How the Covid-19 Pet Ownership Boom Has Impacted Pet Brands

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4 hours ago
Key insights:

While inadequate amounts of toilet paper and frozen pizza plague the nation, one shortage has been a welcome sight throughout the coronavirus pandemic: empty animal shelters.

Thanks to both local and national animal shelters across the country urging people to adopt and foster pets, the American Society for the Prevention of Cruelty to Animals and the Association for Animal Welfare Advancement reportedly have not seen an uptick in animal intakes or surrenders at rescues. In fact, they're seeing the opposite, as those stuck in confinement seek companionship with furry friends.

A surge in animal fostering, adoptions and purchases has been followed by a boom in consumer interest in pet products and services.

Major U.S. pet brands have had to find a balance between ensuring the essential needs of new pet owners are met while also keeping employees safe and supported. Here's how BarkBox, Chewy, The Dodo and Petco are managing their businesses and adapting during the health crisis.

BarkBox 'very flexible' with subscribers

According to Suzanne McDonnell, chief commercial officer and head of ventures and partnerships at Bark, BarkBox is "well-

positioned” because the company has “managed the business in a sustainable way with a long-term vision.”

“Speaking from a financial perspective,” McDonell said, “history has shown us that people actually spend more on their pets in an economic downturn. We are seeing our business grow, especially among retailers who also sell groceries. Not surprisingly, we are also seeing our online business grow significantly among brick-and-click partners.”

This March, BarkBox witnessed just how “recession-proof” the pet care industry is, seeing a year-over-year increase in its subscription business.

However, regardless of these internal successes, McDonnell understands that this is a difficult time for many people and their dogs. As a result, BarkBox has been committed to being “very flexible” in working with customers on their subscriptions to ease burdens.

Chewy staffs up for rising demand

To handle a spike in orders, DTC pet product retailer Chewy is “working quickly and diligently to adapt our practices and policies in a way that safeguards our team members’ health, as well as our customers’ experience,” vice president of communications at Chewy Diane Pelkey told Adweek.

In addition to Chewy hiring between 6,000 and 10,000 employees at its fulfillment center to meet higher demand, some of the Covid-19 measures Chewy has already adopted include new health benefits, updated work policies and elevated sanitation procedures.

Moreover, Chewy has partnered with GreaterGood.org to donate more than $3 million in pet food, healthcare supplies and other essential products to animal rescues and shelters throughout the country that have been impacted by the economic and social effects of the pandemic.

Reportedly, an investor call with CEO Sumit Singh earlier this month revealed that Chewy expects first quarter sales in 2020 of about $1.5 billion, a growth of 36% compared to the first quarter of 2019.

The Dodo's 'daily dose of joy'

Beloved Group Nine digital media brand The Dodo is expressly devoted to delivering positivity, inspiration and entertainment to audiences in the form of animal content.

YuJung Kim, who has served as president of The Dodo for over four years, said the company has found that, especially in times of hardship and uncertainty such as natural disasters like Hurricane Harvey and the Australian wildfires, election cycles or a global health crisis, people proactively seek out The Dodo's content because it offers them respite and hope.

"During the past few weeks, we've been getting a lot of comments from people who say that watching Dodo videos is a bright spot in their day," Kim said.

The Dodo's content consumption over the last six weeks has grown significantly across key platforms YouTube and Facebook compared to the same period in 2019. Per Kim, YouTube watch time and views have risen more than 170% and 162%, respectively, while Facebook watch time and views are up 83% and 70%, respectively.

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