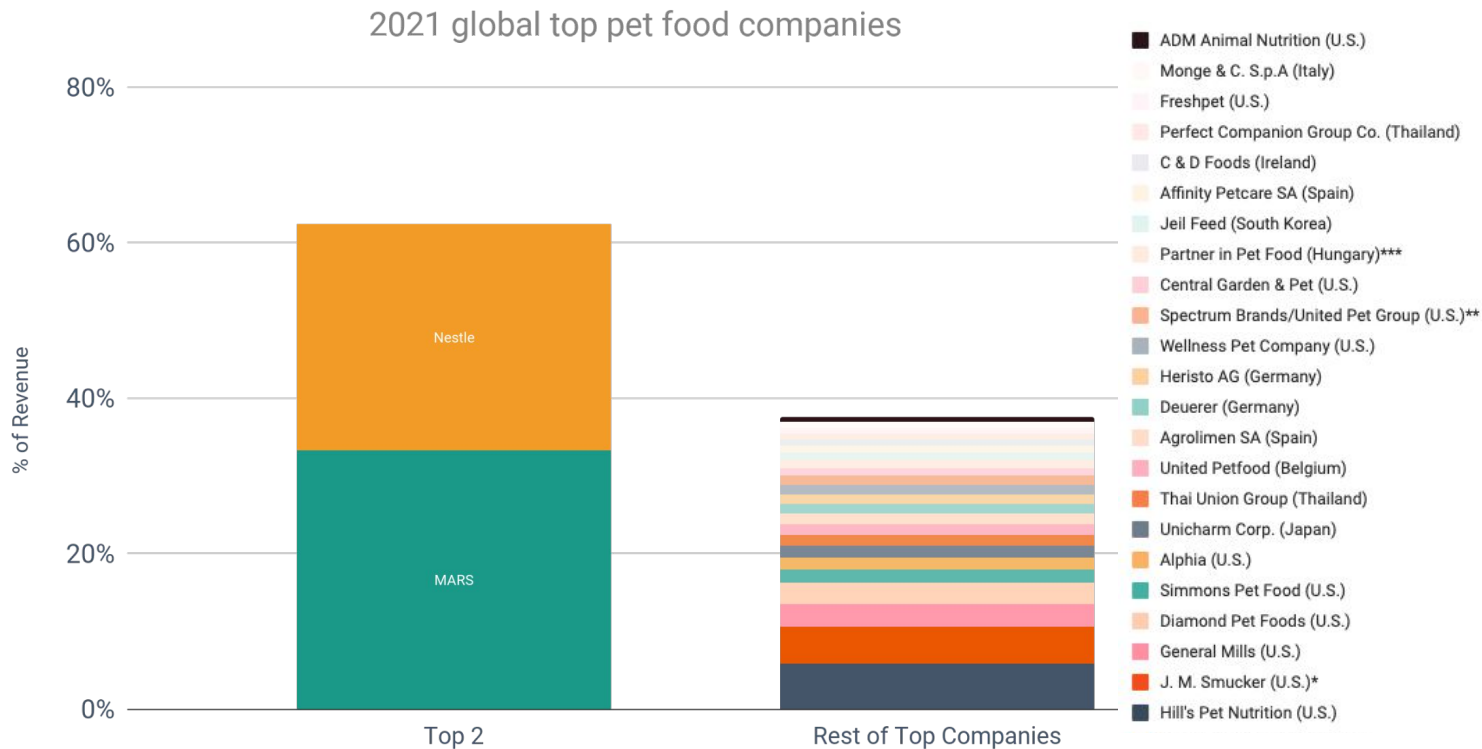


# Top 25 pet food companies contribute to almost 50% of global revenue in 2021

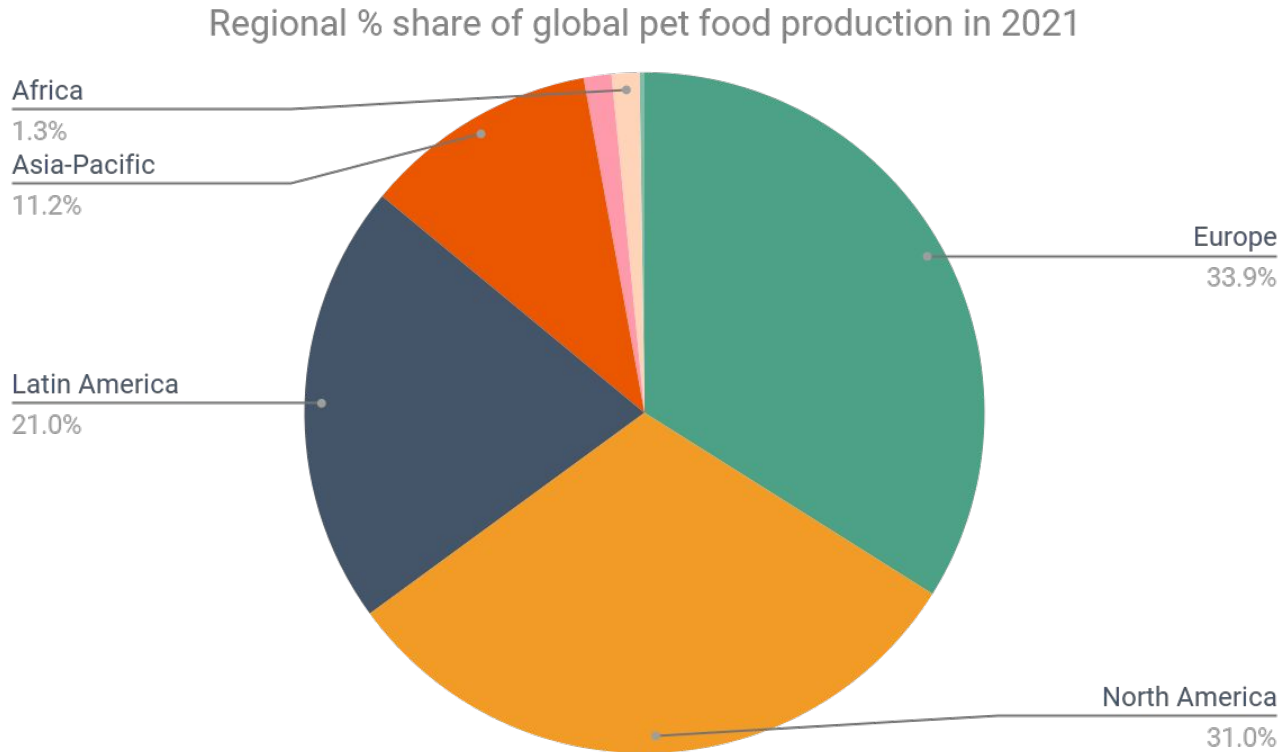




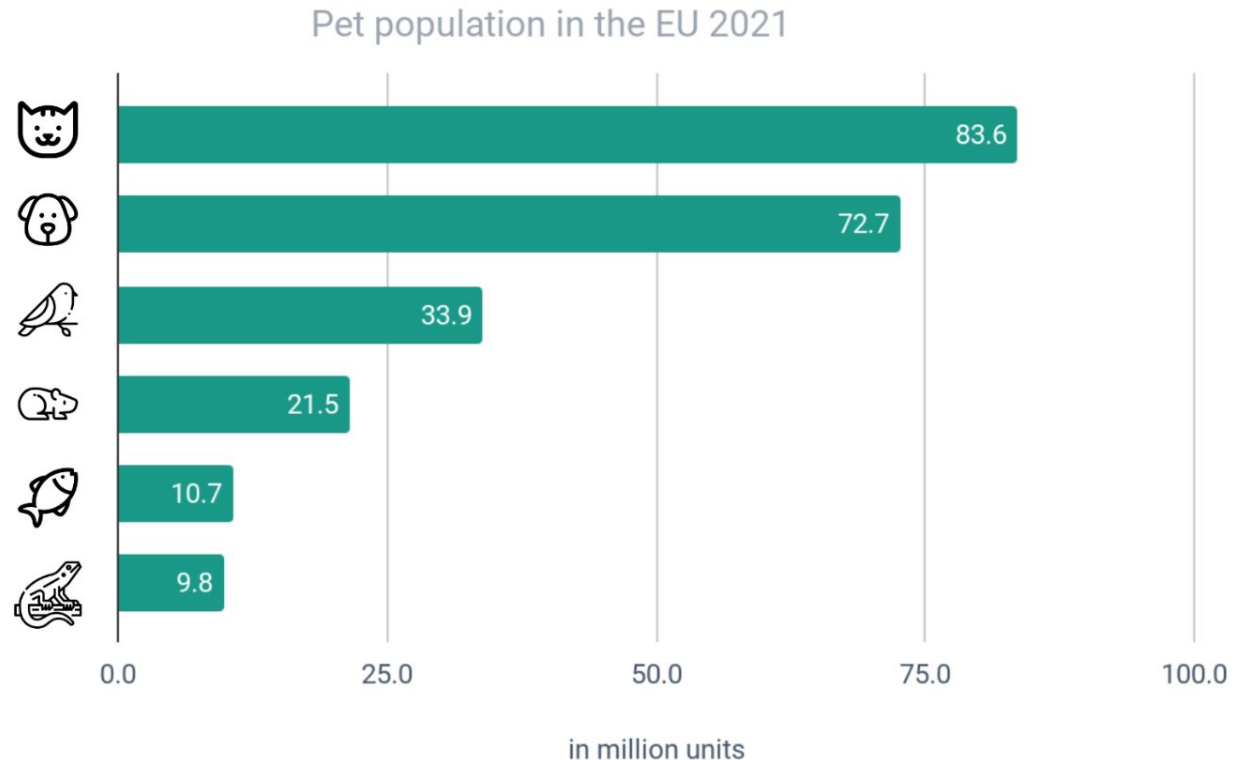
# Mars and Nestle contribute more than 60% of global 2021 revenue of the top 25 pet food companies



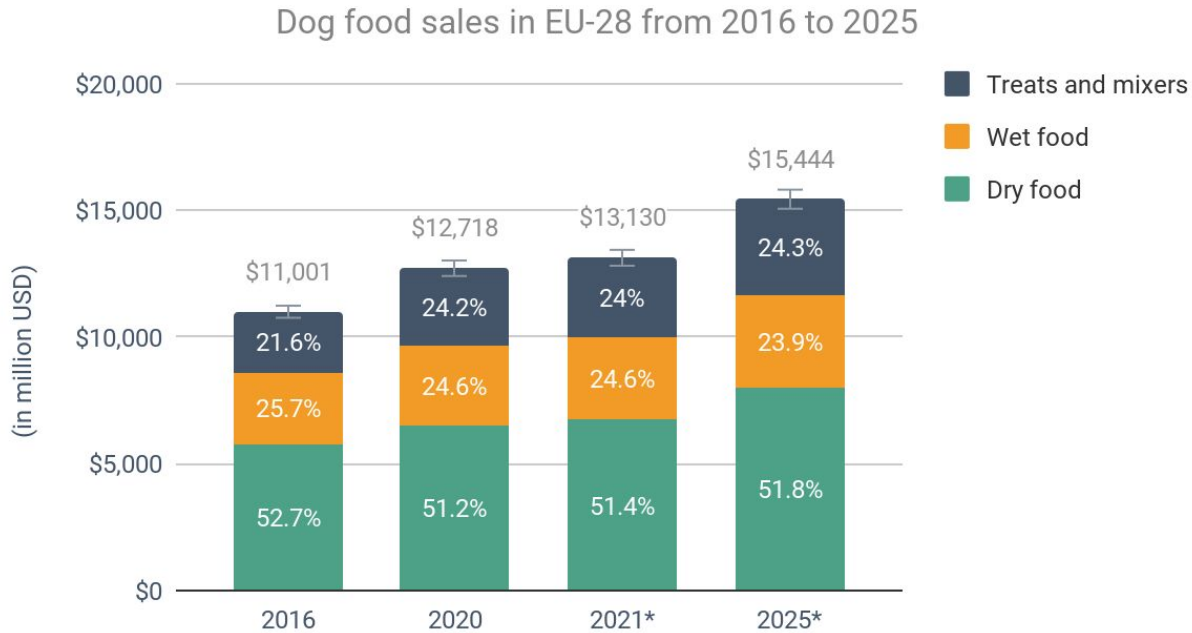
# Europe was the #1 region for pet food production in 2021



# Cats and dogs are the most popular pets in EU



# EU dog food market is forecasted to grow to USD 15b by 2025. No major shifts as dry food continues to be half the market

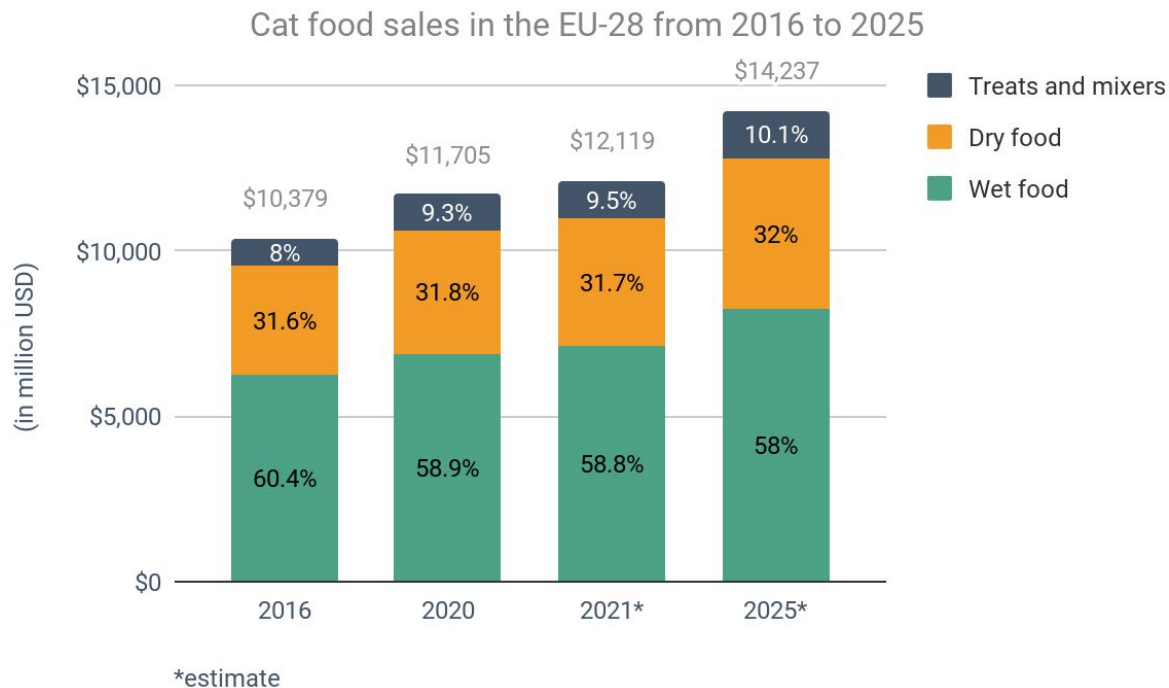


\*estimate

Source: Agriculture and Agri-Food Canada, (December 10, 2021). Dog food sales in the European Union (EU-28) from 2016 to 2025, by type (in million U.S. dollars) [Graph].Statista



# EU cat food market is forecasted to grow to USD 14b by 2025. Wet food is preferred but treats & mixers continue to grow



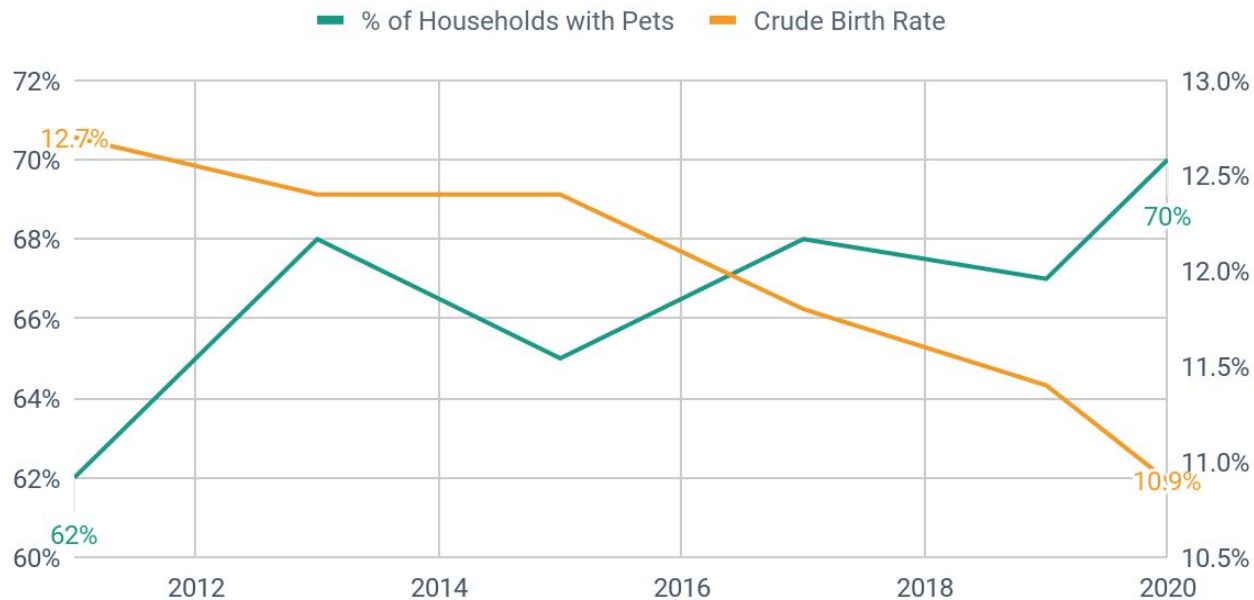
# PET HUMANIZATION

# Pet humanization highlights

- 1 **Pets have become an alternative to babies** as pet ownership increases but birth rates decline
- 2 **91% of Americans** treat pets as part of the family while only **4% of British** and **8% of Chinese** people treat pets as **nothing more than just pets**.
- 3 Trends in the **personal lives of people** are reflected in **pet care** such as health and nutrition
- 4 In the US, younger generations have become more **selective of their diets**
- 5 The **Natural Pet Food market in the US** is forecasted to grow to USD 12 Billion by 2027
- 6 The same trend can be expected to happen in China where more **Chinese people** have **specialized diet**
- 7 The **#1 factor** in buying pet food in China is **nutrition and ingredients**
- 8 In Europe, **pet-owners on specialized diets** are more likely to feed their pets **specialized diets** as well
- 9 Even the use of Cannabidiol (CBD), the active ingredient in **cannabis**, have **influenced the pet industry**

# US households with pets have increased over the years while US birth rates have declined

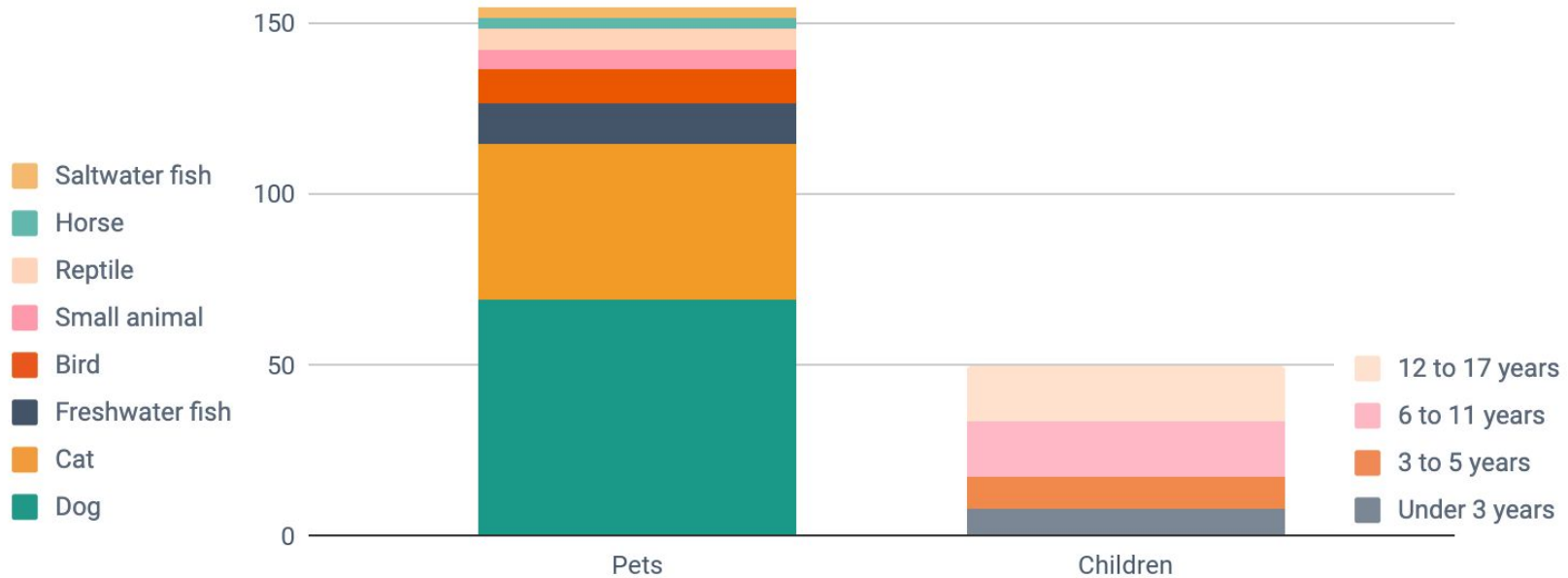
Pet ownership growth vs birth rate  
in the United States





# In the US, households with pets outnumber households with children

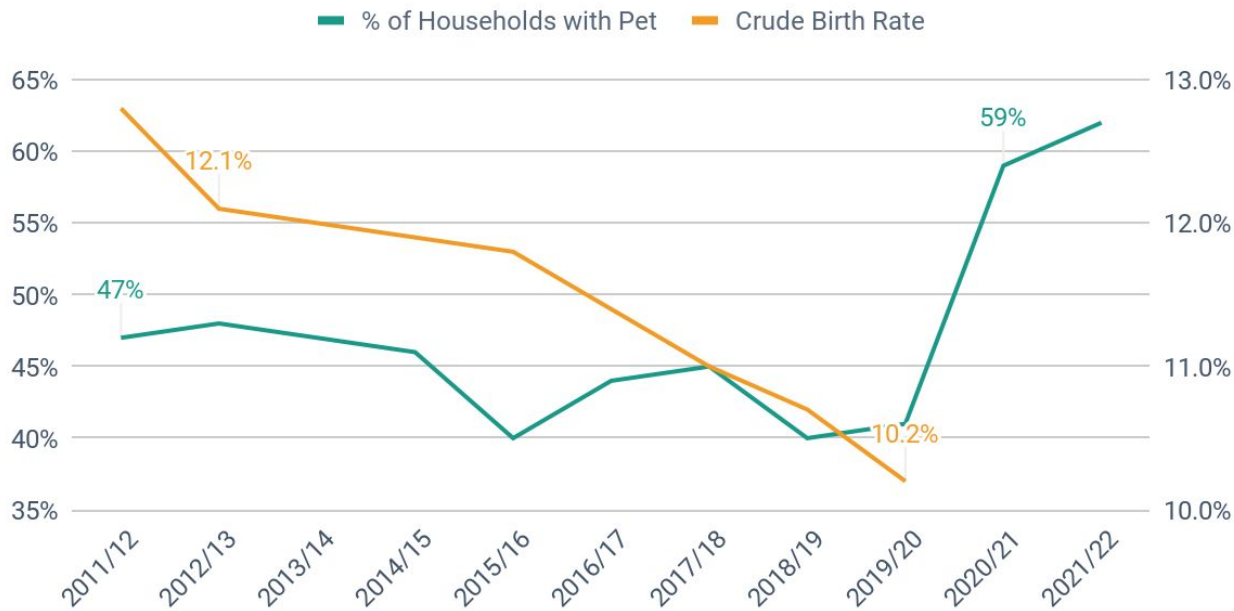
Comparing # of households with pets vs with children  
in the United States as of 2021/22 (in million households)



