

A Dog's Life in China is Improving

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Editor's note: In the ninth installment of their continuing series, Alice Wang and Ed Rowland, joined by longtime colleague and advisor Alf Luo, examine the impact of COVID on the Chinese pet care world accelerating trends already in place before the Pandemic.

Part one is available here. Part two is available here. Part three is available here. Part four is available here. Part five is available here. Part six is available here. Part seven is available here. Part eight is available here.

A dog's life has always been a pretty good one with a loving family. In China, dogs are now better off than ever before including the author's dog Danae. It's worrisome that she's even a tad overweight. Danae has been with me for two years, longer than my ex-boyfriend.

The Chinese pet food market has exploded in quality and variety. And COVID-19 has only accelerated that trend. From 2018 to 2019, the number of people who keep pets increased from 76.55 million to 99.15 million; overall pet care retail in 2019 reached 202.4 billion RMB (USD \$29.25 billion). Not surprisingly, the e-commerce market witnessed the fastest growth, driven by women mostly born from 1985 to 1995, China's Gen Z.

Does Danae munch on too many treats? Are the dietary fiber treats better? The popular Liziqi cooking show series featured COVID response recipes. Liziqi's dog often appears on the show and enjoys a little of each dish. Many Chinese dogs almost undoubtedly do as well.

Pet products enjoyed a COVID-inspired spike in sales. With more time at home, consumers stocked up on pet snacks and toys via e-commerce. And while exact figures aren't available yet, anecdotal evidence, like in the US, indicates that pet ownership and adoption have jumped dramatically. Our neighbor's dog Duck now happily plays with two cats newly adopted during the pandemic.

Danae's dog life clearly illustrates the growth and sophistication of the Chinese pet food market. Her cozy life started with specially formulated infant puppy food. As an older puppy, we supplemented her diet with a recommended recipe of home-cooked minced beef, oats, rice, and apples. As her teeth developed, she enjoyed chew sticks. Her healthy life includes dietary supplements including calcium, probiotics and vitamins. The little emperor/empress syndrome of over-caring during the one-child policy has transitioned to the pet world. It's good to be a king or queen dog in China.

Toys and accessories for pets have also boomed. Danae has an incredible collection of toys, apparel and collars. A treat puzzle toy entertains her mind while filling her tummy, and the pleasant bells of the Happy Farm toy with an inviting-for-a-dog aroma or a soft plush bear calm her during periods of boredom. All materials are high-quality, food-grade ABS made with premium plastic. Danae's favorite, a rope carrot, is never far away and she seemingly never lets go of it, even when sleeping.



Alice Wang

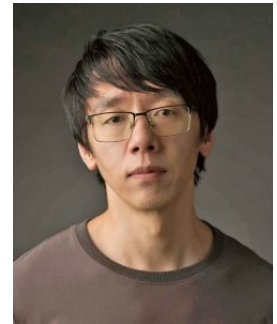


Ed Rowland

Illustrative of how far the pet accessory market has come, Danae's birthday could have included this year's Longchamp's leash and LV's collar priced at \$335. A gift fit for a queen dog, but she's doing just fine without it.

Overall, there are several strong trends in pre and post-COVID China's pet care industry:

1. **Healthy Recipes.** Whole meat, GMO-free, no artificial flavors are common in premium pet food, all very carefully formulated for a variety of ages, sizes and types.
2. **Snacks and Treats.** A dog's happy hour includes wonderful cookies, jellies, meat fillets and more time with their owners.
3. **Upscale lifestyle products.** Pets live and live well. There are shampoos/bath gel catering to different hair and skin care. There are different dryers for different breeds. There's even a natural derma pet scented shampoo that strengthens fur's fibers. Danae could actually sport a new hair (or fur) style.
4. **Smarter lifestyle.** Pet products leverage technology with smart toys, specially designed massager, automatic feeding system, etc.



Alf Lau

The trends are fascinating. And the share-of-wallet is impressive. It's possible for a dog to be pampered and overweight in China today even more so in the post-COVID world.

Indeed, for Danae, it's good to be queen.

Alf Luo has 20+ years in Chinese e-commerce strategy and marketing and most recently in charge of Alibaba Health Content Marketing. An award-winning marketer he has authored China's authoritative Nutritional Supplement report.

Alice Wang is a consumer healthcare professional with deep knowledge of the Chinese e-commerce market, and an Alibaba alumna.

Ed Rowland is the principal of Rowland Global LLC (www.rowland-global.com) and believes in the promise of global business and supports companies in their strategy, tactics and execution of international growth initiatives.



Danae