

2023 Outlook

Health and Wellness

Manufacturers within the health and wellness category have solidified their position through providing long-lasting solutions and veterinarian-approved products. Often, retailers and manufacturers work with pet owners when something is wrong and pet owners are upset. Products that immediately relieve pets that are efficacious and gentler than prescription products must be available. Manufacturers take their responsibility of offering safe and impactful products seriously.

"Our goal for 2022 is to continue to build on our foundation and continue to provide outstanding service to our customers," Healers Petcare CEO and President Terri Entler told *Pet Insight* earlier this year. "We had a great year even with Covid challenges. Our customers have been so supportive and have responded well to our lines. So in 2022 getting our message out and finding new ways to help pets and their parents keep healthy is top priority for us. One way to do this is by expanding out pet health education through our blogs and videos."

Healers Petcare company leaders planned to "pilot a new technology related to our supplement line that not only reduces environmental waste but will help pet parents remember to give their pets their daily vitamins so pets stay healthy," Entler continued. "Being proactive rather than reactive to pet health is critical and will help reduce veterinary cost."

Earlier this year, Healers Petcare decided to continue its focus and growth within the pet health category. "In the past two years getting into a veterinarian for care has been challenging," Entler said. "Having alternative and information so pet parents can manage their pet health better at home is a high priority. That is where Healers comes in. We hope to provide a higher level of education and service in 2022 so pet parents can be more informed and educated pet health reducing that need for veterinary care."

"VetriScience has been a leader in the health and wellness category since our inception in the early 80s, with our brand being used by thousands of vet-

erinarians for decades," said Derek Archambault Vice President of Marketing for FoodScience. "Because of our foundation with vets, we have built a reputation for making products that are highly efficacious, backed by science and are formulated by vets and used by vets. Our commitment to efficacy has resulted in us having some of the very few pet supplements out there that have clinical study-backed proof that the full finished product works—not just clinically backed ingredients, but the actual full product as taken by the pet."

"Sovereign Silver Bio-Active Silver Hydrosol has been the No. 1 selling silver supplement for immune health in the U.S. since 2005," said Jason Mullins, Brand Manager—Consumer Trade Marketing. "Our proprietary manufacturing process creates the perfect combination of positively charged silver ions and silver particle as small as 0.8 nm, corroborated by 3rd party Transmission Electron Microscopy analysis. Smaller particle size equates to easier absorption by, and excretion from, the body. This means we can keep our silver hydrosol at a low, 10 ppm (parts per million) concentration for safety, and provide improved efficacy over higher ppm products. We go above and beyond to ensure product purity and safety, for example, our pet products are also extensively tested by 3rd party laboratories for absence of aflatoxins, fumonisins and vomitoxins, in addition to our standard complete microbial panel including Salmonella spp, Staphylococcus aureus, Pseudomonas aeruginosa, Burkholderia cepacia complex, clostridium spp, yeast and mold, total coliform and Enterobacteriaceae counts, to make sure it is safe for our pets. This makes Sovereign Silver the industry leader in both safety and efficacy. Our Good Manufacturing Practices are regularly audited by several notified bodies such as NSF International and NASC among others—our company is fully certified for conformance with US and international regulatory standards. We operate under the highest standards of integrity and are proud to be able to contribute to making a difference in people's and pets' lives."

In spite of all of the challenges they faced this year, FoodScience stayed the course and continued serving retailers and pet owners. "Given the supply chain challenges of the past year, we are very proud of being able to keep the majority of our retailers and distributors reliably well-stocked through 2022," Archambault said. "In addition, we were able to navigate through some major shifts in consumer behavior and channel shifting that were driven by people fully emerging from the pandemic and inflation."

"Sovereign Silver is proud to have maintained more than 62 percent of the natural market share in the colloidal silver category," Mullins said. "In addition, our customer retention rate sits at over 93 percent. This confirms that our product is profoundly effective, as reflected through the voice of our customers. When customers take the opportunity to educate themselves on the benefits of silver, seek out and try the products, they quickly discover that it is truly "nature's best kept secret" and incorporate our products as part of their and their Pet's daily wellness routine."

One highlight this year was VetriScience took advantage of the opportunity to serve pet parents by presenting product information in front of them so that they could make decisions based off of facts rather than emotions. "The biggest opportunity has been around making sure that consumers can easily find the information that they need to make an informed choice," Archambault said. "We continue to do that on our website, blog and social media accounts. We have product locators that cover both online and in-store purchasing options, and we partner with retailers to provide social media content and training for their staff."