Sources: (1) APPA. (February 15, 2022). Number of pet owning households in the United States in 2021/22, by species (in millions) [Graph]. Statista ; (2) US Census Bureau. (November 21, 2022). Number of family households with children under 18 years of age in the United States in 2021, by age of children (in 1,000s). Statista

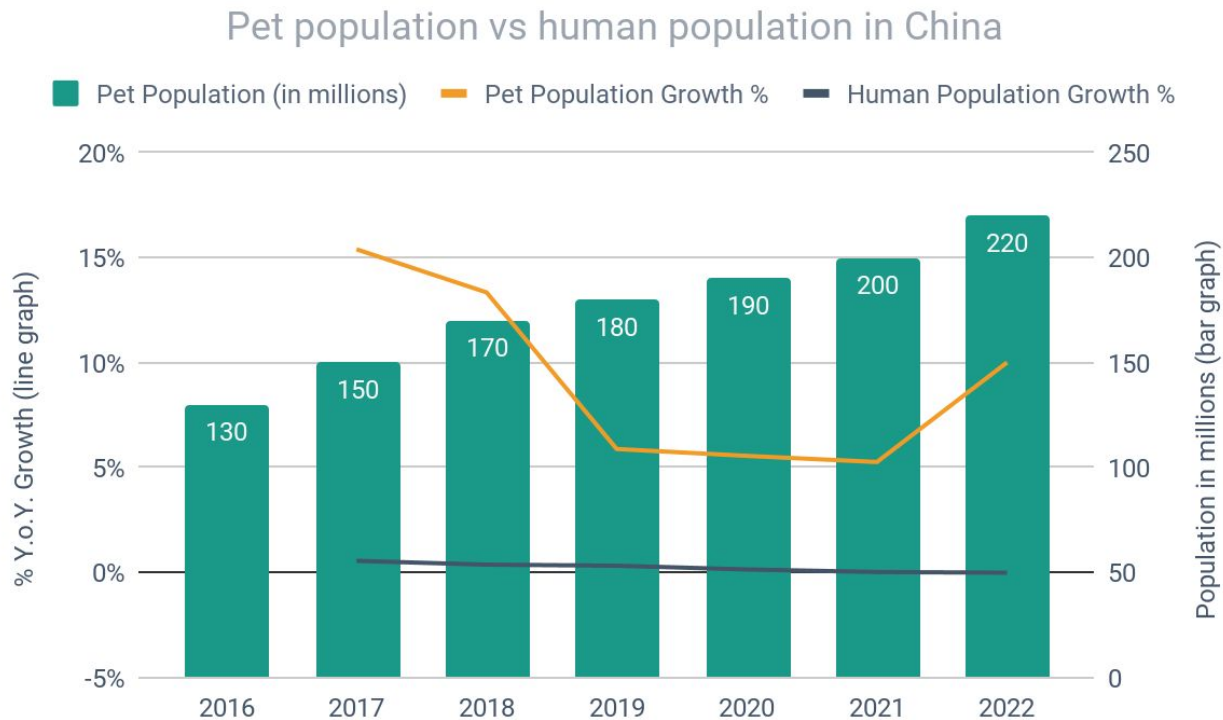
# UK households with pets have increased over the years while UK birth rates have declined

Pet ownership growth vs human birth rate  
in the United Kingdom



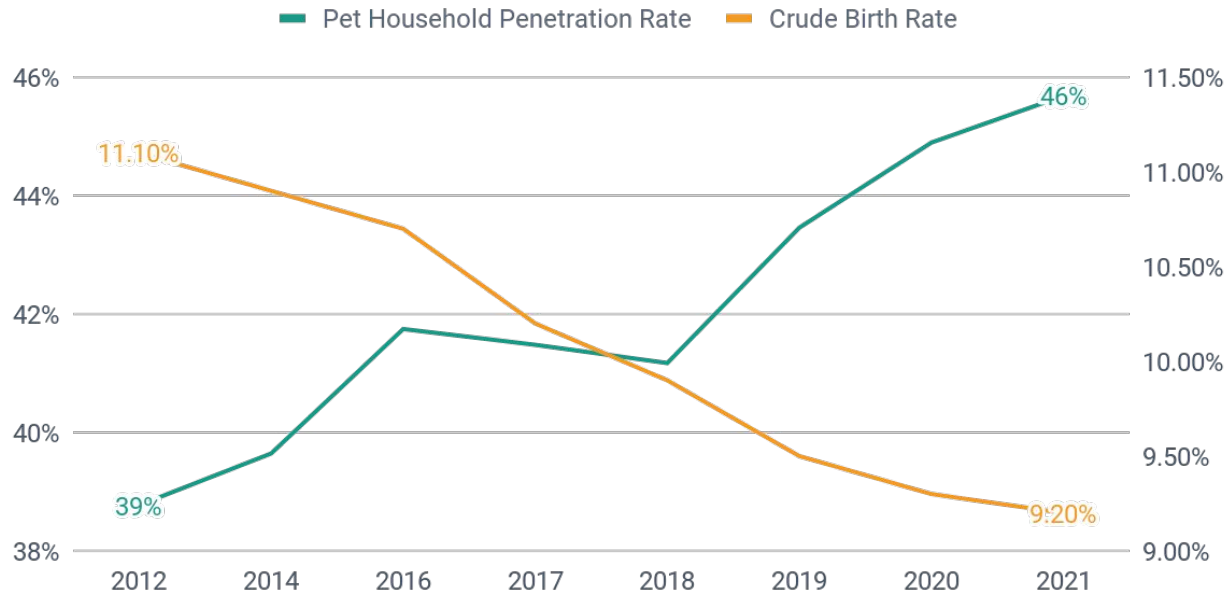
Sources: (1) PFMA, (April 6, 2022). Share of households owning a pet in the United Kingdom (UK) from 2011/12 to 2021/22\* [Graph].Statista ; (2) World Bank, (September 15, 2022). Crude rate of birth in the United Kingdom (UK) from 2006 to 2020 (per 1,000 population) [Graph].Statista

# In China, pet ownership is still increasing while human population growth is close to 0



# In EU, pet ownership is steadily increasing while birth rate continues to decline

Households with pets vs crude birth rate  
comparing Y-o-Y values in Europe

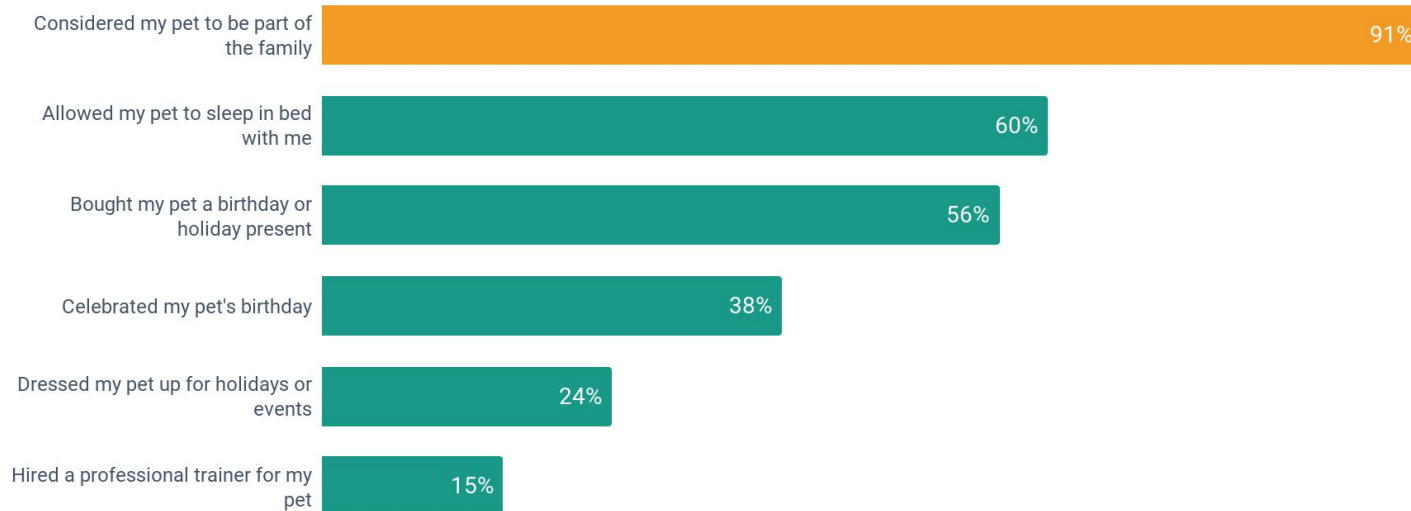


Sources: (1) FEDIAF, (September 27, 2022). Estimated number of households owning at least one pet animal in Europe from 2010 to 2021 (in millions).Statista ; (2) Eurostat, (July 4, 2022). Number of private households in the European Union (EU27) from 2012 to 2021 (in 1,000s) [Graph].Statista ;(3) UN DESA, (July 11, 2022). Crude birth rate in Europe from 1950 to 2022.Statista

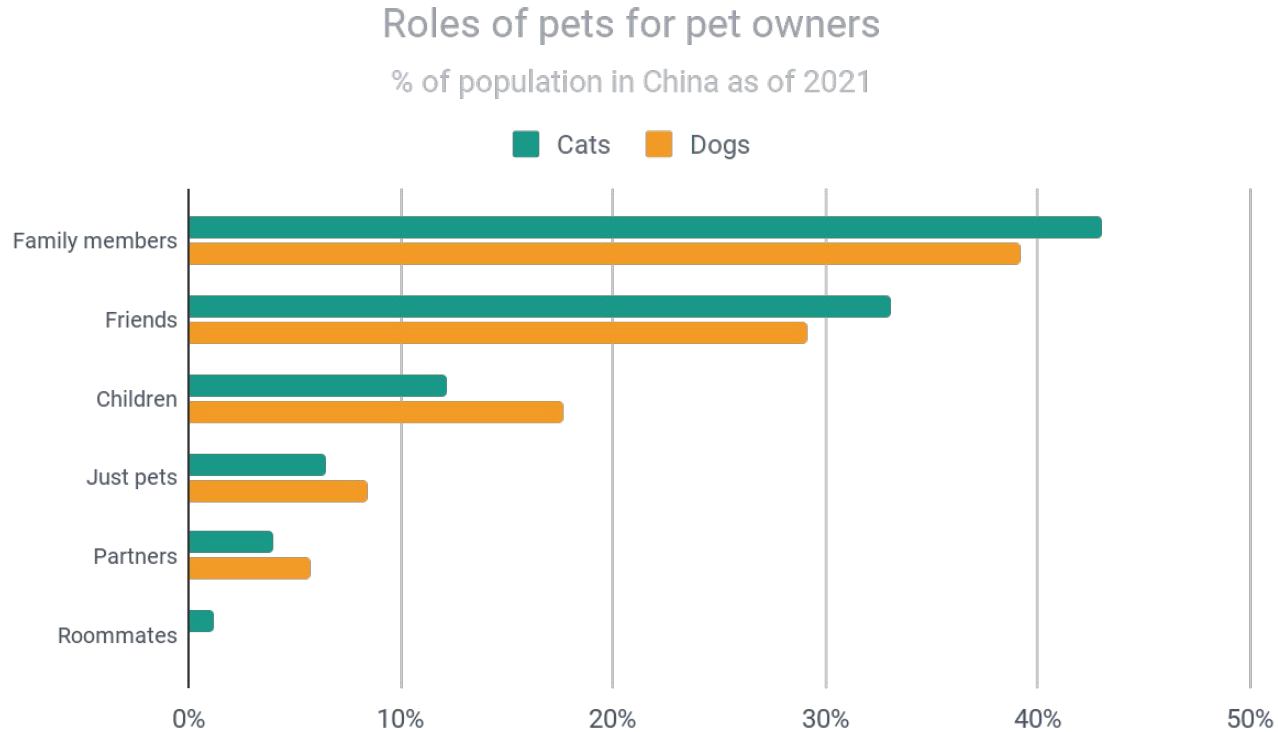
# 91% of Americans not only treat pets like humans but also as part of the family

## Attitude towards pets

% of United States population as of May 2022



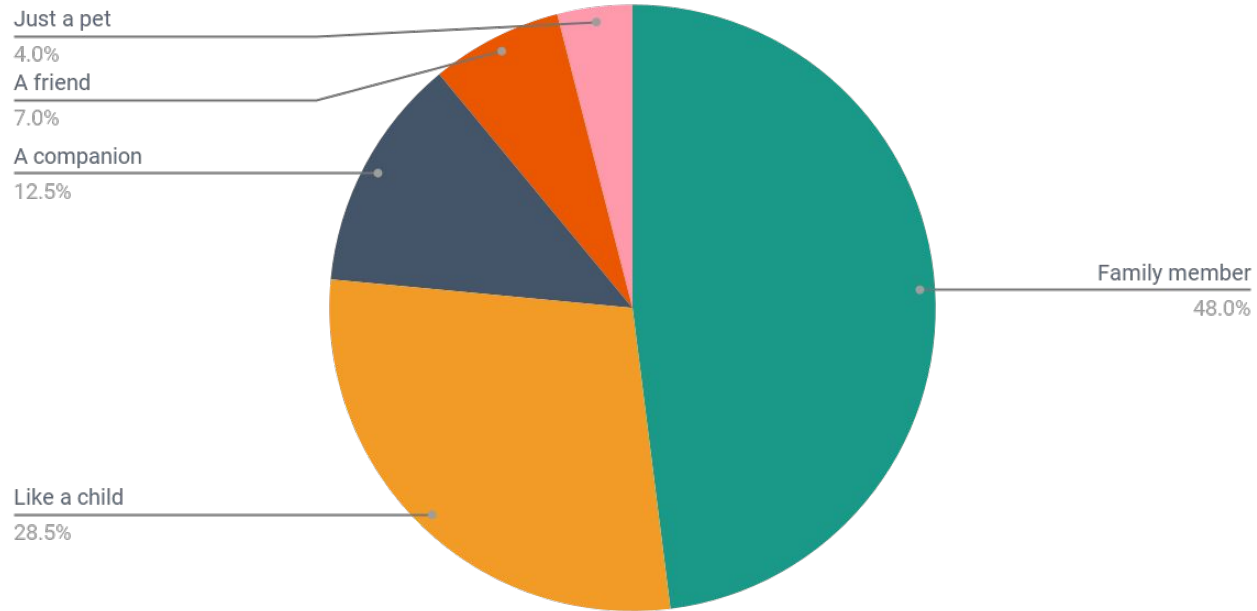
# In China, only 8% of the population treat pets as nothing more than just pets



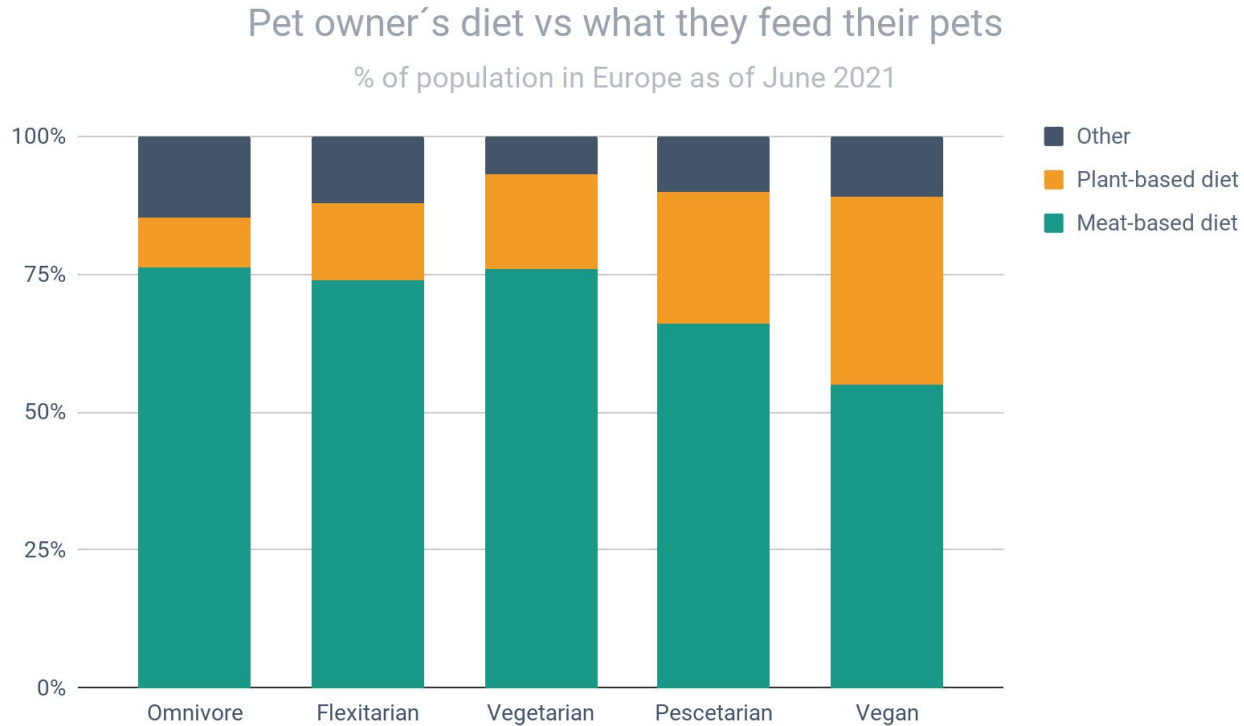
# In the UK, only 4% of the population treat pets as nothing more than just pets

## How pets are perceived by pet owners

% of population in the UK as of 2021



# In fact, the diets of the European pet owners influence what their pets are fed

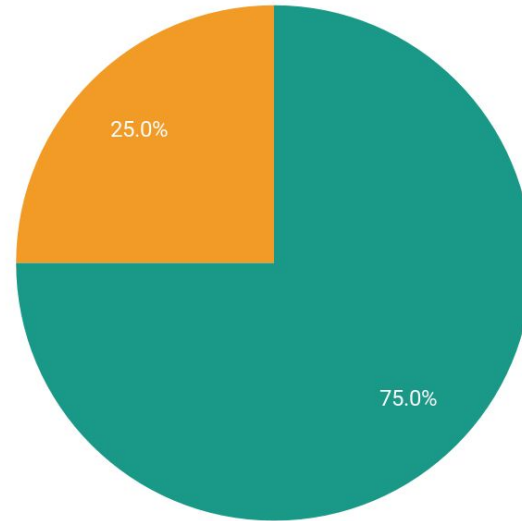




# 3 out of 4 pet owner´s in France buy specialized food for their pets

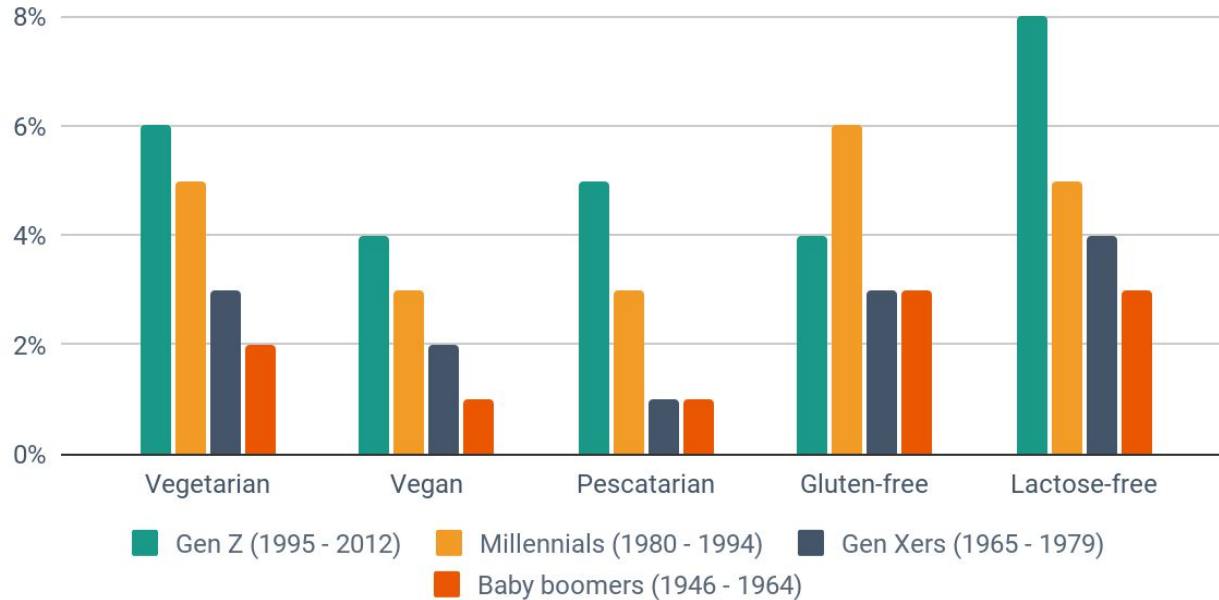
Share of pet owner´s buying specialized pet food  
% of population in France, 2021

- Food adapted to the specificities of your pet (small dog / large dog, indoor cat, sterilized cat, etc.)
- Standard food (without specificities, the same for all your animals, etc.)



