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THE PET CARE ECONOMY

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PAWS TO PROFITS

THE INDIAN PET CARE ECONOMY IS POISED TO CROSS RS 20,000 CRORE IN THE NEXT YEAR, ATTRACTING ATTENTION FROM INVESTORS AND ENTREPRENEURS ALIKE

Rs 200

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Left to Right:
Shashank Sinha, CEO, Drools Pet Food; **Rashi Sanon Narang**, Founder & Creative Director, Heads Up For Tails; **Pankaj Poddar**, Group CEO, Cosmo First (Zigly's parent co.); **Varun Sadana, Aman Tekriwal and Vineet Khanna**, Co-founders, Supertails

PET CARE ECONOMY



Photograph by Dimaberlin

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Purring Its Way To Growth

A comprehensive look at India's pet care economy, the trends and factors fuelling its stupendous growth and future prospects, and the opportunities it holds for investors and entrepreneurs alike

Cover design by SHIVKUMAR



The Making of the \$2.85 BILLION Indian Pet Care Economy

India's pet care industry is experiencing remarkable growth, with projections indicating a 20 per cent CAGR and a target valuation of more than Rs 20,000 crore in 2025. What's stirring in the pet care pot?

■ By Qjasvi Noth ■

Sarika Bhowm, the owner of Pawfect Haven, a small bakery in Kolkata catering exclusively to pets, identified a lucrative gap in the market – the unmet needs of devoted pet parents. Spending months perfecting recipes and understanding the industry, Bhowm realised the growing demand for high-quality pet food in the city. This trend, however, isn't confined to Kolkata. In fact, there is a nationwide surge in pet care awareness.

As investments surge and valuations soar – most notably, with Doodle reaching a staggering 4000 million – the Indian pet care landscape is poised for exponential growth. Projections indicate that the pet care industry in India is expected to grow at a remarkable 20 per cent CAGR over the next five years, potentially crossing \$8 billion by 2025.

The Indian pet care market has become a hub for investments, with over \$70 million flowing into the sector. Following Doodle's lead, HUGO secured \$27 million, while Just Dogs raised \$7 million, and Superchill closed a significant \$10 million funding round. Notable venture capital firms like Axxess Ventures, Postfems, Peak Ventures, Indi Edge, and Petal One Capital, along with angel investors including Road Stack, Verus Singh, Poo! Akhara, and Rishi Agarwal,

have fuelled this rapid expansion.

Trends in Pet Care

Within India's pet care industry, a profound shift is underway, driven by changing consumer attitudes and evolving pet parenting behaviours. Over the past decade, there has been a remarkable change in demographics and pet ownership patterns, particularly in urban areas. "More and more young parents are adopting pets in India, with over 60 per cent having children less than six years old," says Srinivasan Singh, General Manager of Royal Canin.

Moreover, there's a notable difference in pet preferences between urban and rural areas. The metro and urban population shows a higher inclination for adopting cats compared to rural distribution of beliefs and rural adoption for dogs, highlights Singh. This trend shows the diverse preferences and lifestyle of pet owners across different regions.

The number of households in India with pets has been steadily increasing every. Presently, approximately 20 per cent of urban households own pets, and this figure is expected to rise to 25 per cent by 2025.

Another notable trend shaping the Indian pet care industry is the exponential increase in pet parents across the country.



THE INDIAN PET CARE MARKET HAS BECOME A HUB FOR INVESTMENTS, WITH OVER \$70 MILLION FLOWING INTO THE SECTOR



PET CARE ECONOMY / COVER STORY

“Sales of pet tech gadgets have steadily grown at a rate of approximately 15 per cent annually, as indicated by data from the Global Market Insights report. This reflects pet owners’ desire to monitor and improve their pets’ well-being through innovative solutions”
SURESH GARG,
Founder & CMD,
Zeon Lifesciences



The trend is also termed as pet humanisation. This surge in pet ownership, according to Ashish Anthony, Founder of Just Dogs, is a driving force behind the industry’s growth. “Pet humanisation has deepened the emotional bond between a pet and a pet parent,” Anthony explains, emphasising the profound connection that prompts pet owners to seek out the best products and services for their furry companions.