Amidst uncertainties regarding the supply chain and inflation, VetriScience is spending the coming weeks remaining swift and quick to respond to opportunities and unexpected obstacles. "VetriScience is focused on staying nimble through the end of the year and the start of next year, as there are many

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unknowns out there right now. Consumers are struggling with inflation, a recession is looming, habits are returning to pre-pandemic behaviors but various cold-weather illnesses are making many people skittish, and there's continued uncertainty among people regarding everything from personal finances to global politics. We will be ready to change and pivot as necessary while helping our retail partners do the same," said Archambault.

"I see so many me-too and knock offs of pet supplements appearing in the marketplace," Ken Cowan with BiologicVet said. "Everyone is supposedly better than the last one. Often, they are identical coming from the same source basically confusing the consumer more than ever. The majority send one message that is not following the science but just some marketing story."

The health and wellness category was robust, according to Lisa Blaurock, President of 5Strands Affordable Testing. She characterizes the state of the category as, "Very optimistic! Recent times have taught us to be proactive toward our health and of our pet's health," she said.

FoodScience is committed to moving the category forward while staying connected to retailers and distributors via spreading knowledge and gaining a better understanding of the group of consumers the company and retailers serve. "Our VetriScience and Pet Naturals brands have been working on supporting our retail and distributor partners through education and marketing support while supporting the entire category through robust marketing efforts to help drive sales at our partners," Archambault said.

Unfortunately, some pet owners who have taken advantage of the product knowledge and trustworthy recommendations that are specific to pet specialty stores and then turn around and purchase the same products online. This is a practice BiologicVet aims to stay ahead of. "It's sad to say but when a consumer is looking for a product or a solution to a problem, they will typically end up on Amazon to choose a product once they have the solution,"

Cowan said. "If you are not available on Amazon with quality information you may be forgotten about. So, it is imperative to keep your Amazon pages under control and up to date, not allowing every retailer to sell your product from a different page but only from the one you have created. It is also important to keep the price the same as a brick-and-mortar store as well. Keeping this in mind with competitive pricing satisfies the brick-and-mortar retailer and the distribution partners."

FoodScience has untapped opportunities in unlikely places and explored how they can align with the company's goals. "Like many companies the last few years has pushed VetriScience and Pet Naturals to embrace a more omnichannel approach," Archambault said.

BiologicVet has uncovered opportunities by staying true to the company's values and characteristics rather than chasing and fixating on one upping competitors. "Products tend to be the same as everyone else with a twist sometimes, so not following the competition with new product development has kept us unique," Cowan said. "Our new probiotic supplement that goes against what everyone says has proven to be a very successful unexpected opportunity."

In addition to uncovering opportunities in unexpected places, category leaders have been shedding light on corners of the health and wellness category that deserve more attention and focus. "As the health and wellness category matures, and especially our category of supplements, we see an opportunity to educate consumers and retailers about the difference of our premium research-backed brand of VetriScience and how that supports what a consumer should be looking for in a high quality, efficacious pet supplement," Archambault said.

"Consumers need to be educated on how raw materials for the brand are sourced and manufactured," Cowan said. "It isn't ok to just attest that you follow certain standards but actually implement them, so the consumer gets everything that is stated on the label at full potency until the expiry date."

Health and wellness manufacturers spent the early part of 2022 shedding

light on how to better work with retailers and pet owners on addressing pets' health and wellness needs on a daily basis rather than wait to react once skin and coat problems arise. "There is a difference between having a pet and having a pet family member," Pure and Natural Pet's VP of Sales and Marketing Julie Creed said. "Those with pets as part of their family have a greater understanding that caring for your pets' health involves more than just their food and treats. Wellness also involves the care of their teeth, ears, nose, paws, skin and coat. Our grooming and wellness products are multi-functional in their approach. Our shampoos not only clean and moisturize, but also have key ingredients that promote healing and healthier skin. The same holds true with our wellness products. We explain and promote how our products and the ingredients in them can have a huge impact on the overall health of their pet through our marketing, our labels and packaging as well as all of the educational information we provide on our website."

"Our products and the way we approach the wellness category is preventative," said Jenny Gilcrest, VP Marketing for Skout's Honor. "Most consumers and pet parents today understand that concept because of the way they look at their own health and wellbeing for themselves and their family members. So, when you look at our pets as an extension of our family people humanize their pets, that's not a new concept; it's a standard practice these days. We want the same sort of solutions for keeping our pets happy for the long-term. The best way to do that is from a preventative approach. Being a brand that has our hands on a really unique, very effective natural technology, the topical probiotic technology, we're able to offer that preventative approach to skin care. It's a skin care regimen that we've created in our wellness line for our pets by proactively keeping their skin healthy so that it prevents those problems from occurring in the first place. So, it not only soothes their skin when they do have problems, but then it maintains that healthy microbiome and prevents the problem from coming back."