# In the US, those who follow specialized diets generally increase as each generation passes

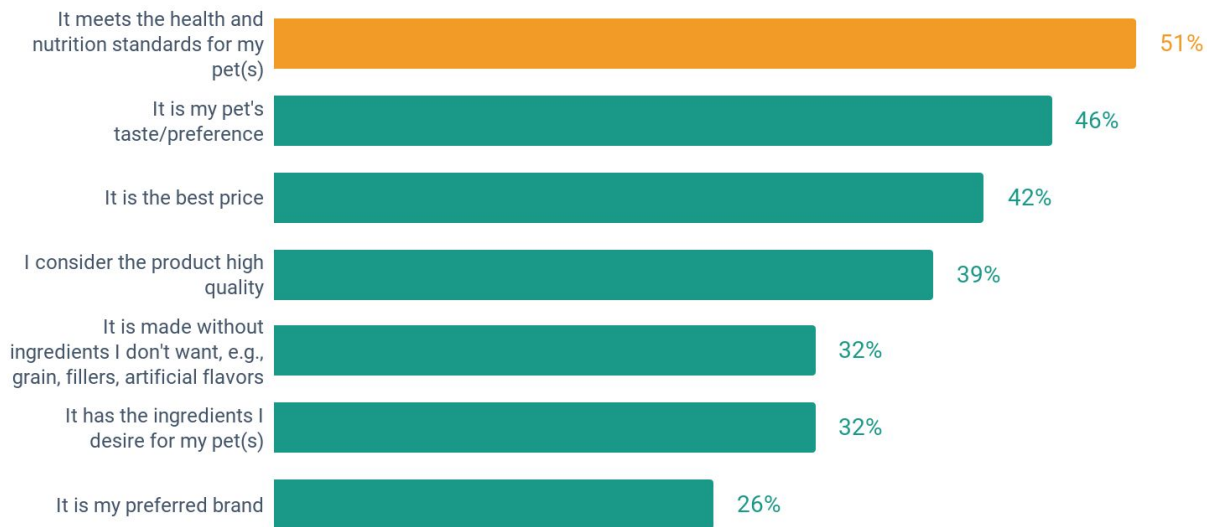
Diet types followed by Americans  
% of population as of Q2 2022, by generation



# In US, nutrition is the leading consideration for pet food while taste preference is the 2nd consideration

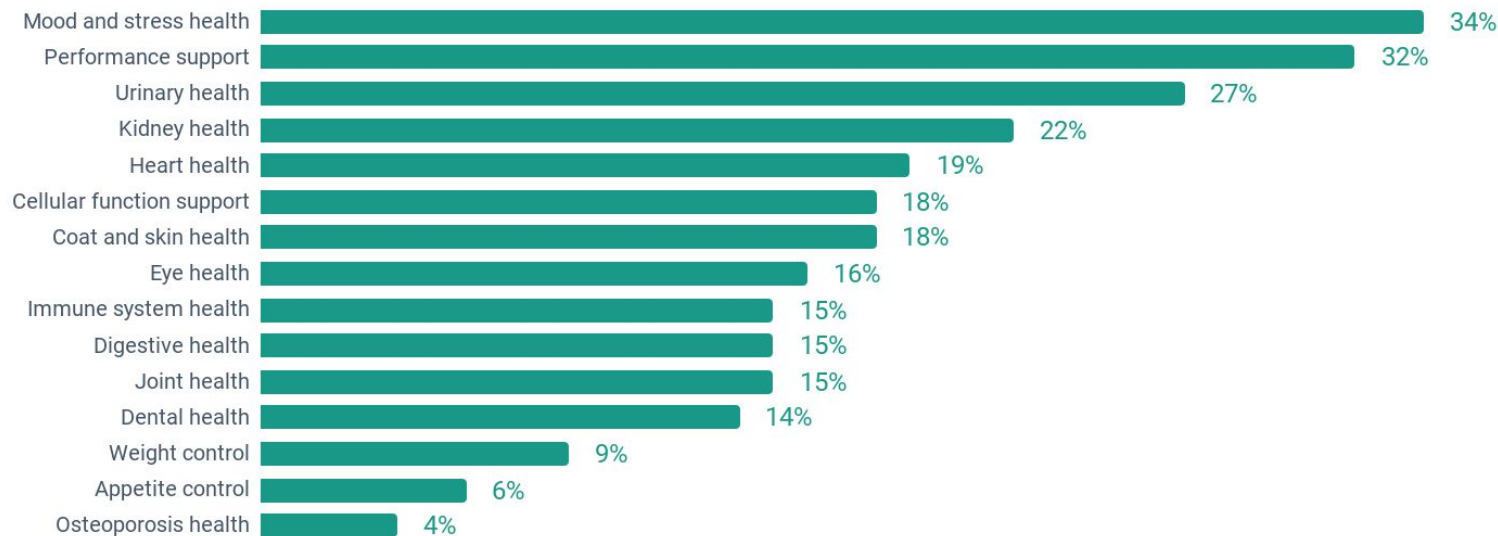
## Considerations when buying pet food

% of population in the United States in 2021



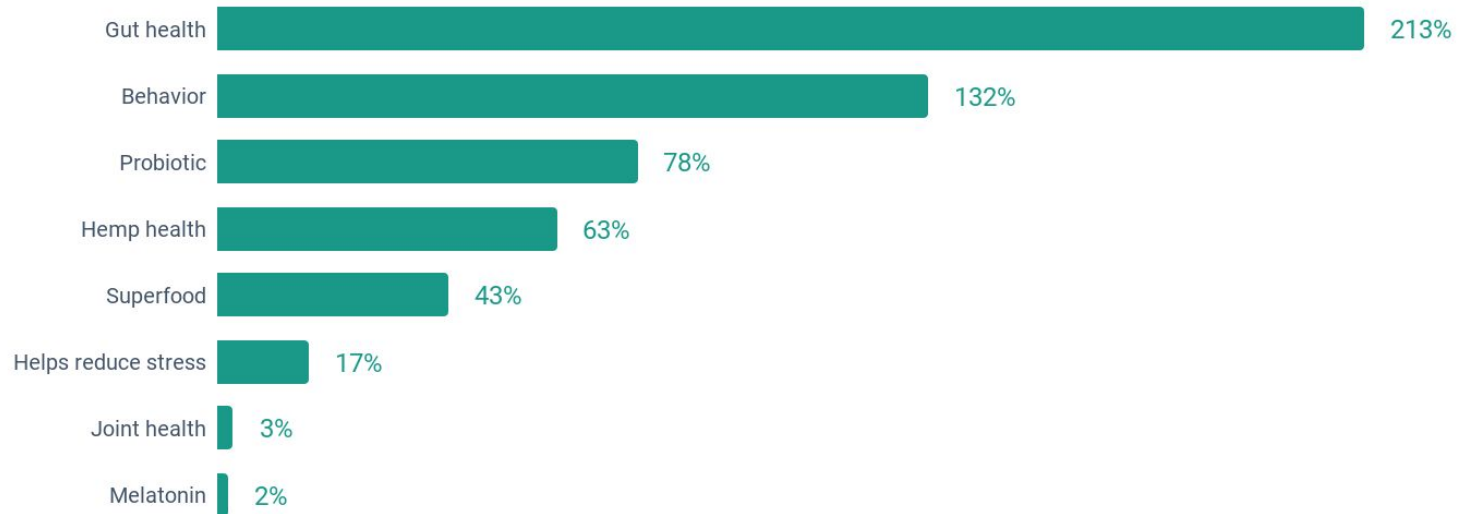
# Mood & stress, performance support, and urinary health are the fastest growing pet food products in the US

Sales growth of pet food products  
in the United States in 2022



# Gut health, behavior, and probiotic are the claims of the fastest growing pet supplements in the US

Sales growth of pet supplements  
in the United States in 2022



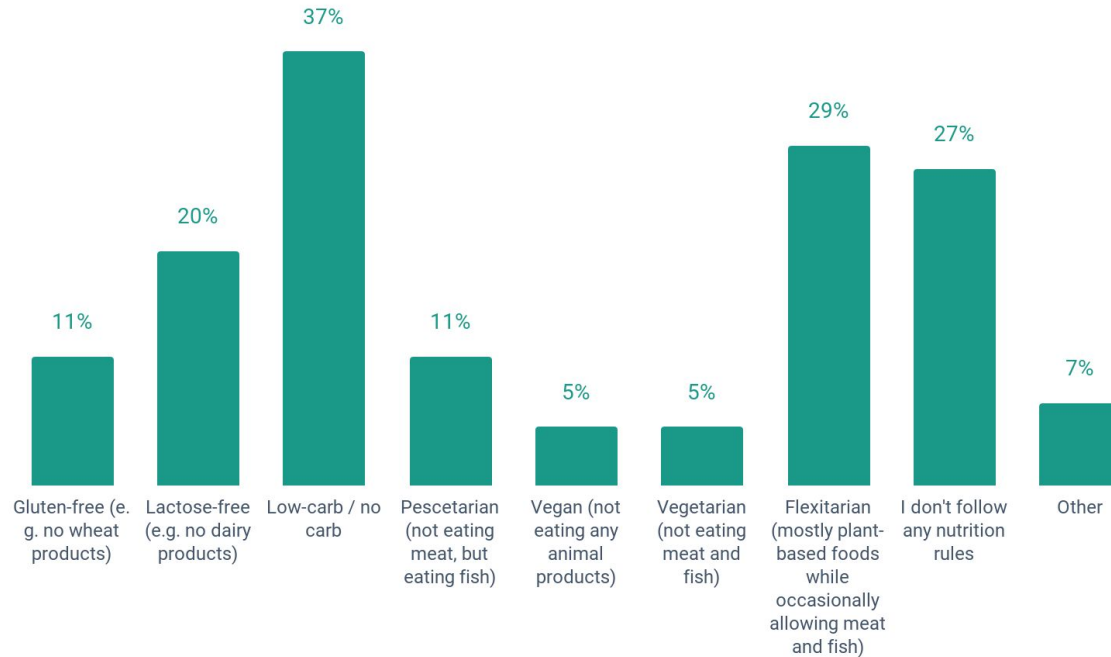
# The natural pet food market in the US is forecasted to grow to USD 12 billion by 2027

Natural pet food market sales in the US (in billion USD)  
including forecasted sales from 2021 to 2027



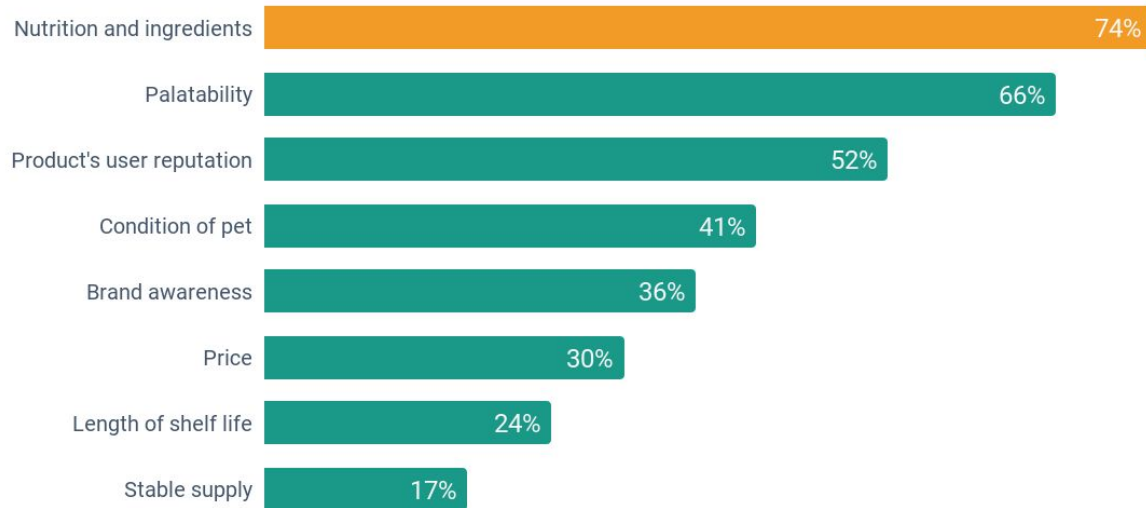
# In China, more people follow a specialized diet than those who do not

% of population who observed diets in China in 2022



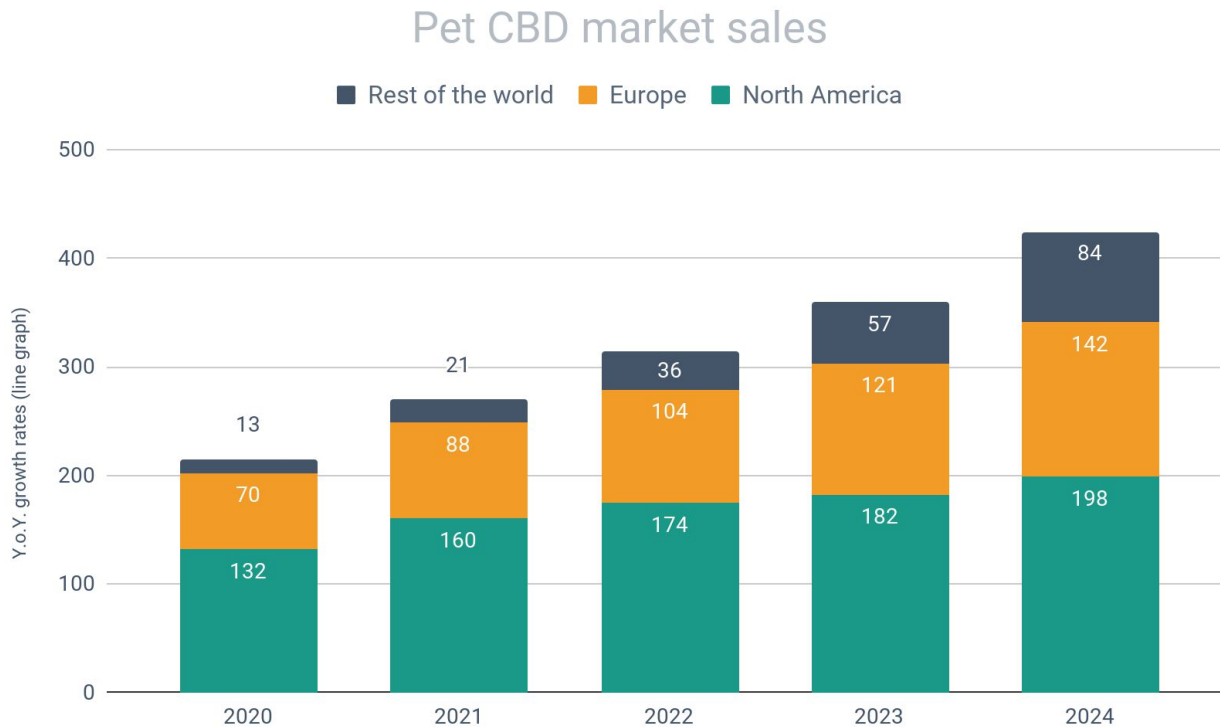
# Nutrition is as important in China when buying pet food while taste preference is also the 2nd consideration

The major buying factors for pet food  
% of population in China as of April 2021





# Globally, cannabidiol (CBD), the active ingredient in cannabis, also finds its way into pet food

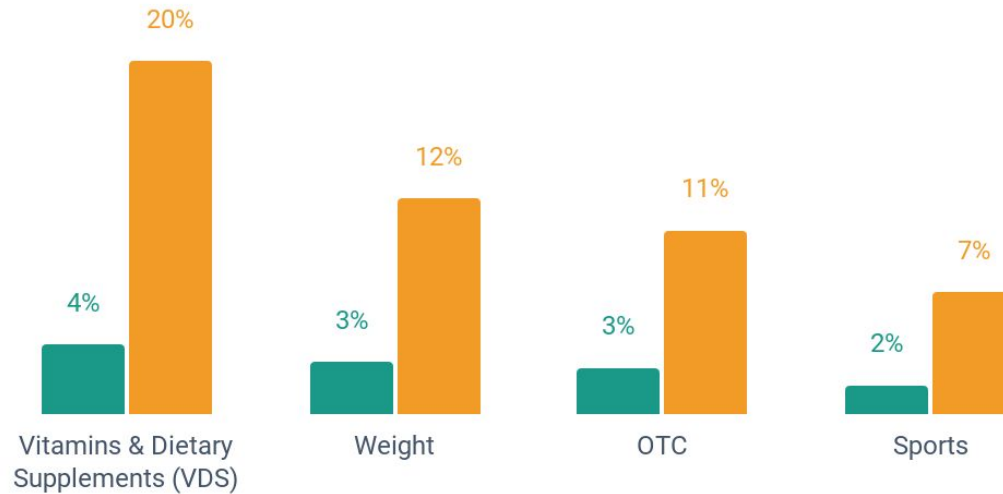


# Cannabidiol (CBD) use will continue to spread in human lives especially in vitamins & dietary supplements

% of population who use CBD, by segment

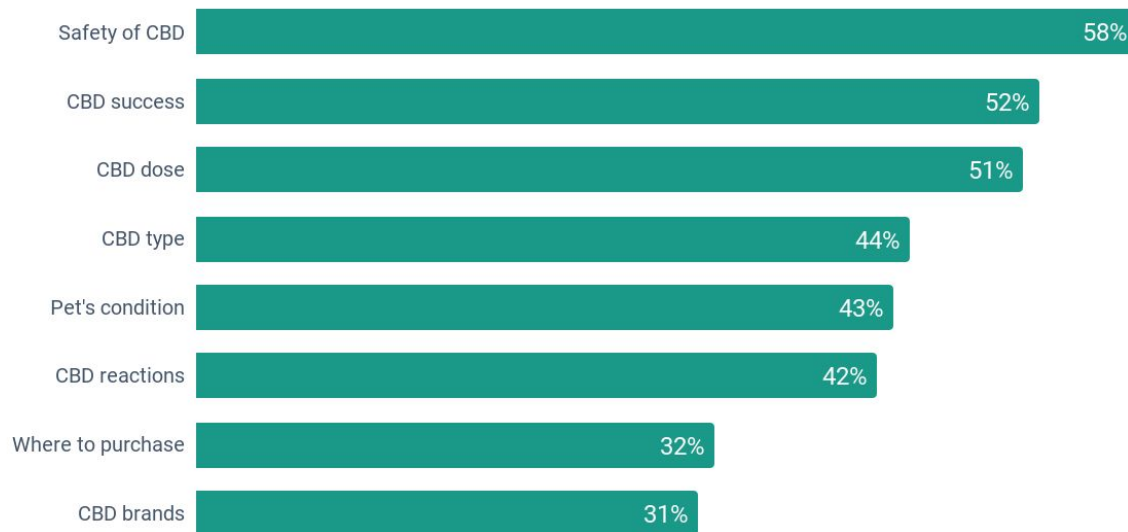
Global forecast

2019 2027



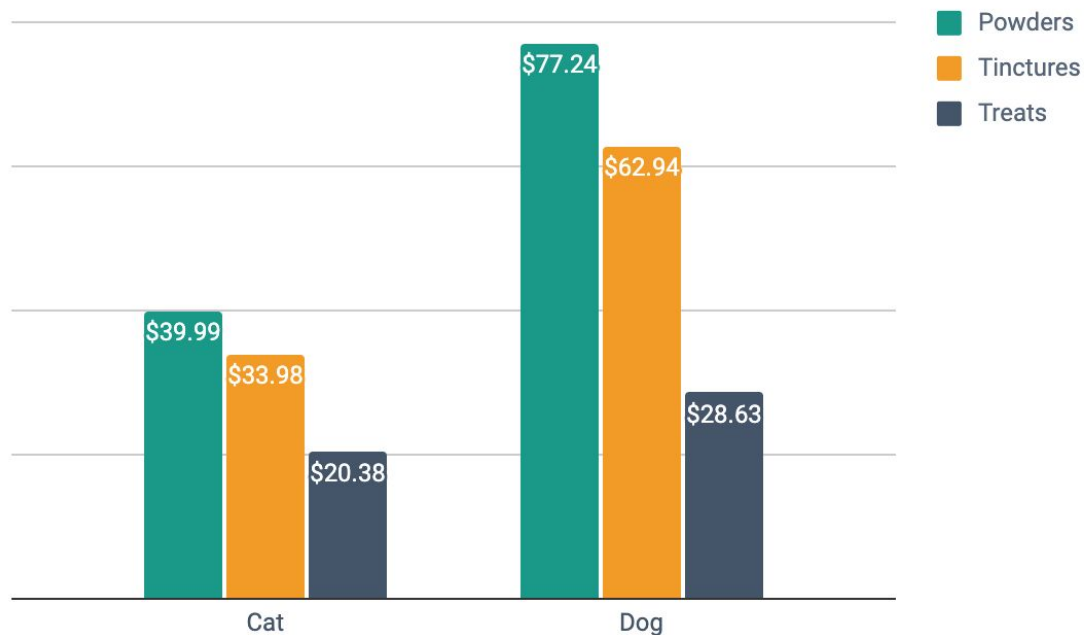
# Opportunity to be seen as the experts on pet CBD usage to connect with pet owners who are interested but cautious

Topics pet CBD users discuss with vets in the U.S. in 2021



# Powders are the most expensive CBD pet products followed by tinctures and then treats

Median price for CBD products in the U.S. 2020



Sources: (1) Nielsen, (February 12, 2020), Median price of cannabidiol cat products in the United States in 2020, by product type (in U.S. dollars) [Graph].Statista, (2) Nielsen, (February 12, 2020), Median price of cannabidiol dog products in the United States in 2020, by product type (in U.S. dollars) [Graph].Statista

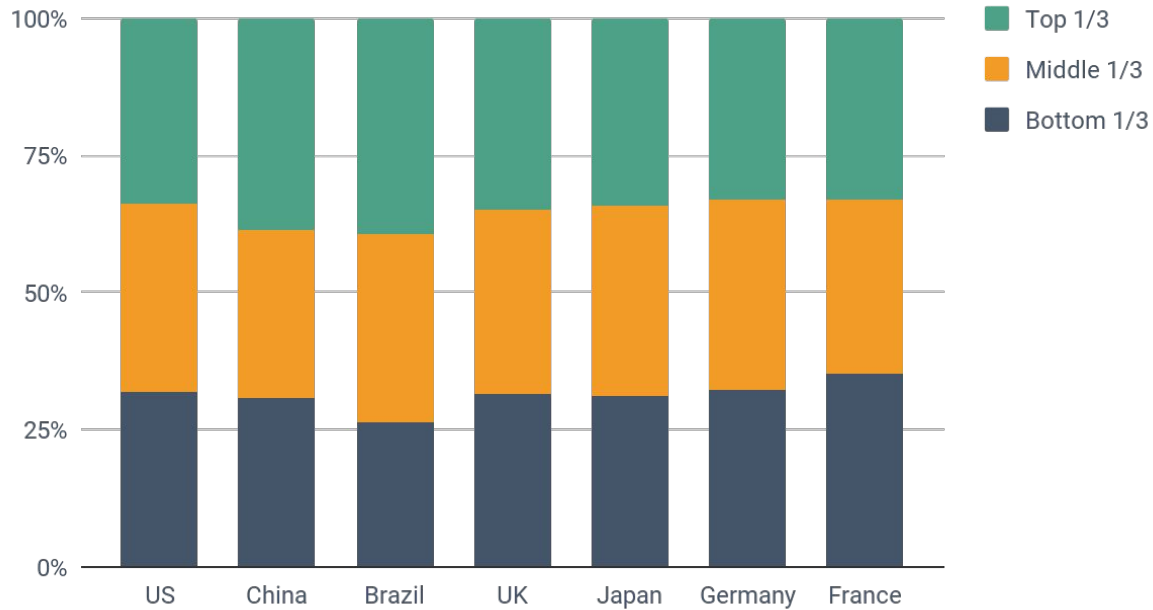
# CONSUMER OVERVIEW

# Consumer overview highlights

- 1 While **pet owners** are mostly **Millennials ('80-'94)** or **Gen X('65-'79)**, pet ownership is equal across income levels
- 2 **Majority of pet owners** are in households with at least 2 Adults with a **female decision-maker**
- 3 Important to **target the decision-maker** who is most likely **female & either a Millennial or Gen X**
- 4 In general, media consumption of pet owners are **similar than that of the general population**
- 5 **Pet owners generally better remember advertising** v.s. the general population
- 6 However, **pet owners have the best ad-recall** with social media and TV
- 7 **93% of pet owners access the internet via a smartphone** and are more active on social media
- 8 The difficulty will be strategizing on the **optimal media spend per channel**

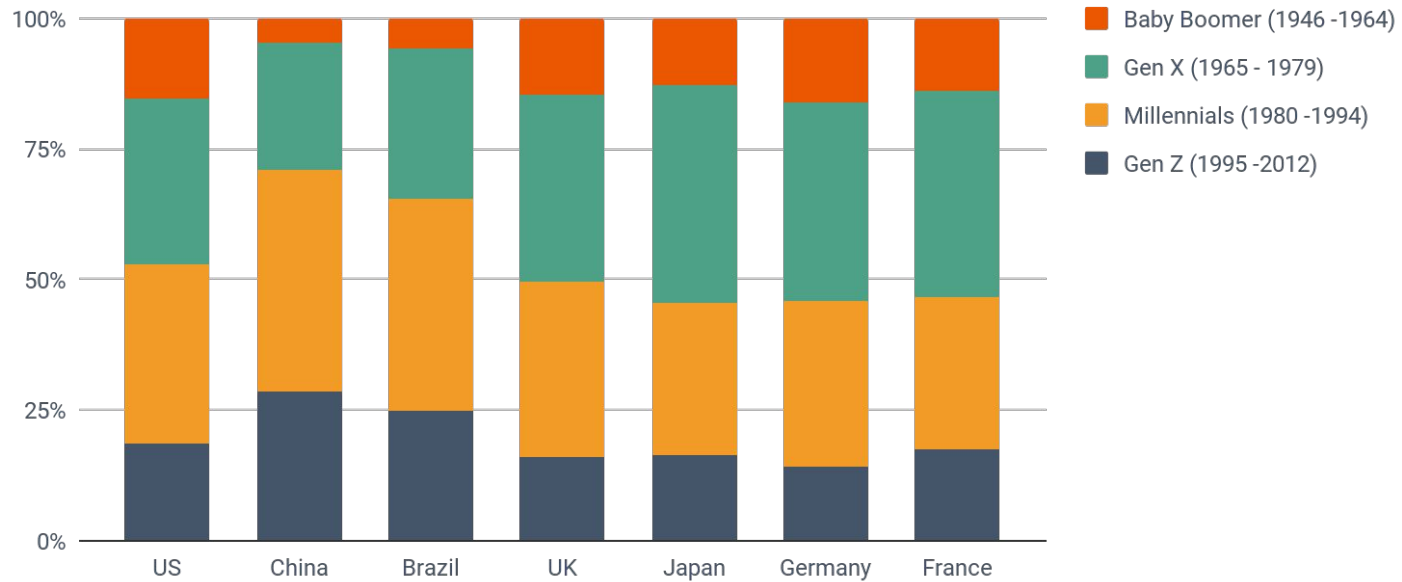
# Equal distribution of pet ownership across income levels