And the strengthening emotional connections between pets and their owners have substantiated the significance of pet health and insurance. “Pet parents remain price-conscious,” acknowledges Srishti Bhatia, Founder, Fresh For Paws, “but they are also becoming more focused on the health and wellness of their pets.”

Another growing trend among Indian consumers, notably millennials and Gen Z, is the shift towards research-driven purchasing decisions for their pets. With easy access to online information, they consult pet influencers, online reviews, and expert recommendations before buying, emphasising transparency and authenticity in their choices.

The rise of subscription-based services and dedicated pet stores reflects the increasing demand for convenient and personalised pet care experiences. Subscription boxes offering customised products tailored to specific pet needs have surged in popularity, catering to pet owners’ desire for hassle-free shopping.

Experts also observe growing technology integration in pet care, with wearable pet tech trackers and smart feeders gaining prevalence. Sales of pet tech gadgets have seen steady growth, indicating pet owners’ desire to monitor and enhance their pets’

well-being using innovative solutions.

Data shows that sales of pet tech gadgets have seen a steady annual growth rate of approximately 15 per cent over the past few years, reflecting a desire among pet owners to monitor and enhance their pets’ well-being using innovative solutions.

Premiumisation & Organic Products

While the trends reflect the sudden boom within the industry, which the pandemic, of course, accelerated, there exists further untapped potential of the industry which can be explored: premiumisation and the market for organic products.

While there is a special inclination towards nutrition and health supplements of pets, sales data from Grand View Research, along with insights from leading pet care brands, indicates a sharp uptick in demand for premium pet food and specialised supplements. Over the past five years, this demand has surged at an impressive annual growth rate of around 20 per cent, as per Suresh Garg, Founder & CMD, Zeon Lifesciences.

Jessica Madan, Co-founder, Flying Fur, anticipates a significant leap in the pet care space with major players like Nestle and Mars entering the fray. She predicts a surge in demand for premium products and services, with consumers no longer willing to settle for average offerings. Flying Fur, she asserts, is well-positioned to meet this demand with its existing ability to provide premium services nationwide.

Meanwhile, Richa Jaggi, Co-founder & CMO, Awshad, highlights the booming “organic category” within the pet care in-

THE BIG PICTURE (2024)

PETCARE FOOD:
\$0.85 BILLION

PETCARE PRODUCT:
\$0.75 BILLION

INDIA'S VETERINARY HEALTHCARE & SERVICE:
\$1.25 BILLION

\$2.85 BILLION PET CARE PIE

PEGGED TO CROSS \$3 BILLION IN THE NEXT YEAR



PET CARE ECONOMY

“The strengthening emotional connections between pets and their owners have substantiated the significance of pet health and insurance. Pet parents remain price-conscious but they are also becoming more focused on the health and wellness of their pets”

**SRISHTI BHATIA,
Founder, Fresh For Paws**



dustry, driven by the post-pandemic surge in pet ownership. Globally, the natural and organic pet food market is also on the rise, propelled by factors such as pet sensitivity, obesity awareness, and the shift to online shopping.

This growth reflects the preference of pet owners for natural supplements for their pets. The rise in demand for pet healthcare and holistic wellness products presents an opportunity for companies to innovate and cater to evolving consumer needs. Urban lifestyles have led to issues such as arthritis and obesity among pets, along with genetically predisposed conditions like cancer.

Jaggi further notes the significant growth of the CBD (Convention on Biological Diversity) pet products market, which has transitioned from niche to mainstream. CBD products offer a natural alternative for pet health concerns, catering to a variety of issues including anxiety, joint pain, inflammation, and more. This reflects the evolving preferences of pet owners towards natural solutions for their pets' well-being.