Share of pet ownership in top markets segmented by income level



# Majority of pet owners are Millennials or Gen X

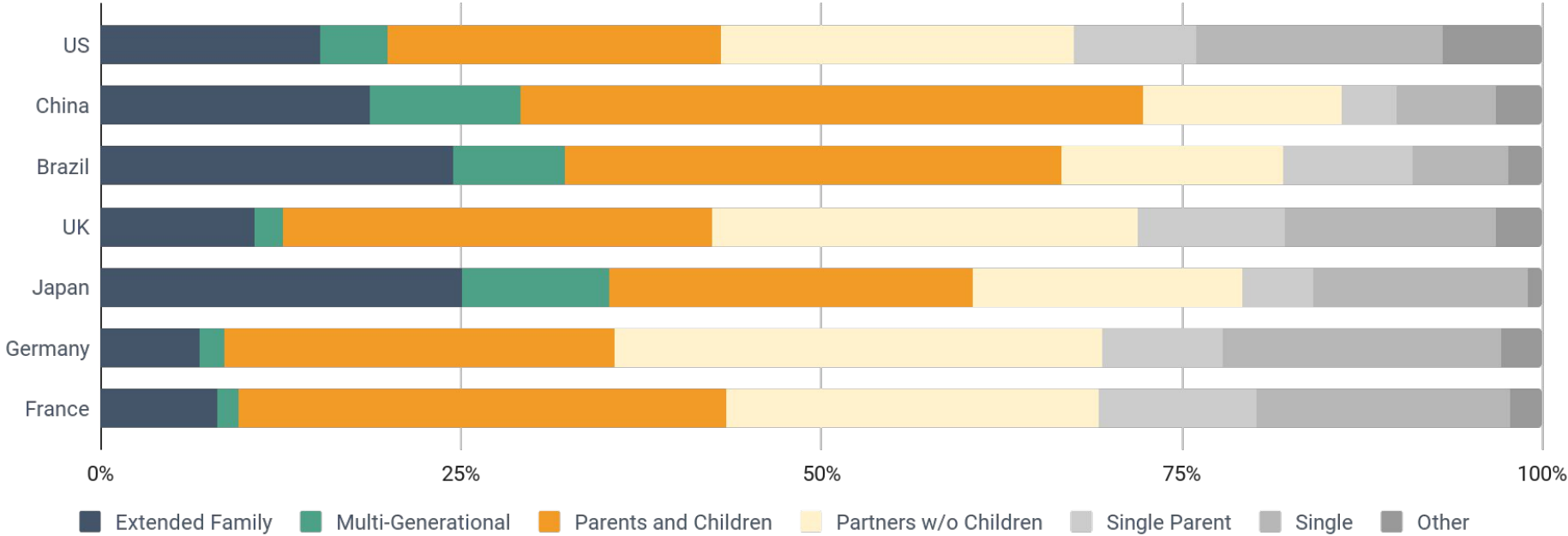
Share of pet ownership in top markets segmented by generation





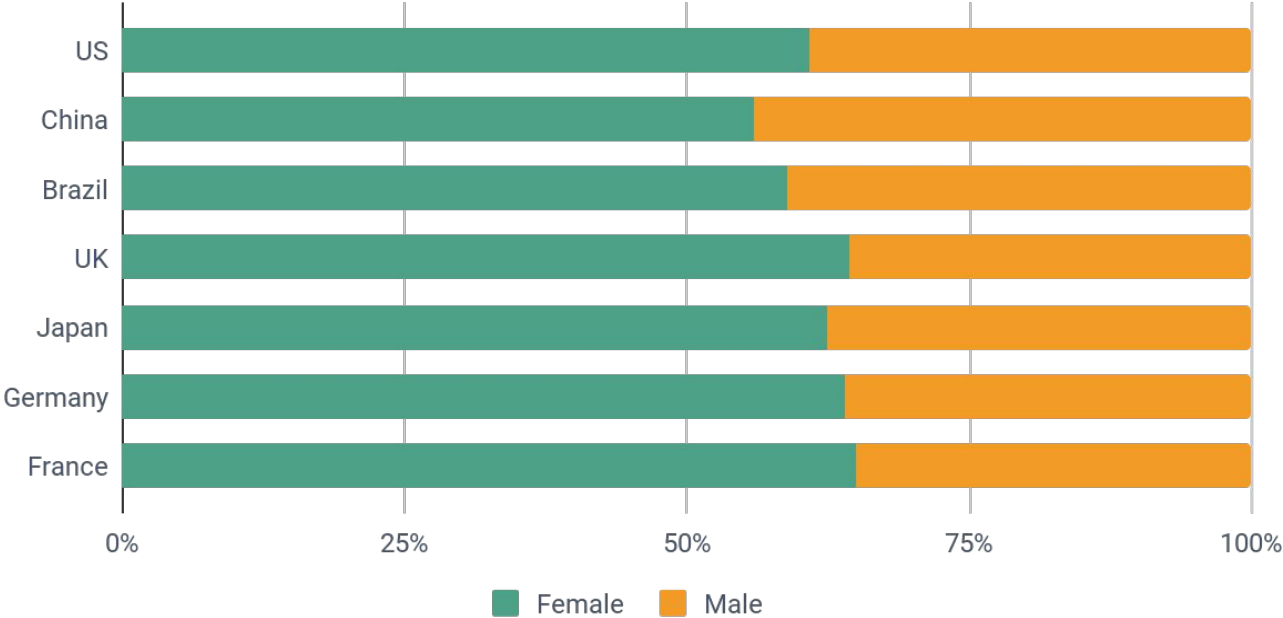
# Majority of pet owners are households with at least 2 adults

Share of pet ownership in top markets by household type



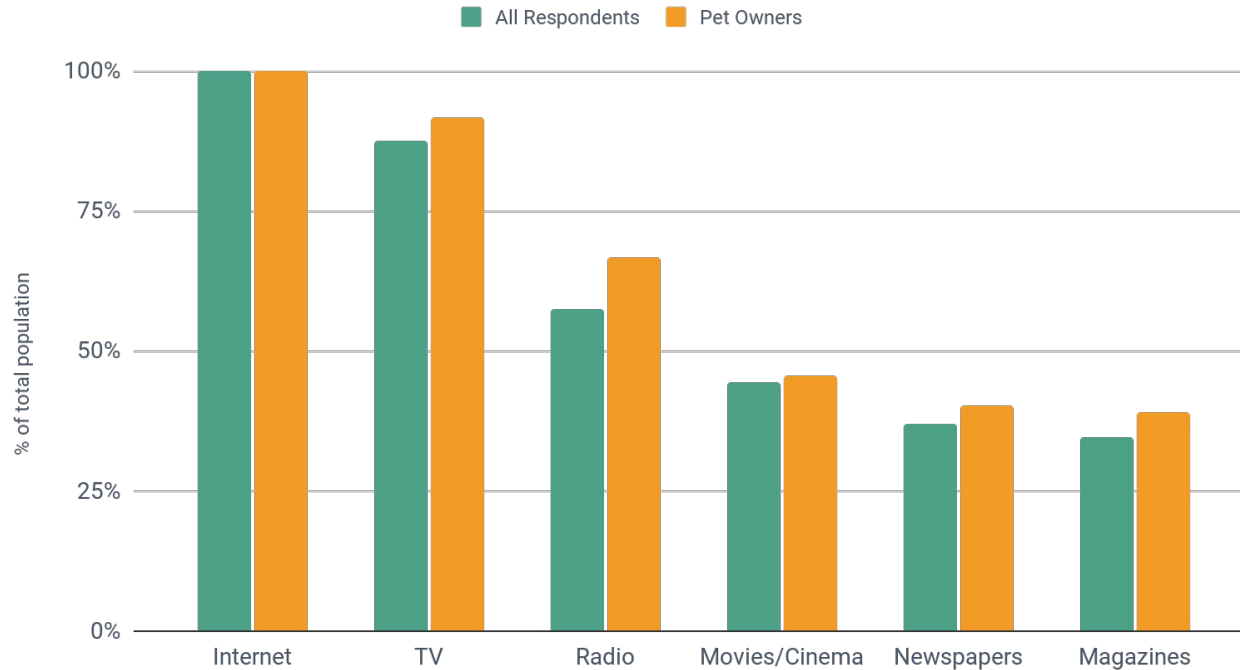
# Females are the most likely decision makers in pet care

Share of purchase decision maker of pet goods in top markets segmented by gender



# Media consumption of pet owners is similar to the general population

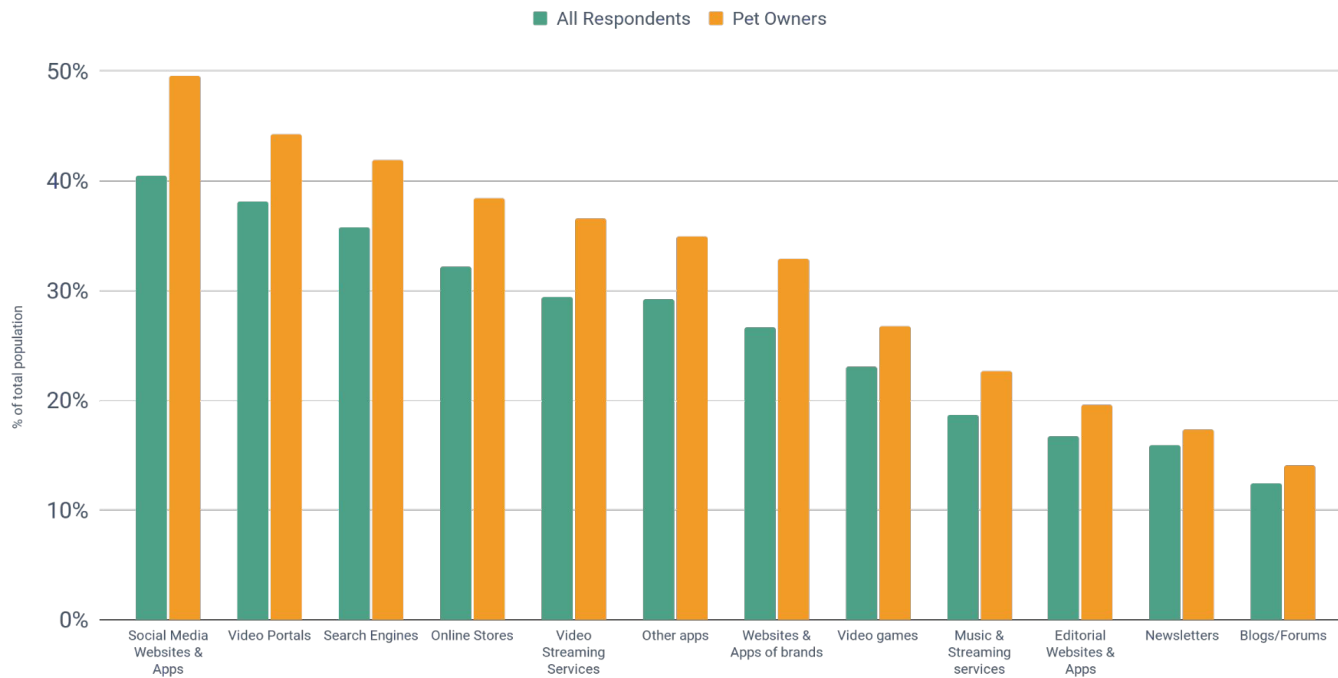
Type of media consumers have been using as of Sep 2022



# In digital, the most impactful channels in terms of ad recall are social, video, and search engines for pet owners

## Digital Advertising Touchpoints

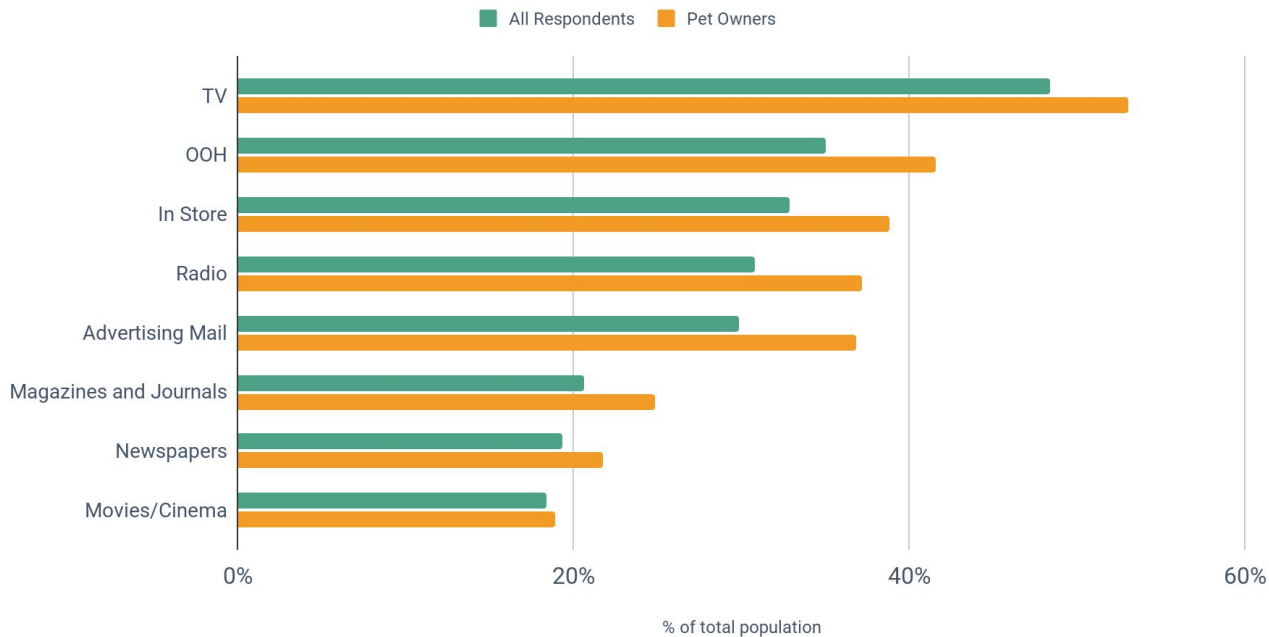
Top places people have come across digital advertising in Dec 2022



# In offline media, the most impactful channels in terms of ad recall are TV and OOH for pet owners

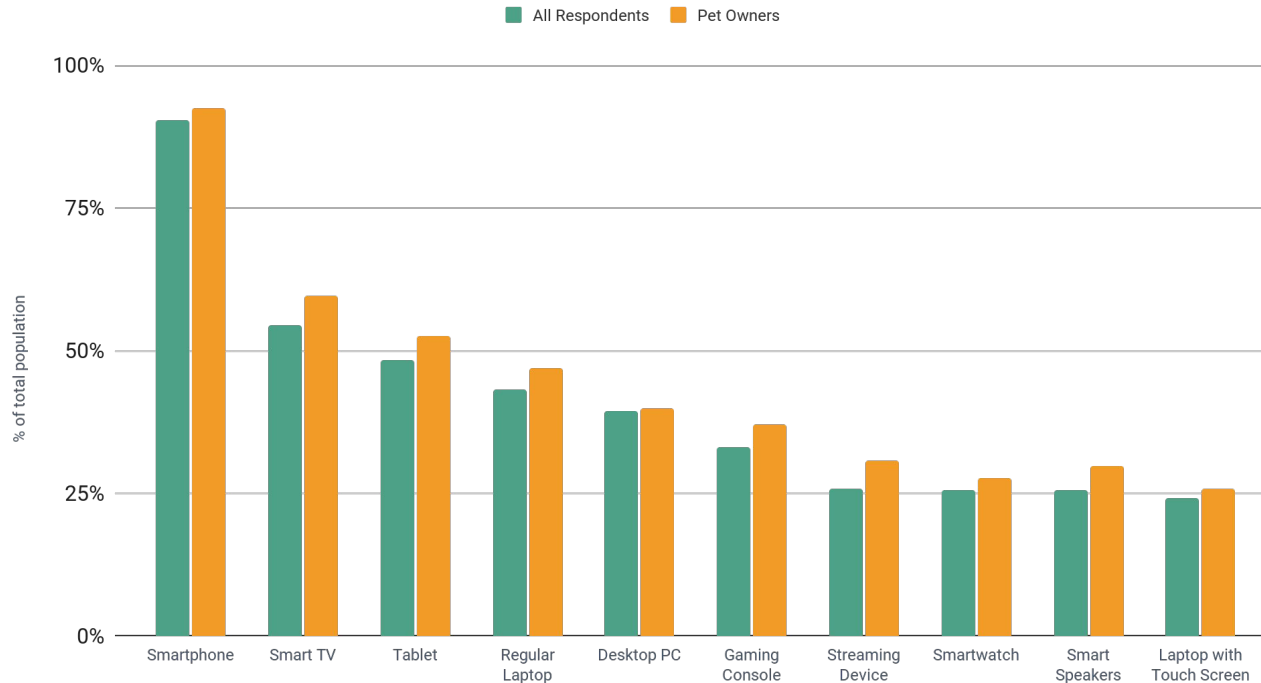
## Non-Digital Advertising Touchpoints

Top places where people have come across non-digital advertising in Dec 2022

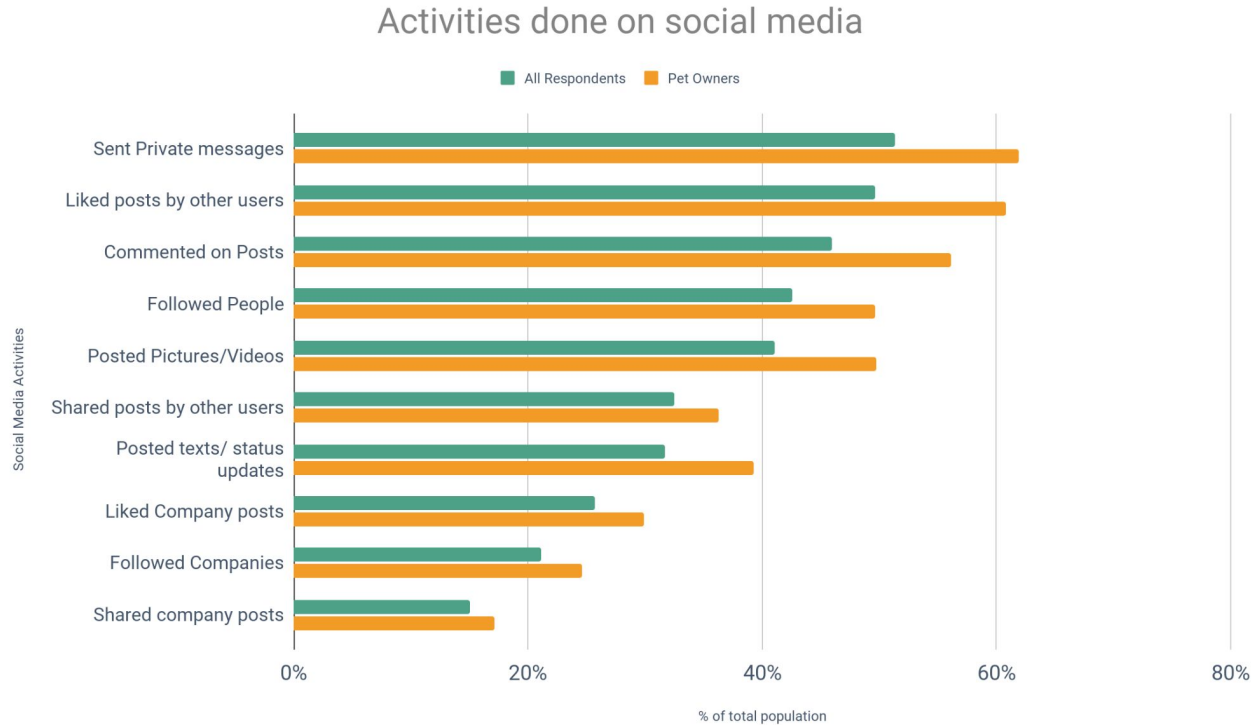


# 93% of pet owners access the internet via a smartphone

## Devices consumers regularly use to access the internet



# Pet owners are more active on social media



**CONSUMERS**  
**THE MILLENNIAL**  
**QUESTION**



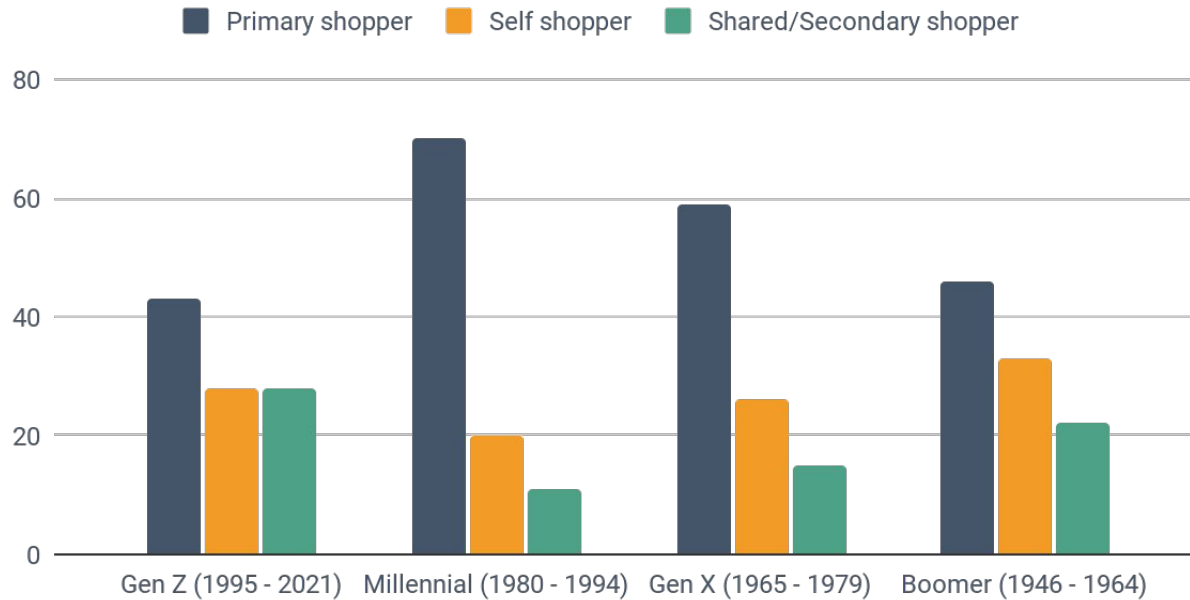
# Consumer: the Millennial question highlights

- 1 Millennials ('80-94) are the **primary shoppers** in a multi-person household
- 2 They are the **most responsive generation to brands**
- 3 Millennials are most likely to be **triggered by reviews to make a purchase**
- 4 They still mostly shop in offline channels, but are the **fastest generation to adopt online shopping**
- 5 US Millennials **prefer mass stores as price is the leading factor** in choosing where to buy
- 6 Millennials in **other big countries prefer supermarkets or hypermarkets**
- 7 Online shops and convenience stores are also preferred in China, while farmer's markets in Brazil
- 8 Across big market countries excluding China, **Instagram, Facebook, and Youtube are still the most influential** social media apps and not TikTok
- 9 Aside from home delivery, **automation/online subscription is becoming a sought after feature**

# Millennials are the primary shoppers in a multi-person household

## Co-shopping split of groceries in multi-person households

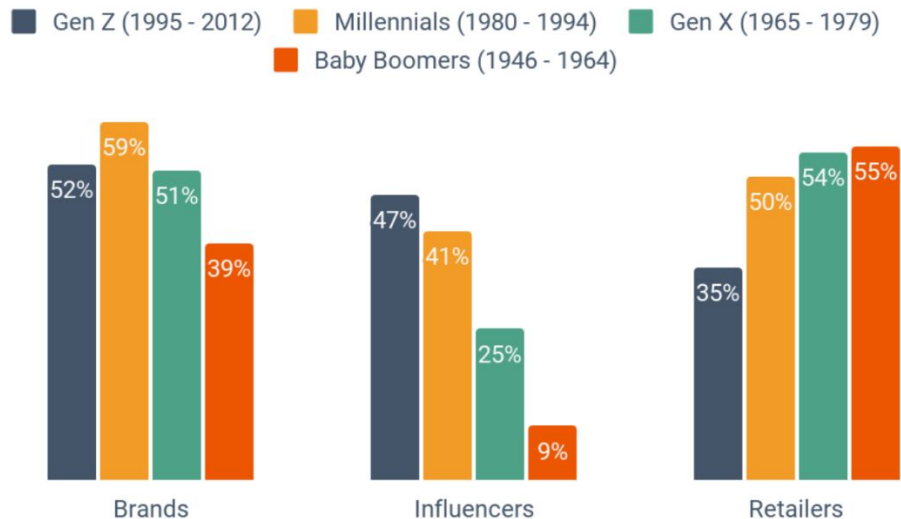
% of population in the United States in 2022



# Among generations, Millennials respond best to brands

% of population that follow and purchase from the different types of social media accounts

Worldwide as of 2022 Q2

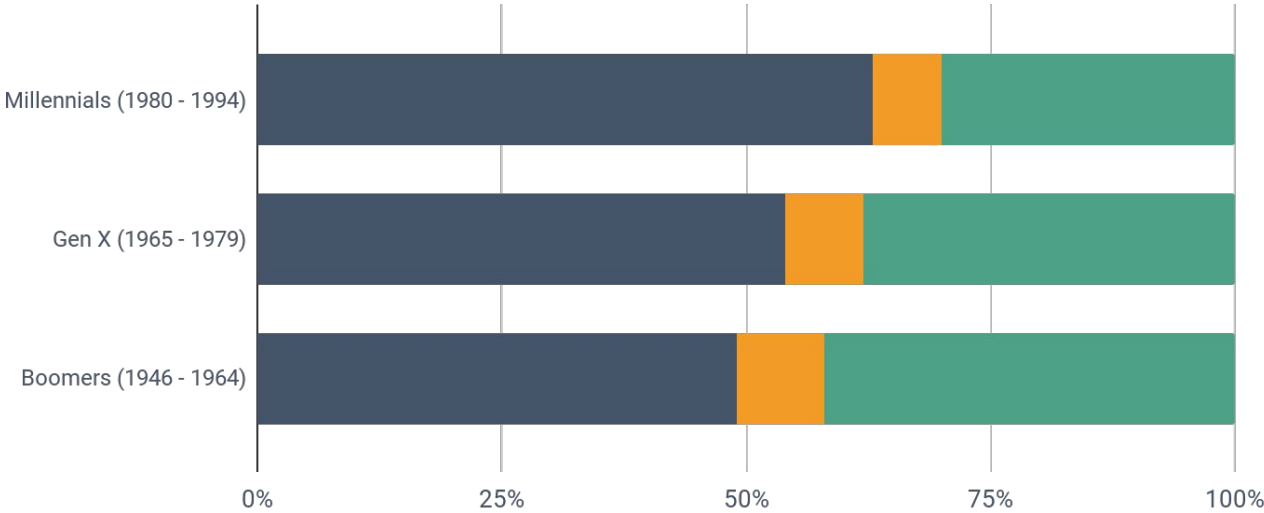


# Reviews are more likely to trigger a purchase for Millennials as compared to older generations

## U.S. shoppers likely to purchase groceries after reading a review

% of population in the United States, 2022

■ Yes ■ No ■ Makes no difference

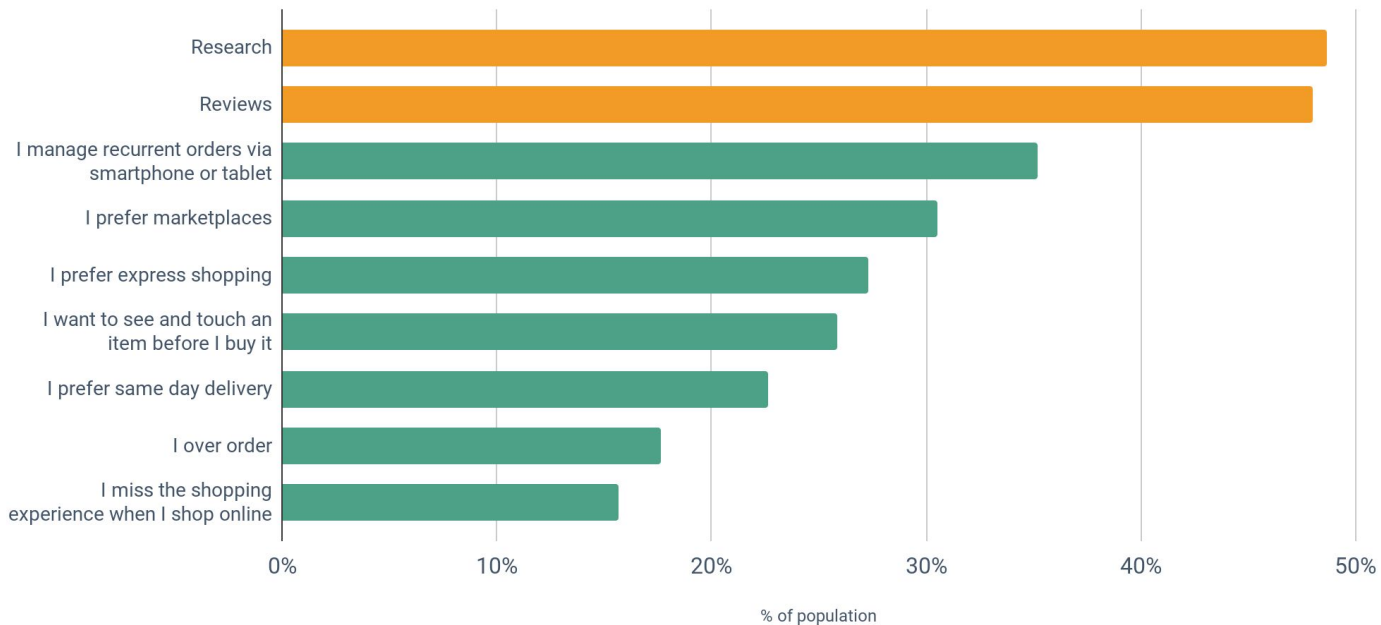


Source: PowerReviews. (April 1, 2022). Share of consumers more likely to purchase a new grocery item after reading a customer review in the United States in 2022, by generation [Graph].Statista

# In other big markets, research and reviews are the most important factors with regards to online shopping

## Attitudes towards online shopping, 2022

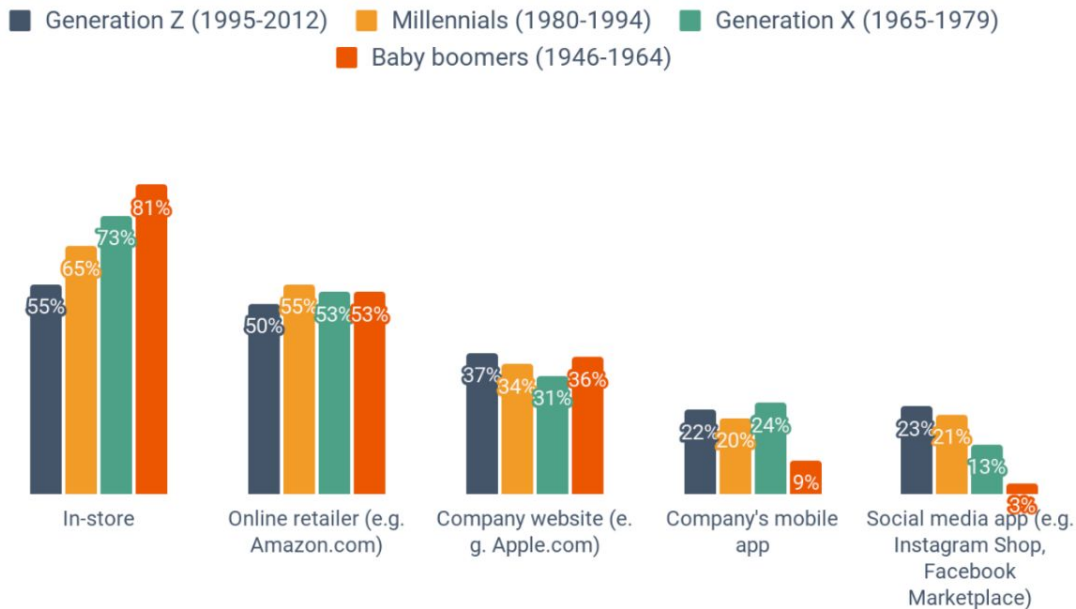
Millennials ('80-'94) in Germany, UK, France, China, Brazil, and Japan



# Millennials still buy in-store more, but buy most online amongst the different generations

## Channels where consumers buy

% of population in the United States in 2022



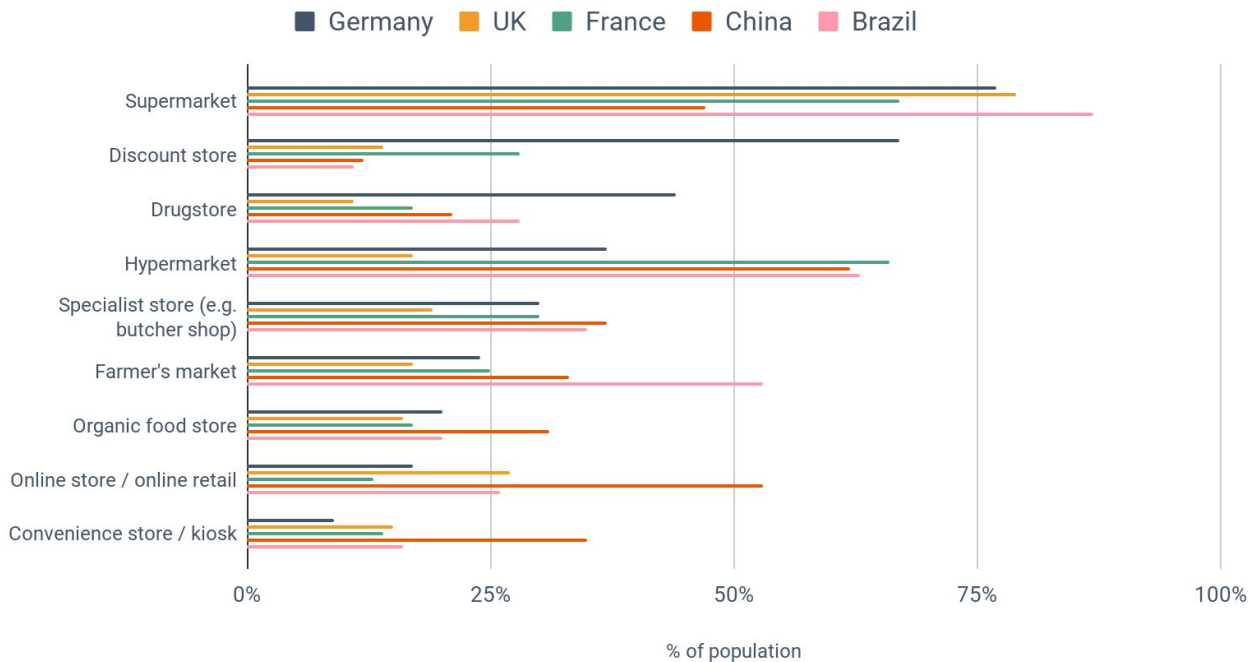






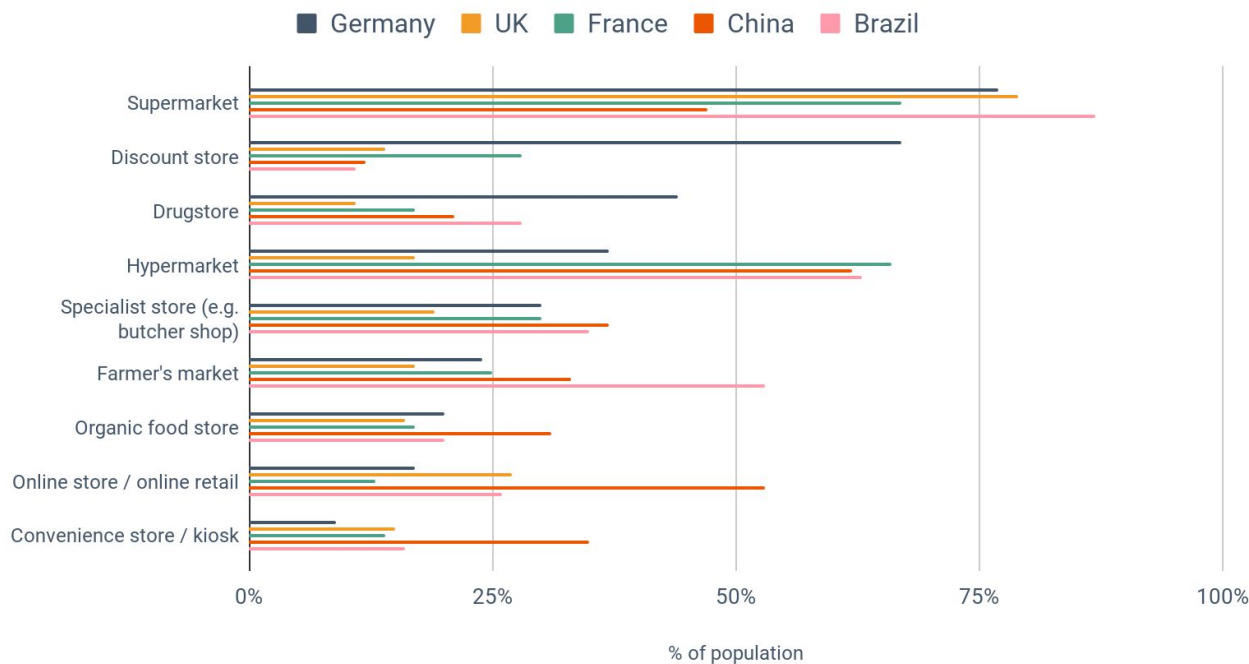
# Supermarket or hypermarket are the preferred channels of Millennials in other big markets

Preferred by channel by Millennial('80-'94) consumers



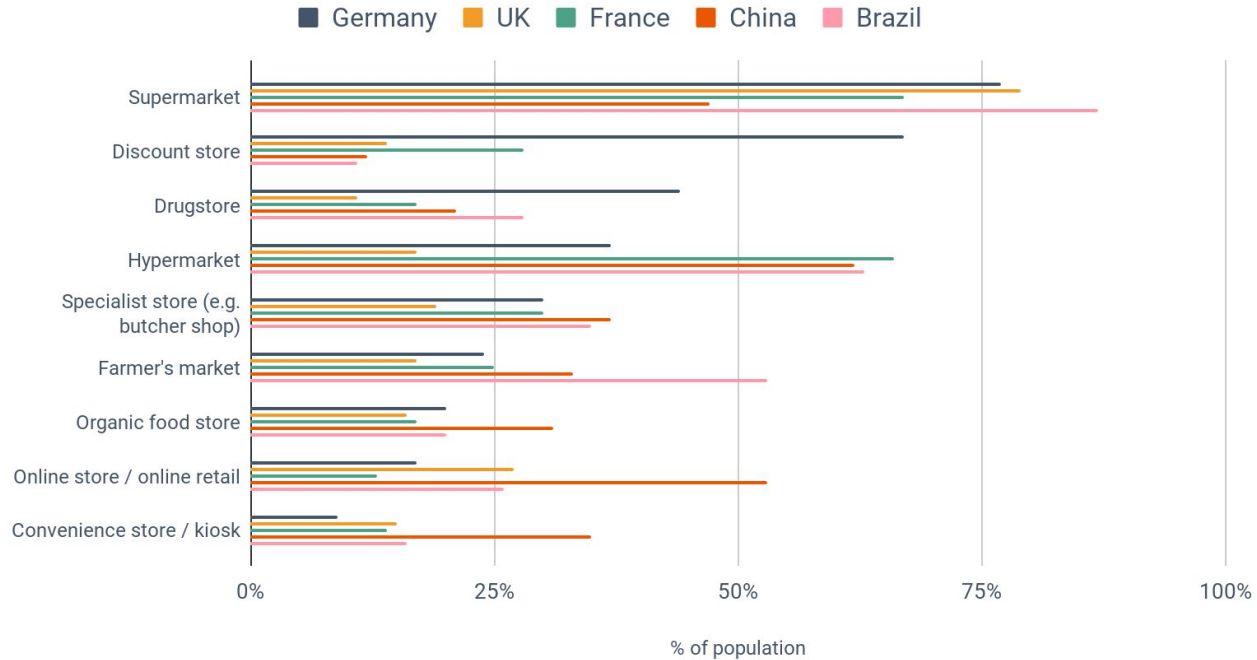
# Convenience is important for Millennials in China as online shopping and convenience stores are also highly preferred

Preferred by channel by Millennial('80-'94) consumers



# Farmer's markets are also popular in Brazil suggesting the importance of freshness

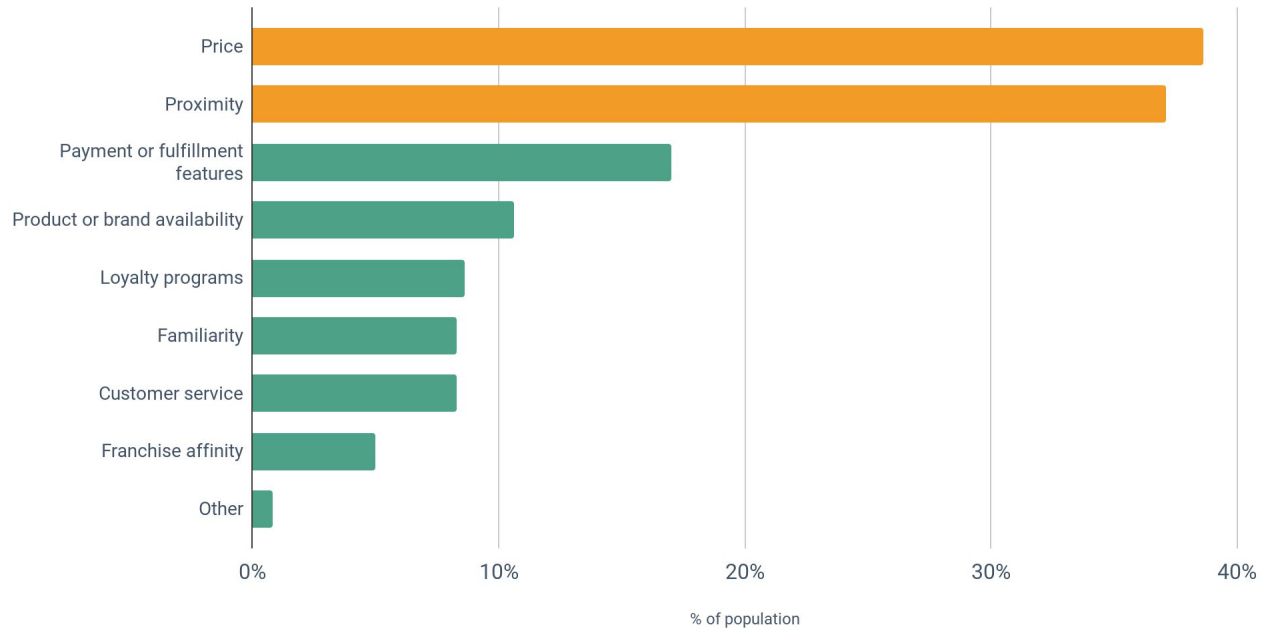
Preferred by channel by Millennial('80-'94) consumers



# Price and proximity are the most important factors for Millennials on choosing where to buy

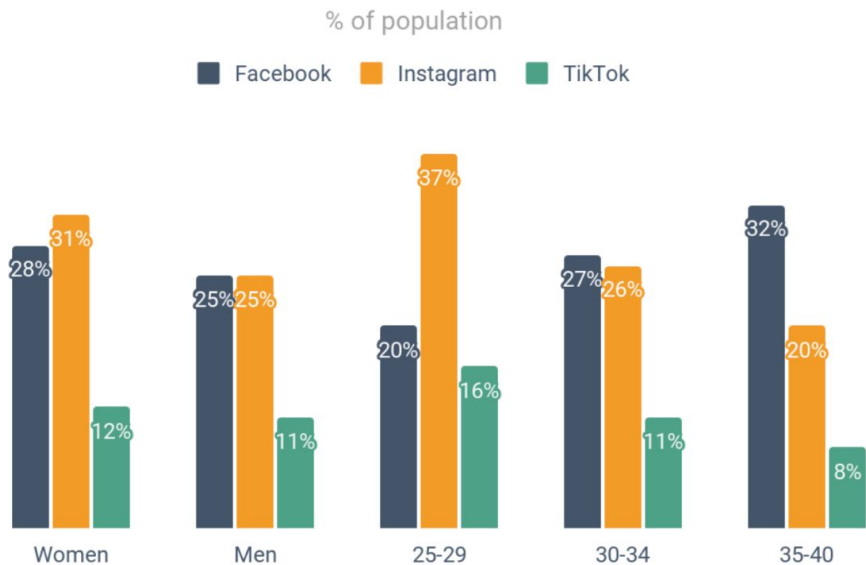
## Influential factors for Millennials('80-'94) when choosing a grocer