Challenges, Solutions, Opportunities

A key challenge facing the industry right now is the lack of awareness among pet parents regarding proper pet nutrition. While this is gradually changing, there's still much ground to cover, believes Singh. He reinforces the importance of

education through webinars and expert articles to inform pet parents about the precise nutrition their pets require. Royal Canin actively collaborates with veterinarians, breeders, and pet owners to promote knowledge exchange and improve pet health through proper nutrition.

While investments in this sector are flourishing, the absence of clear protocols or standards is apparent. “Despite the booming ecommerce landscape for pet products, individuals are left without authoritative guidance on what's best for their dogs,” states Shivani Mathur, Founder, Party Barky Hai & Give Goa Dogs.

“There is higher taxation on pet food and no PLI benefits. The benefits of PLI scheme are directly linked to the sector's upliftment and growth to unleash the full potential of the pet food industry”

**SATINDERR SINGH,
General Manager, Royal Canin**



"Innovation in pet food and treats, alongside advancements in grooming and pet care technology, are driving significant growth in the pet care industry. Hence, the rising investments in the sector"

ASHISH ANTHONY, Founder, Just Dogs

Addressing governmental support, even Singh stresses the need for a focused approach to unlock the industry's potential. Challenges such as fragmented regulations, high taxation, and limited infrastructure require attention. A uniform regulatory framework, incentives for domestic production, and measures to tackle pet homelessness are essential for the industry's growth. Singh advocates for the inclusion of the pet food industry in initiatives like the Production Linked Incentive (PLI) scheme to stimulate growth and innovation.

"All the stakeholders need to come together to create an environment which is conducive for the growth of the pet food industry in the country," urges Singh.

Ambika Shukla, Trustee, People For Animals (PFA), acknowledges the industry's ongoing development and foresees a surge in innovation and new brands. However, she points out significant gaps, including the absence of a national animal blood bank and the need for enhanced veterinary expertise. Shukla encourages collaboration between industry players like Mars and local stakeholders to improve veterinary skills and address crucial gaps in animal welfare infrastructure.

Alongside the rise in demand and awareness, there's a pressing need to enhance knowledge and awareness among dog owners. Mathur of Party Barky Hai asks brands to el-



evate their social responsibility by allocating a portion of their resources towards CSR initiatives for animal welfare. "However, this conscientious approach is notably absent in our efforts towards community animals," she notes.

By consciously dedicating a percentage of resources to their welfare, "we can collectively address challenges related to dog population and conflicts." As a country, we possess the necessary means; what's required is organised and impactful on-ground action.

Besides challenges, Shukla identifies emerging opportunities in pet care services, such as daycare centres, pet walking services, and home-cooked meal options for pets. These services cater to pet parents seeking natural and personalised care for their furry companions, presenting avenues for entrepreneurial ventures and career growth within the industry.

Pet Insurance

Pet insurance ensures a protection plan that covers your beloved pets against various risks such as illness, injury, accidental death, surgery or hospitalisation expenses, theft, and more. It also covers pet bites or third-party injuries, explains Tarun Mathur, Chief Business Officer - General Insurance, Policybazaar.

Pet insurance began by exclusively providing insurance for dogs, but recognising the burgeoning demand from pet owners, it has advanced a step further by including cats in its pet insurance coverage as well. This surge, according to TA Ramalingam, Chief Technical Officer, Bajaj Allianz General

"Additional career opportunities can be found in pet daycares, walking services, and home-cooked meals for pets. These services cater to pet parents seeking alternatives to commercial pet food but may lack the time to prepare nutritious meals themselves"

AMBIKA SHUKLA,
Trustee, People For Animals



PET CARE ECONOMY / COVER STORY



“Pet insurance ensures a protection plan that covers your beloved pets against various risks such as illness, injury, accidental death, surgery or hospitalisation expenses, theft, and more. It also covers pet bites or third-party injuries”
TARUN MATHUR, Chief Business Officer – General Insurance, Policybazaar

Insurance, can be attributed to the increasing number of pet enthusiasts keen on insuring their beloved pets. Although the market for pet insurance is still in its early stages compared to other insurance sectors, it holds immense potential, and “we are witnessing substantial growth within the pet insurance industry.”