United States as of Dec 2021



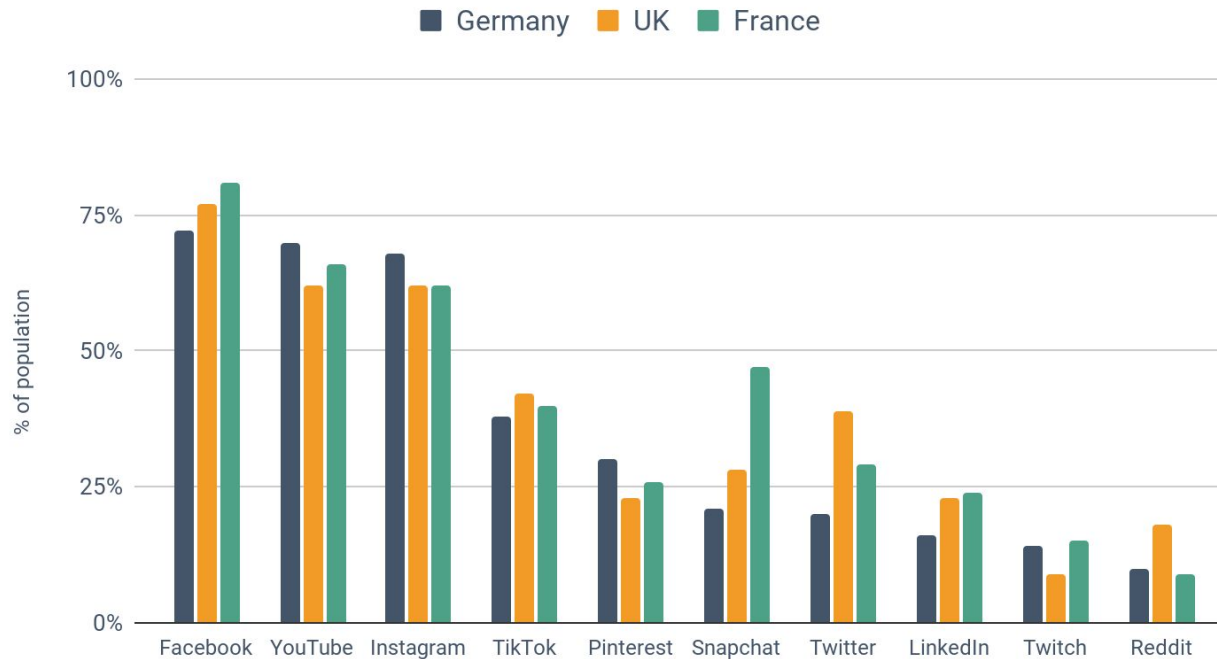
# Among social media platforms, Instagram & Facebook still influence U.S. Millennials the most vs TikTok

Social networks influencing U.S. Millennial('80-'94) buyers in 2022



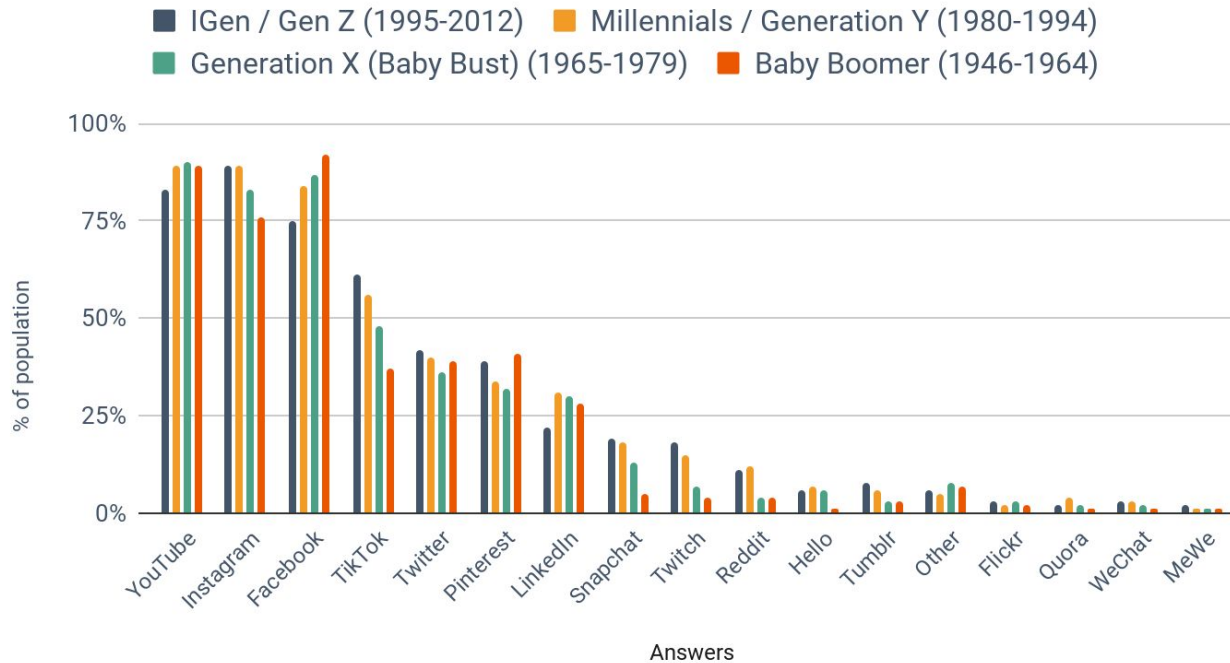
# In order of preference, Facebook, Youtube, and Instagram are the most used social networks in Germany, UK, and France

Most used social networking platforms by Millennials('80-'94) as of Sep 2022



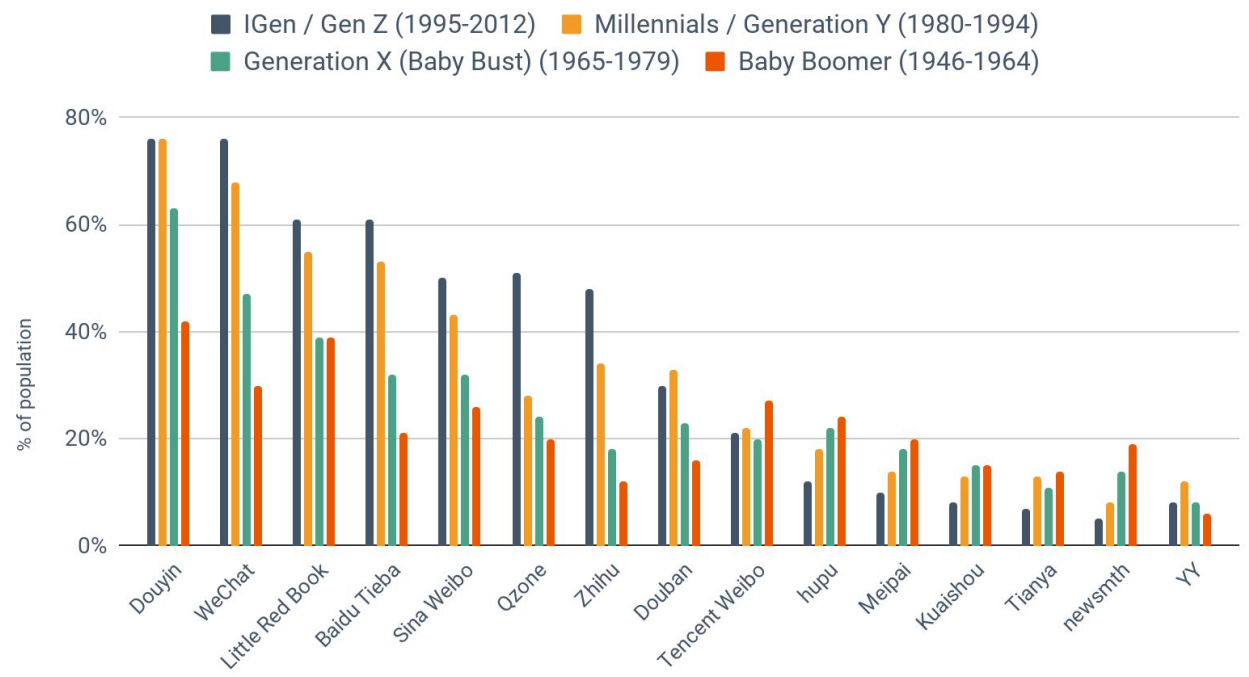
# Millennials in Brazil use Youtube the most followed by Instagram and then Facebook

Most used social networking platforms in Brazil as of Sep 2022



# In China, Douyin, WeChat, Little Red Book, and Baidu Tieba are the social networks used the most by Millennials

Most used social networking platforms in China as of Sep 2022

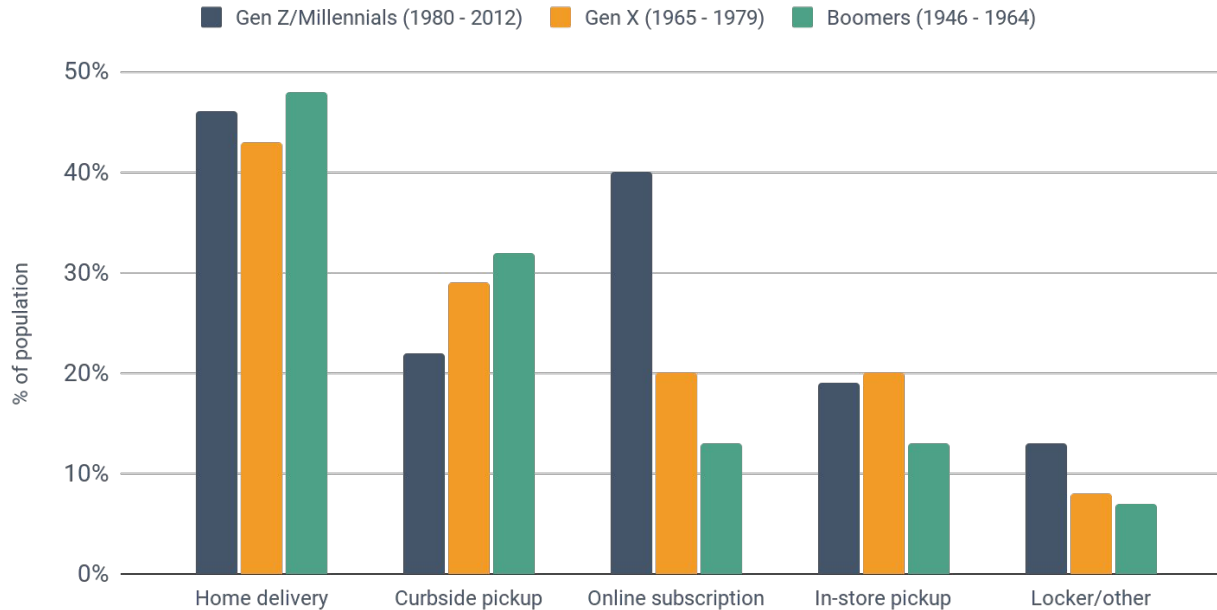




# Automation or online subscription is becoming an important feature

## Online grocery fulfillment preference

United States as of 2021



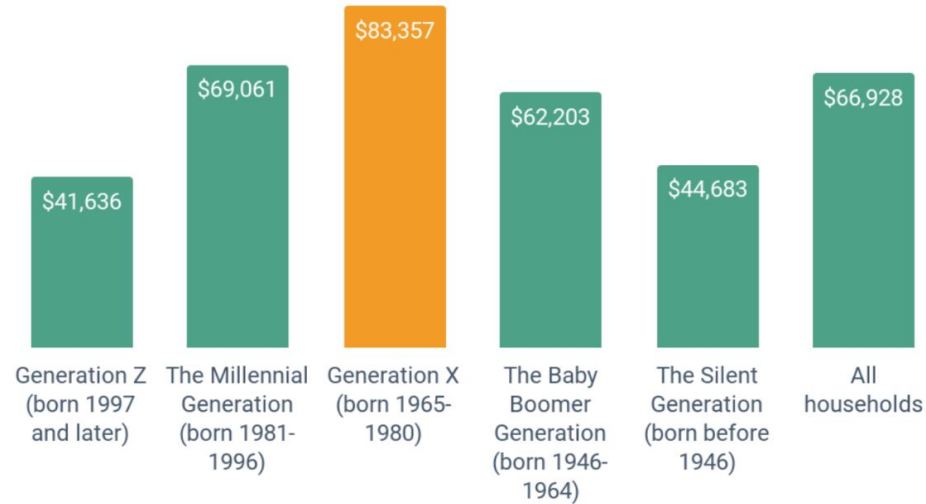
**CONSUMERS**  
**SOLVING FOR GEN-X**

# Consumers: solving for Gen-X highlights

- 1 Gen-Xers('65-'79) are the **biggest spenders** across generations
- 2 They are willing to **pay for accessibility and convenience** especially during the pandemic
- 3 **Partnering with retailers are important** as Gen-Xers are not only influenced by brands but also by retailers
- 4 Though open to e-commerce, **in-store shopping** in either Supermarkets or Mass store is **generally preferred**
- 5 The opportunity is Gen-Xers are as **willing to try new products when online shopping** as compared to younger generations

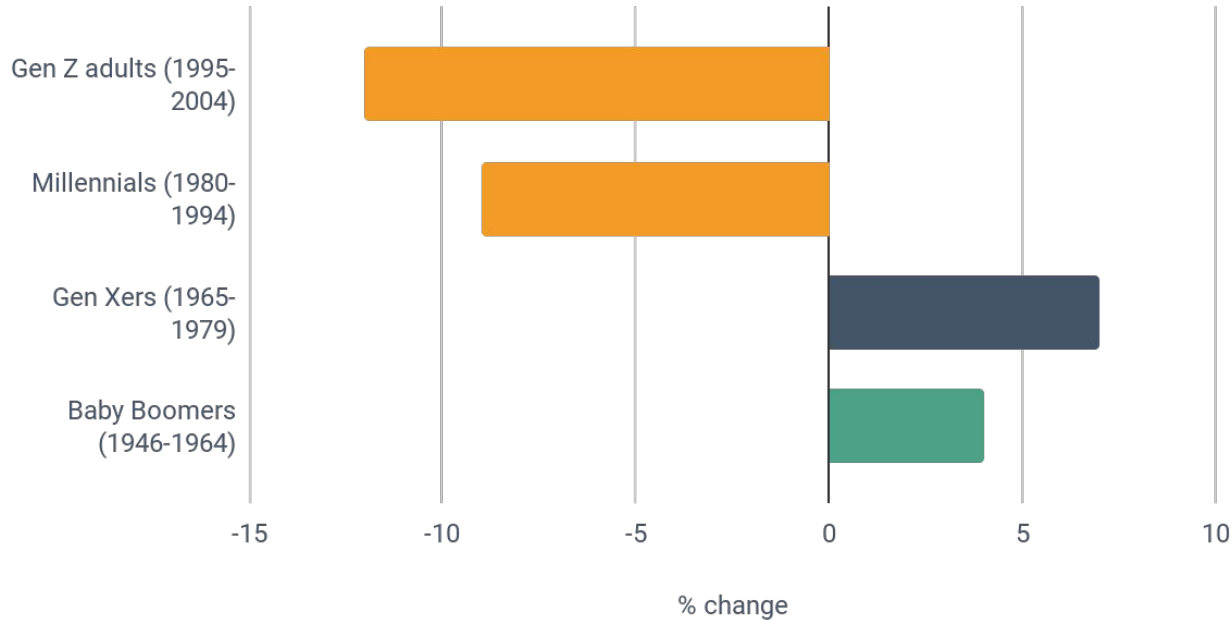
# Gen Xers spend the most across generations

U.S. Annual Household expenditures 2021

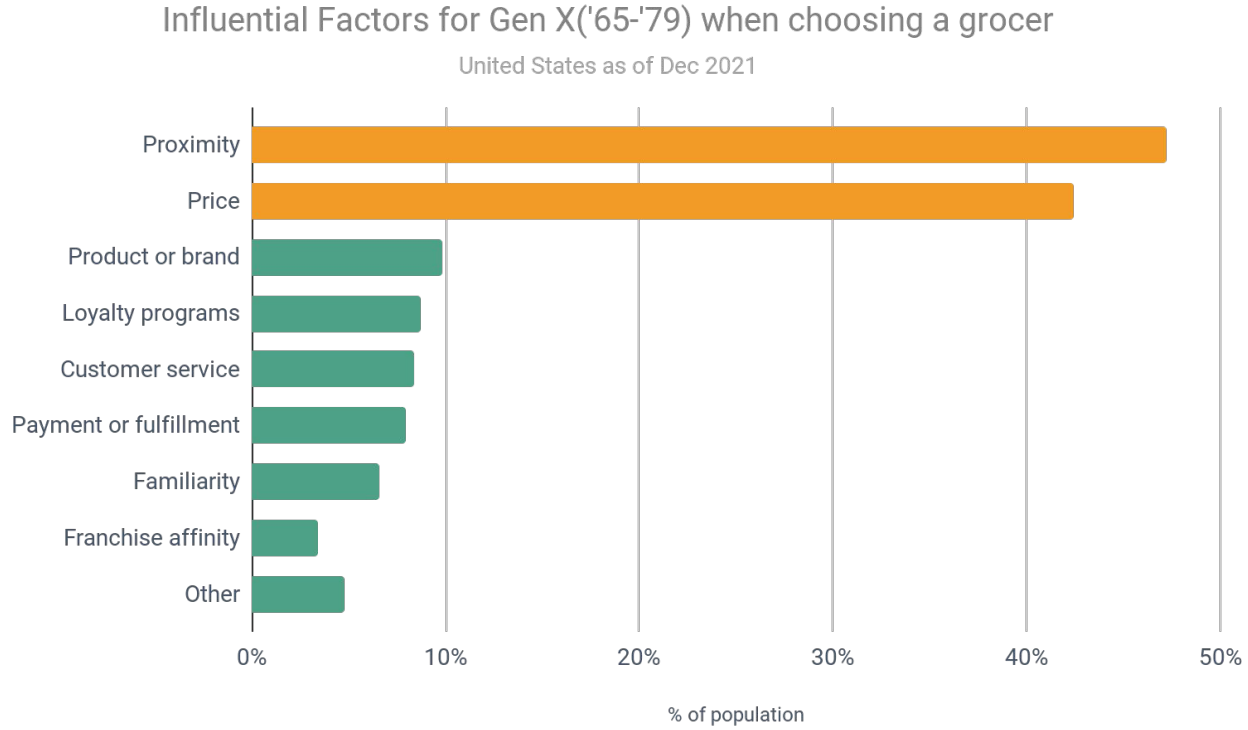


# Gen Xers are willing to pay more even during COVID

Grocery spending change between Mar'21 and Mar'22  
in the United States



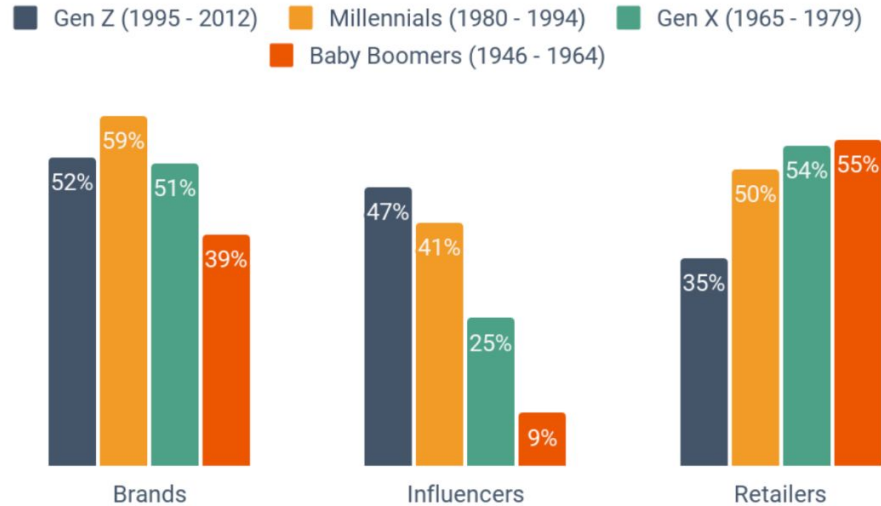
# Proximity and price are still the most important factors when choosing where to buy but Gen X values proximity more



# Gen X are not only influenced by brands, but also by retailers

% of population that follow and purchase from the different types of social media accounts

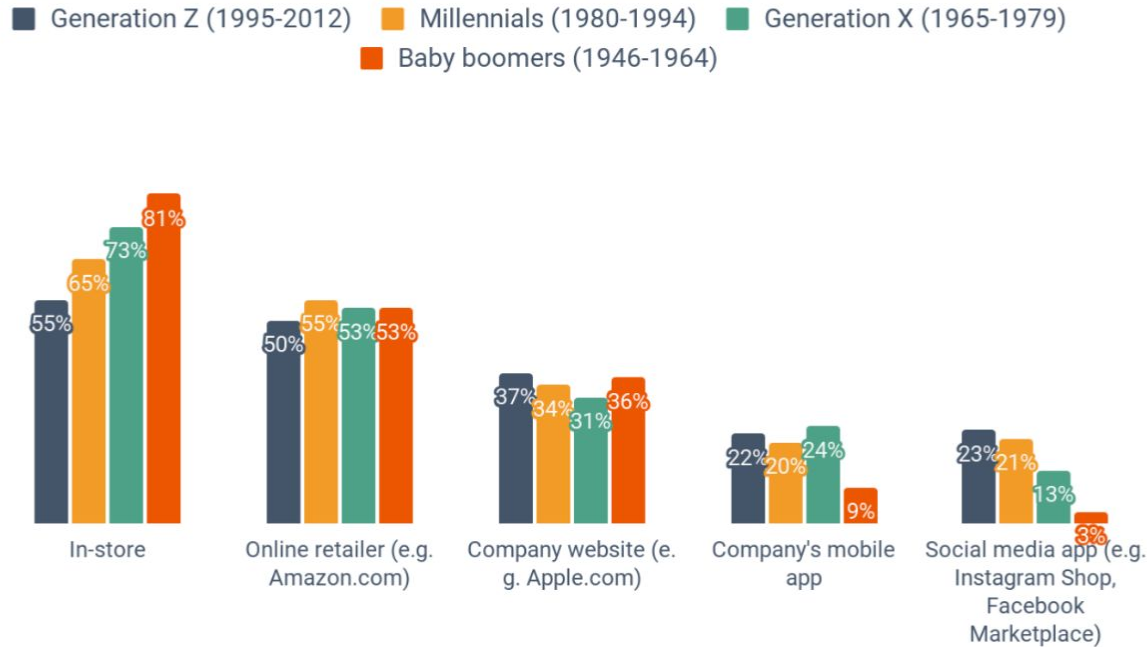
Worldwide as of 2022 Q2



# Gen Xers still prefer in-store, but are open to online shopping

## Channels where consumers buy

% of population in the United States in 2022







# Gen Xers frequent supermarkets and mass Stores

## Preferred in-store channel by consumers

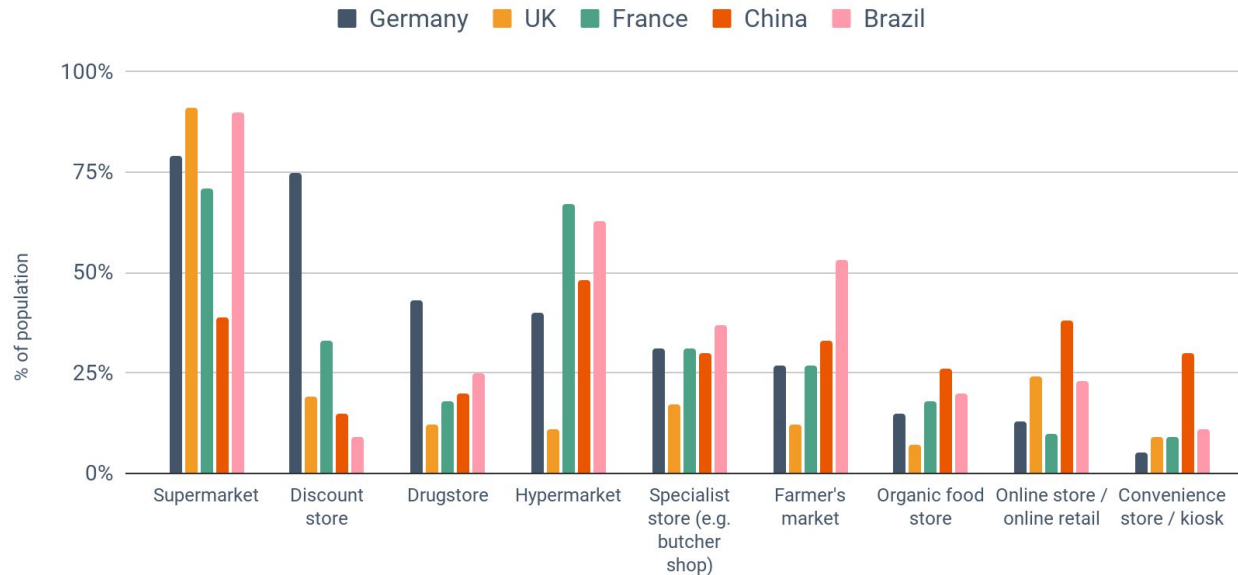
% of population in the United States as of Feb 2022



Source: FMI. (May 12, 2022). Grocery channel shopped in by consumers in the United States as of February 2022, by generation [Graph]. Statista

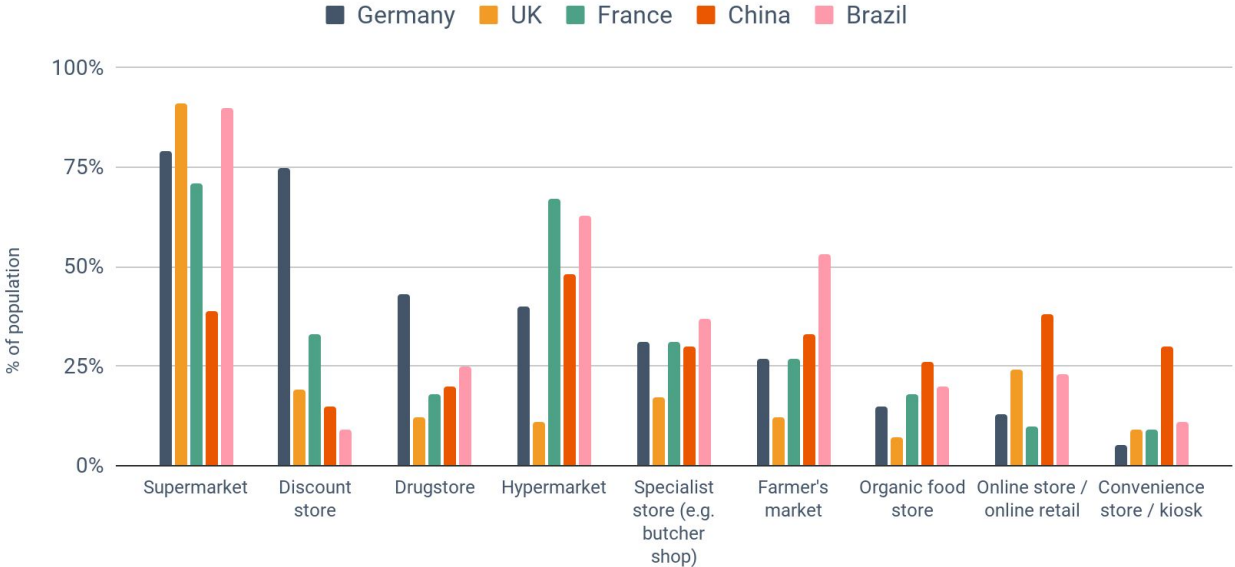
# Gen-Xers in other big markets generally prefer either supermarkets or hypermarkets

Preferred channel for shopping groceries of Gen-Xers ('65-'79) as of Sep 2022



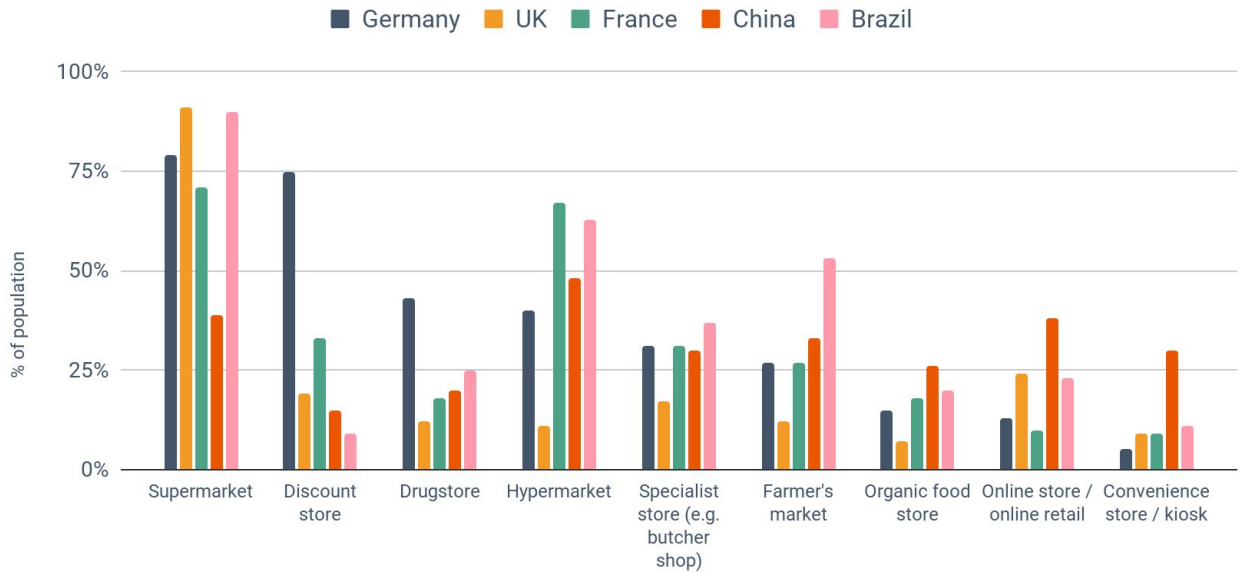
# Gen-Xers in Germany also prefer discount stores

Preferred channel for shopping groceries of Gen-Xers('65-'79) as of Sep 2022

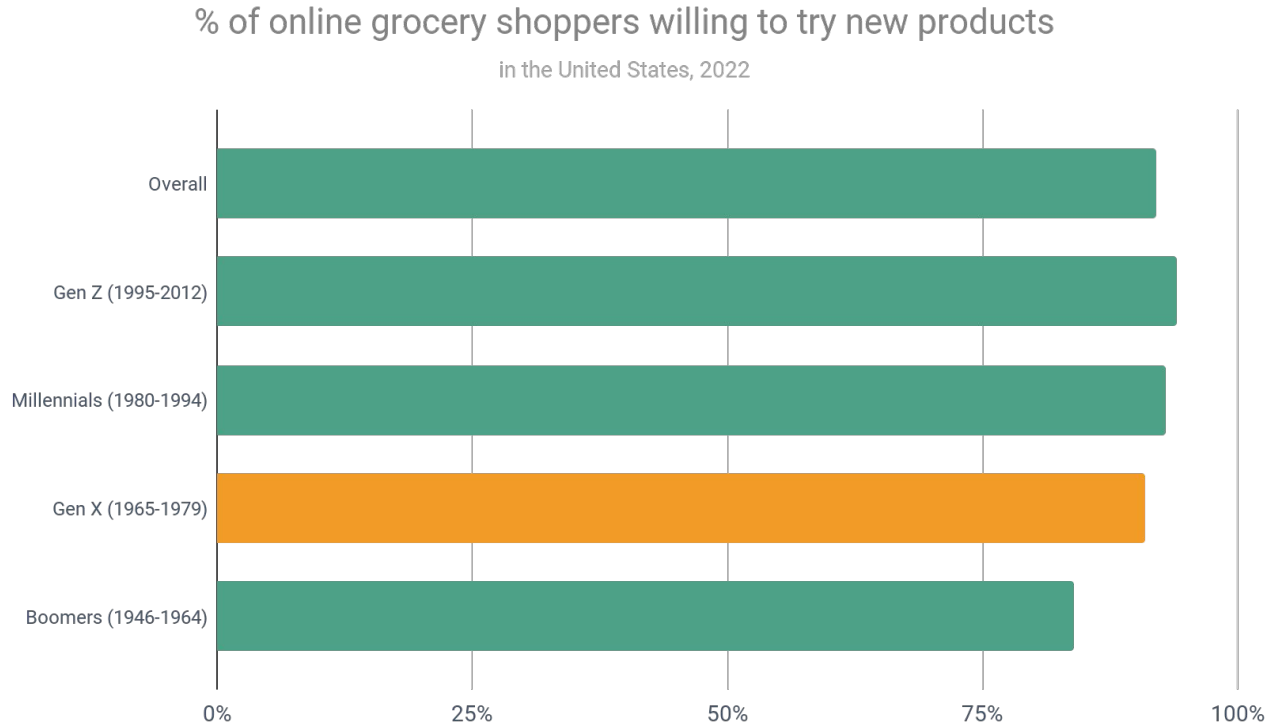


# While Gen-X in China still prefer online and convenience stores and Gen-X in Brazil prefer farmer's market

Preferred channel for shopping groceries of Gen-Xers ('65-'79) as of Sep 2022



# Gen Xers are as willing as the younger generations to try new products when online shopping



**CONSUMERS**

**CONNECTING WITH GEN Z**

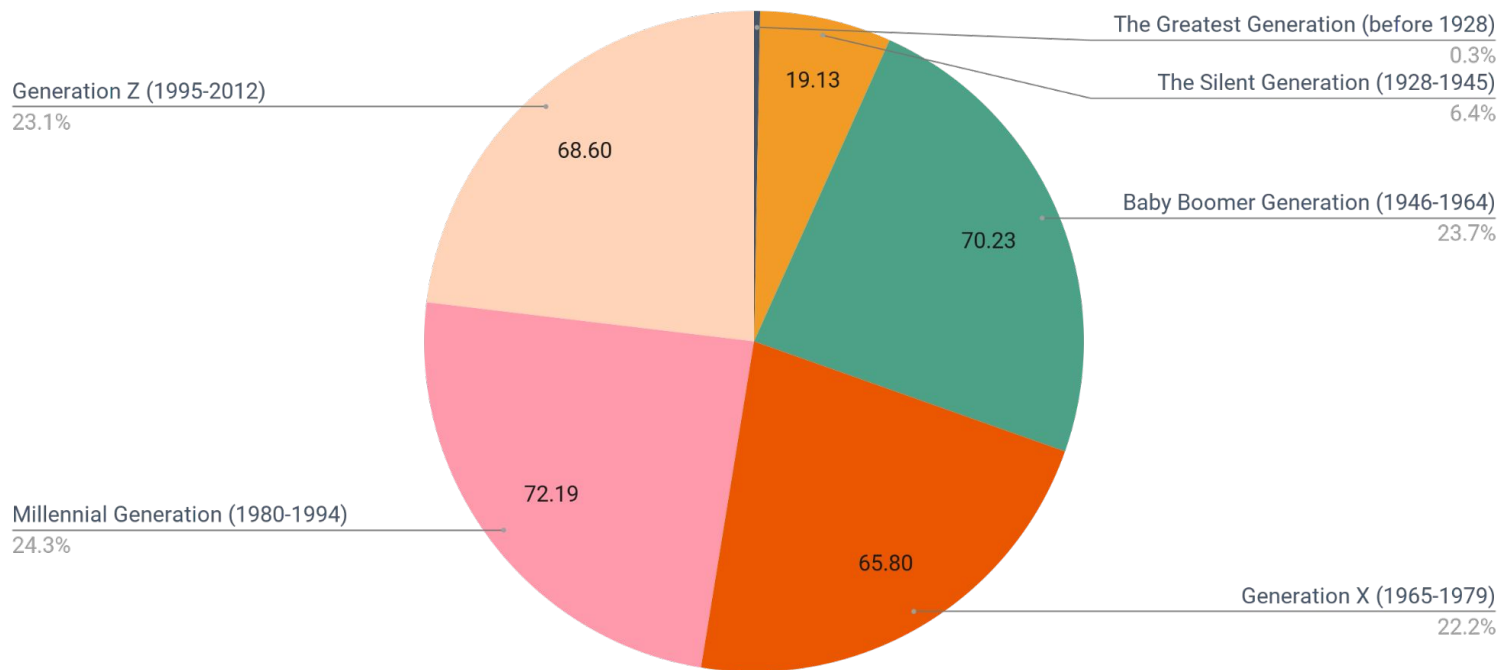
# Consumers: connecting with Gen Z highlights

- 1 Gen Z('95-'12) already represents almost a quarter of the United States population
- 2 Most are engaged with **socially relevant issues**
- 3 Brand reach and distribution will be even more important as **Gen Zs are omni-shoppers**
- 4 They **disproportionately consume more Social Media** & prefer videos both long-form and short-form
- 5 Gen Zs are most susceptible to **trigger purchases due to Social Media**
- 6 **Female Gen Zs are most influenced by family & friends**
- 7 The generation's **low interest in pets and awareness in brands** should be taken as an opportunity
- 8 Gen Zs **respond best to personalized advertisements**



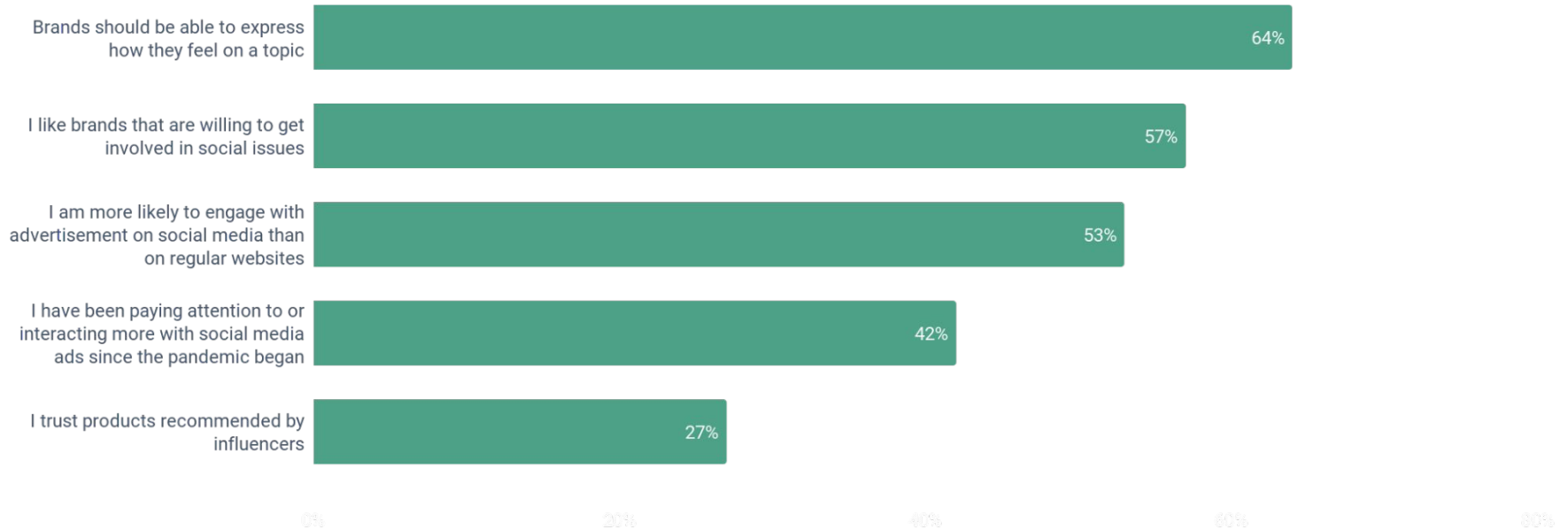
# Gen Zs already represent almost a quarter of the U.S. population

U.S. Population by generation 2021 (in millions)



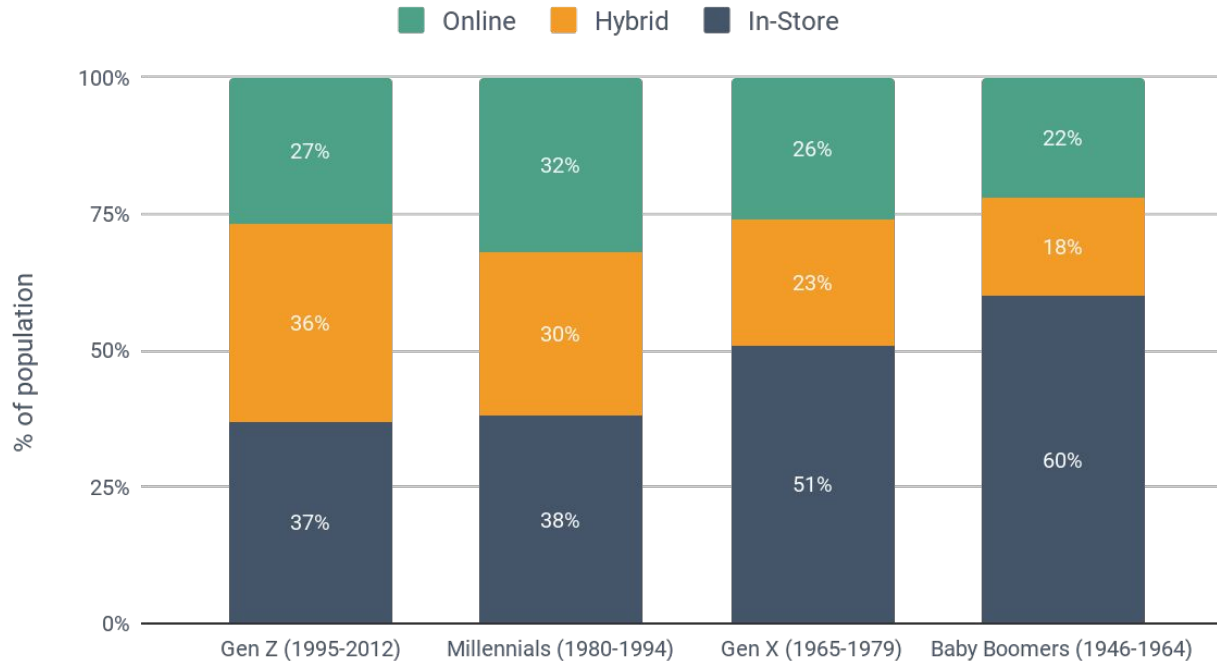
# Gen Zs are engaged with socially relevant issues

Perceptions & attitudes towards advertising among Gen Z ('95-'12) consumers in the U.S. as of Jan 2021  
% of population



# Gen Zs prefer omnichannel shopping more than any other generation

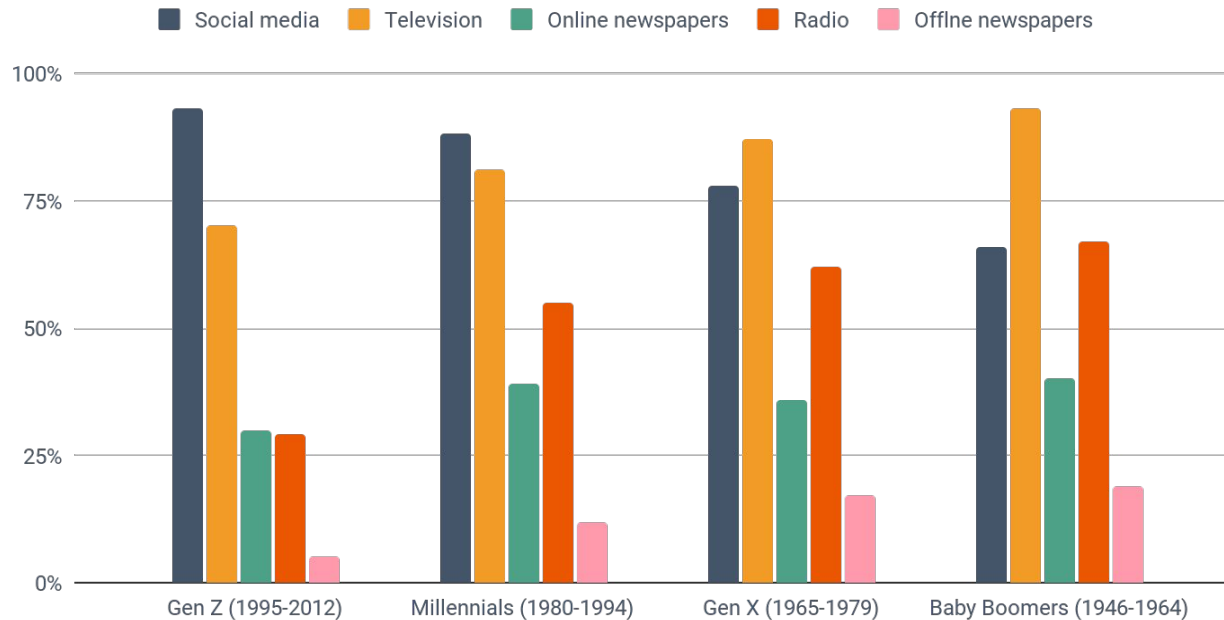
Preferred shopping methods of consumers, worldwide in 2021



# Gen Zs disproportionately consume social media more

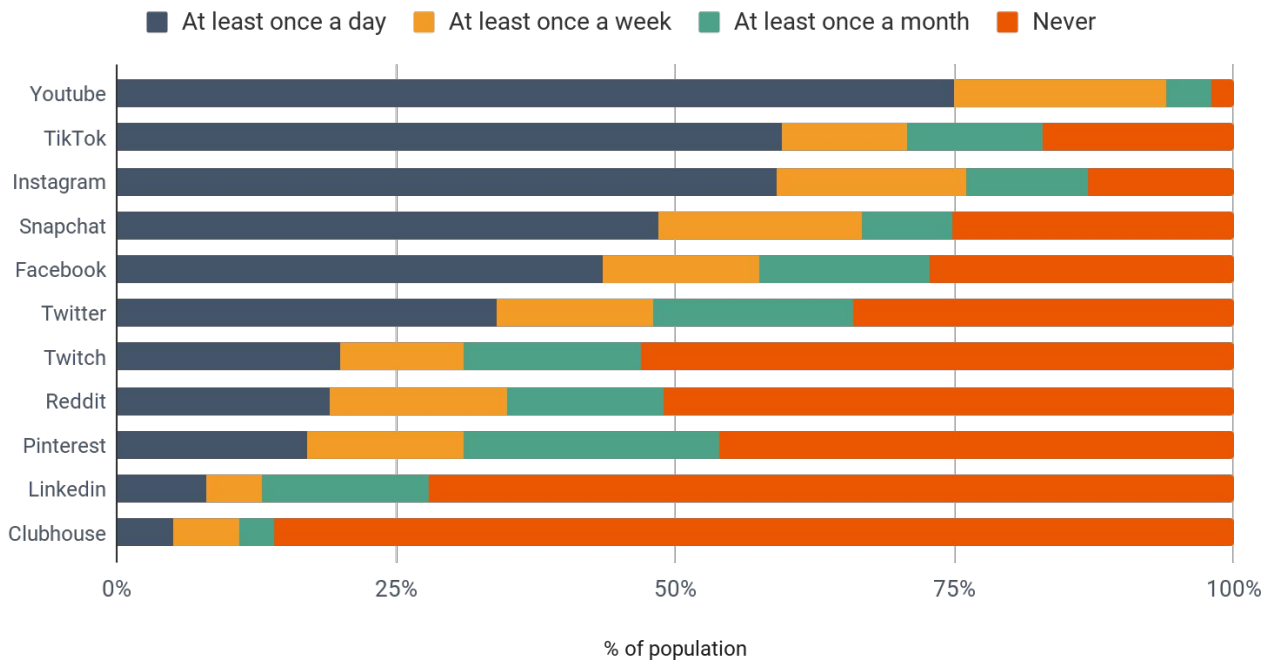
## Media accessed weekly in the U.S. 2022

as a % of population



# Gen Zs prefer videos both long-form and short-form

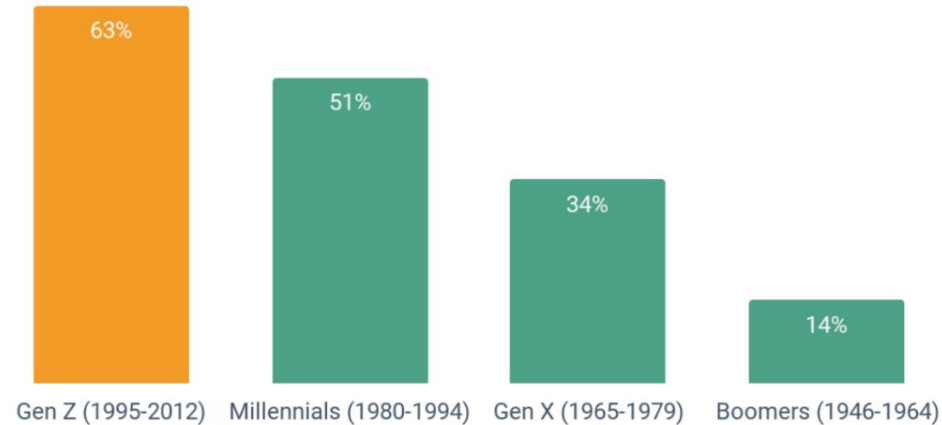
## Social media platform use of U.S. Gen Zs('94-'12) as of July 2022



# Social media triggers purchases with Gen Zs more than previous generations

## Purchases triggered by social media

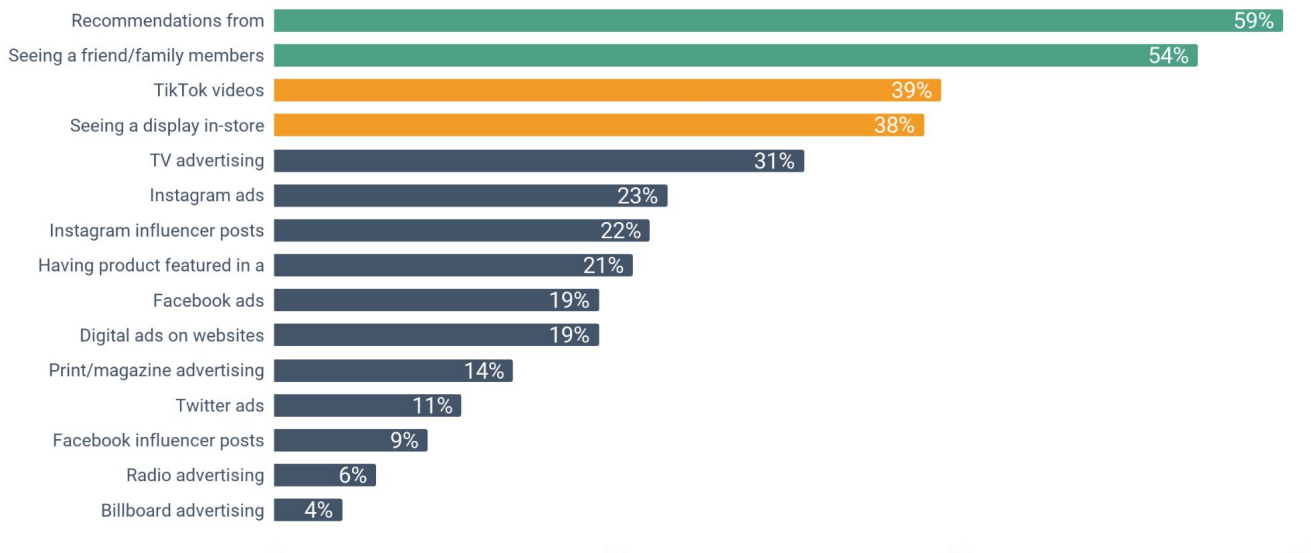
Comparing % penetration across generations in the United States in 2022



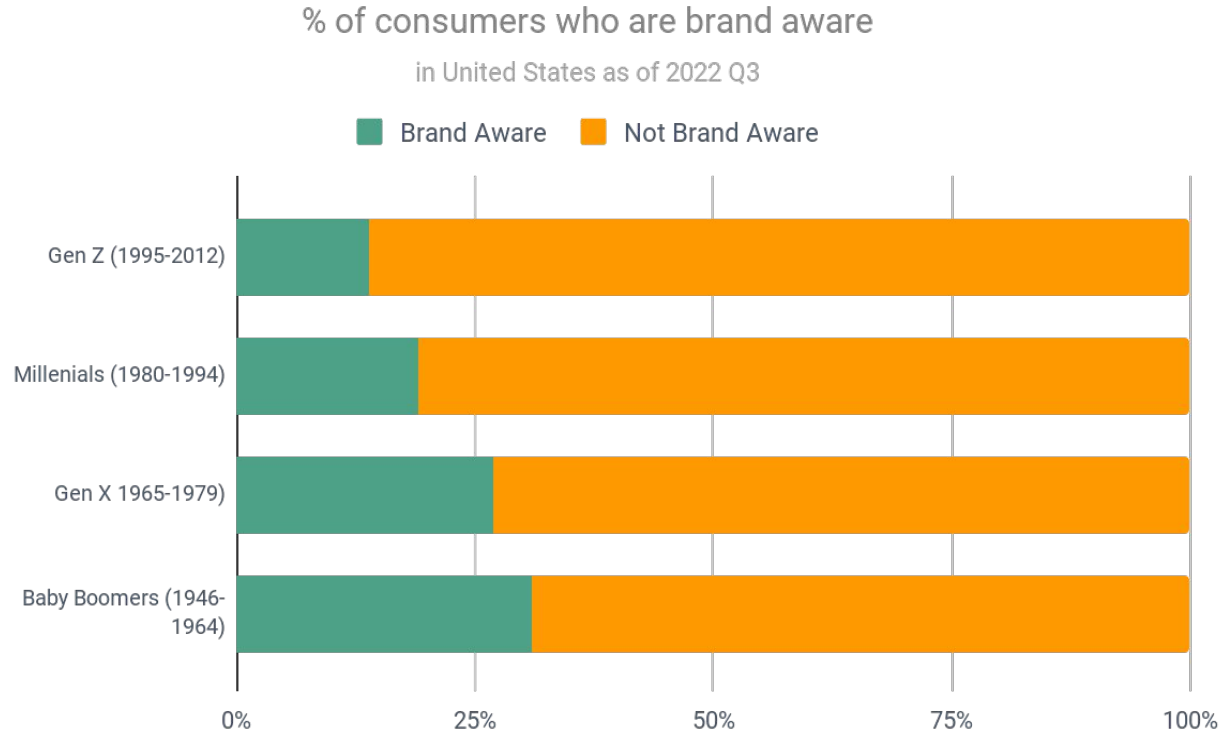
# But female Gen Zs are more influenced by family & friends. TikTok & in-store displays are most effective advertisements

## Influences on purchasing decisions of female Gen Zs ('95-'12)

% of population in the United States as of May 2021



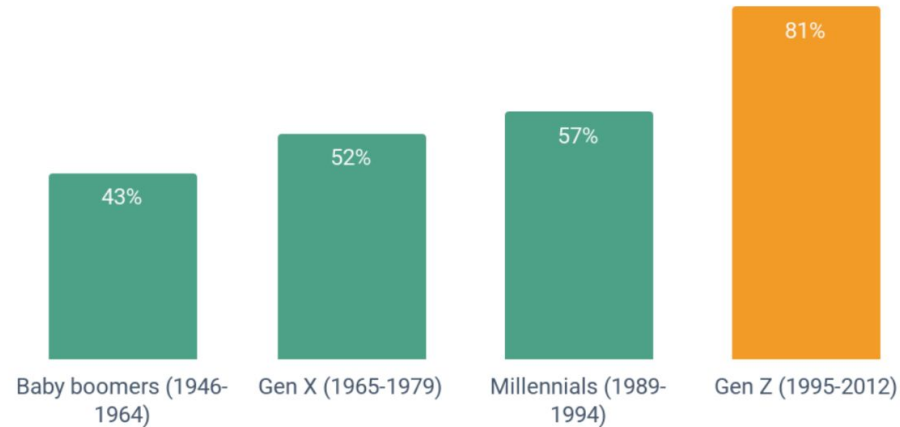
# There is still an opportunity to establish brand awareness with Gen Zs





# Among generations, Gen Zs respond the best to personalized advertisements

% of consumers who liked personalized ads  
in the United States as of 2022

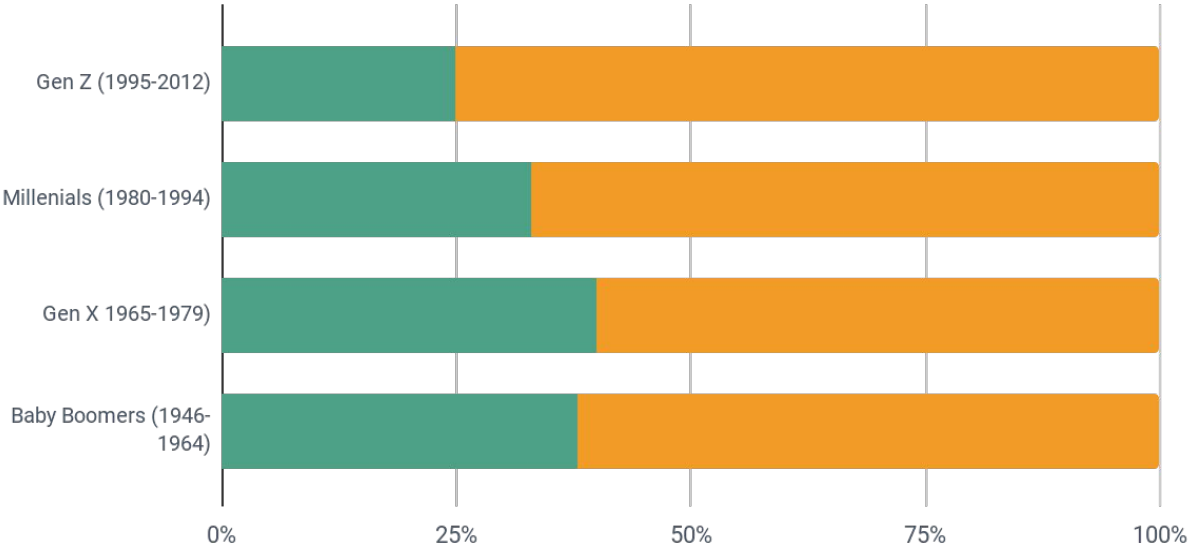


# Gen Zs are least interested in Pets

% of consumers who are interested in pets

in United States as of 2022 Q3

Interested Not Interested



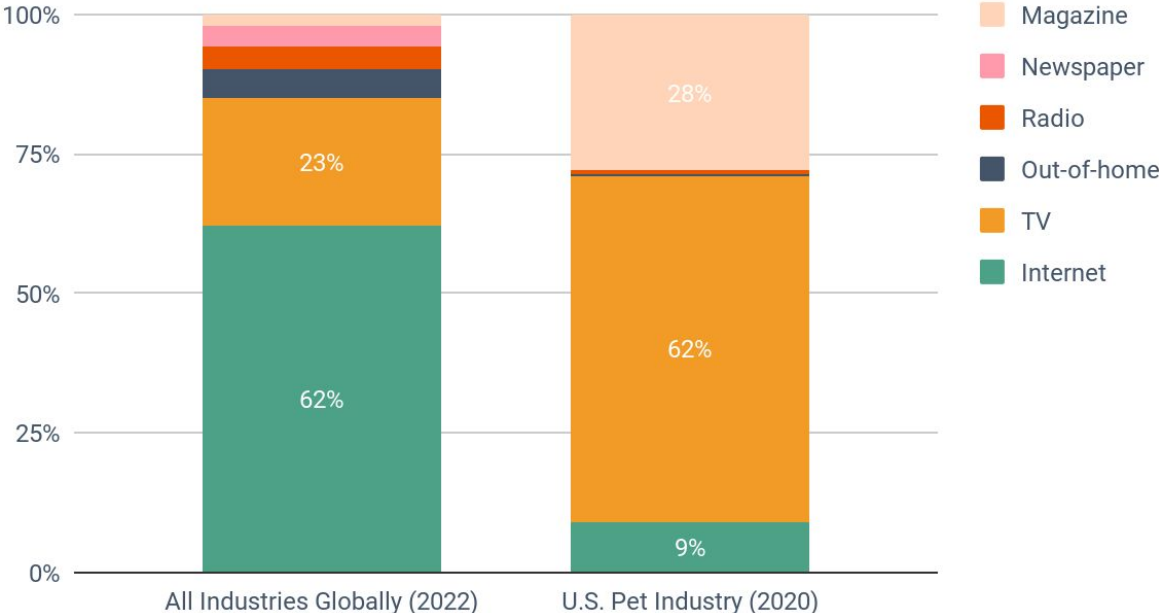
**ADVERTISING**

# Advertising highlights

- 1 Pet Industry only spends **9% on digital** while the rest of the categories are already at more than **60%**
- 2 In 2022, **marketers planned to increase investments on digital** while decreasing on traditional media
- 3 Marketers continue to experiment with digital advertisement and **short-form video is the latest trend**
- 4 Even with recent innovations, **marketers continue to face challenges in making the most out of digital media** such as connecting demand-side platforms with other marketing tools and limiting media waste

# Pet industry has lagged in digital advertising, spending only 9%, while all industries globally spend 62%

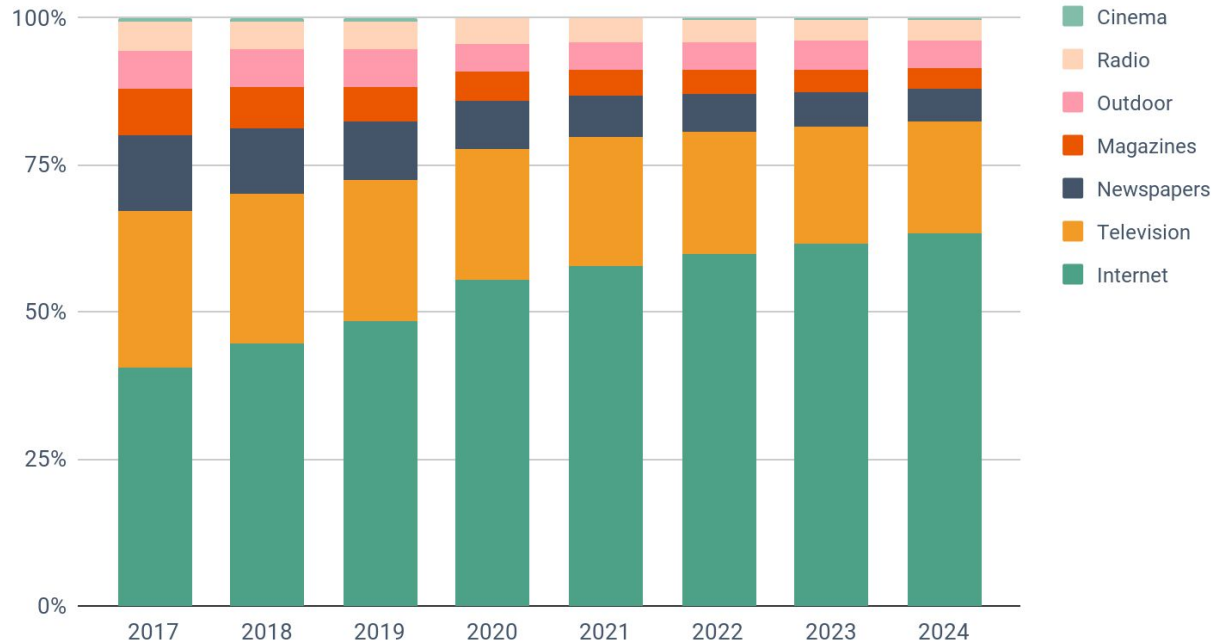
Share of ad spend in the pet care industry by segment



Sources: (1) Zenith. (June 8, 2022). Distribution of advertising spending worldwide in 2022 and 2024, by medium [Graph].Statista ; (2) Kantar, & OAAA. (March 12, 2021). Advertising spending of the pets, pet food and supplies industry in the United States in 2020, by medium (in 1,000 U.S. dollars) [Graph].Statista

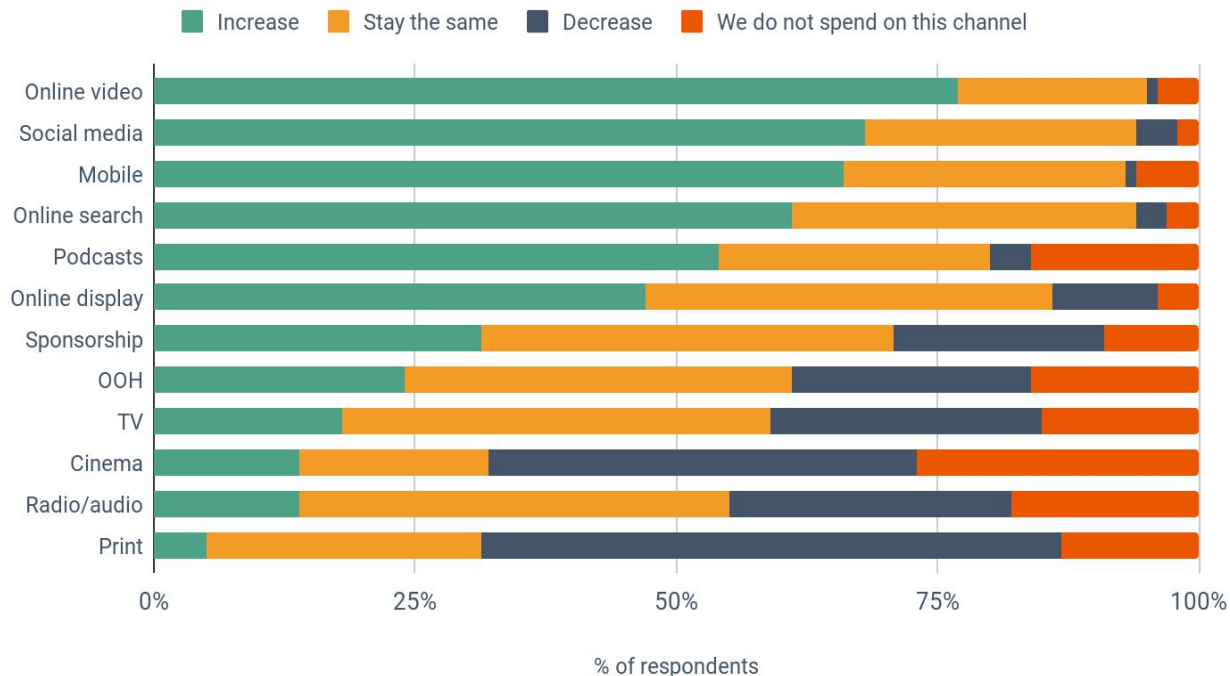
# In Western Europe, internet has overtaken TV in terms of ad expenditure

Share of advertising expenditure in Western Europe by segment



# In 2022, marketers worldwide increased spending on different internet mediums with sizeable decreases on traditional media

## Planned changes in Ad Spending of Marketers

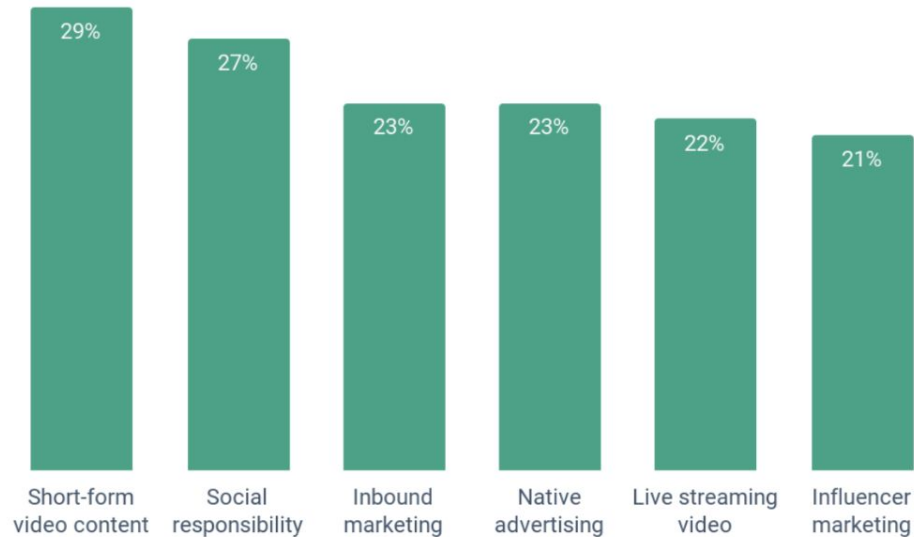






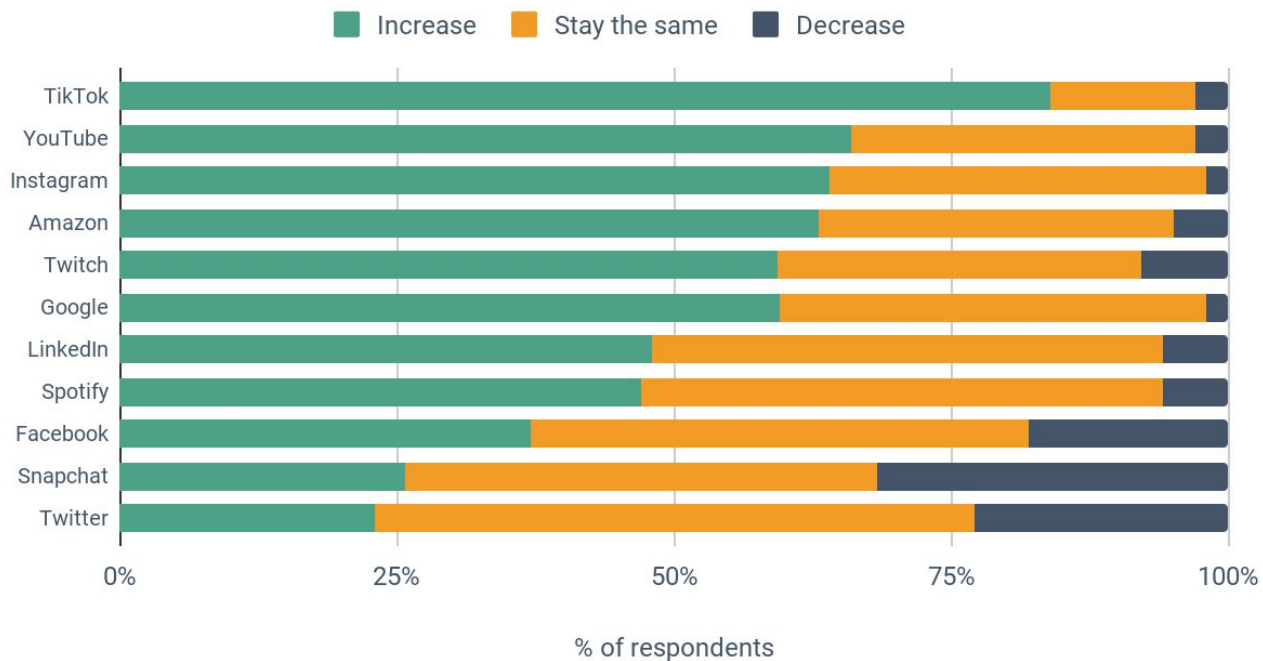
# Marketers worldwide continue to experiment with online advertising to remain competitive

% of marketers who plan to leverage top trends for first time in 2022



# 3 out of 4 marketers plan to invest on TikTok while more than half will spend more on other big platforms

Changes in spending on digital platforms by marketers worldwide 2022



# As businesses migrate towards the internet, online advertising has become more competitive and complex

## Top programmatic advertising challenges worldwide 2022

% of ad technology decision-makers worldwide



# Use of data to improve marketing comes with other challenges

## Challenges when using data in digital advertising

% of marketers worldwide 2021



**THANK YOU**

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