To further boost the industry and expand its reach, companies are launching proactive initiatives such as implementing modular premium structures and conducting pet health awareness campaigns. Ramalingam shares how these efforts aim to educate pet owners about the advantages of pet insurance, thereby broadening its appeal and accessibility to a broader audience.

The future trajectory of pet insurance appears exceptionally promising, with the industry poised for significant expansion. This growth is supported by several factors, including the increasing rates of pet ownership, rising awareness of the benefits associated with pet insurance, and the ongoing integration of technology to enhance customer experiences and streamline claims processes.

Notably, the pet insurance space recognises substantial opportunities for expansion in smaller towns and rural

areas. These regions represent untapped markets with immense potential, offering a pathway to broaden the customer base for pet insurance providers. As a result, companies are proactively tailoring their offerings to provide customised and affordable plans to attract a broader segment of pet owners. This industry has the potential to play a significant role in safeguarding the well-being of millions of beloved furry friends across India, highlighting its importance in ensuring their health and happiness.

As pets transition from mere companions to loved family members, their well-being and medical care have become paramount in the minds of their guardians. This emotional paradigm shift, according to Mathur, has led to a heightened awareness of the potential health risks and financial burdens associated with pet ownership. Consequently, pet parents are increasingly recognising the importance of investing in comprehensive healthcare coverage for their furry companions, “mirroring the prioritisation they accord to their own and their loved ones’ health insurance.”

Pet insurance costs vary depending on factors such as the chosen insurer, your pet’s age, size, breed, and health condition, as well as the desired sum insured. Currently, most insurers, including Oriental Insurance, Bajaj Allianz, New India Assurance, Future Generali, and others, provide coverage primarily for dogs.

Investor Frenzy

The pet care industry is currently experiencing an unprecedented investor frenzy, with significant amounts of capital pouring into various sectors of the market. The investments in the pet care industry in India have not only strengthened the market position but also contributed significantly to the sector’s overall growth and development. There are several compelling reasons why big money is betting on pets.

Firstly, the increasing humanisation of pets has led to a shift in consumer behaviour. Innovation in pet food and treats, alongside advancements in grooming and pet care technology, are driving significant growth in the pet care industry, notes Anthony, Founder of Just



“Although the market for pet insurance is still in its early stages compared to other insurance sectors, it holds immense potential, and we are witnessing substantial growth within the pet insurance industry”
T. RAMALINGAM, CTO, Bajaj Allianz General Insurance



PET CARE ECONOMY / COVER STORY

Dogs. Brands like Drools and Supertails are attracting investments, while new companies are emerging with fresh offerings in food, freeze-dried options, and treats. Investments are also pouring into pet hygiene, toys, and accessories.

Digital integration is enhancing the direct-to-consumer (D2C) experience, with mobile apps and ecommerce websites becoming prevalent. Capital inflows are driving expansion into Tier 2 and Tier 3 cities, improving service quality and standardisation. Educational campaigns on pet health and nutrition, alongside community-building efforts, are strengthening the industry's position as well.

The surge in investments in the pet care industry in India reflects the increasing recognition of its vast potential and the growing demand for high-quality pet care products and services. "At Zeon, we have witnessed first-hand how these investments have positively impacted our market position and contributed to the sector's overall growth and development," says Garg.

Pet Care as a Business

With investors showing a growing interest in the pet care industry, there's an opportunity for startups and growing brands to capitalise on this trend and establish themselves in the market. To build a successful pet care brand, entrepreneurs need to focus on several key strategies.

Considering the pet care industry as a business opportunity, starting with a clear vision and setting impactful goals is crucial. "These goals will guide your strategy and provide direction for growth," suggests Saurabh Uboweja, Advisor



"The natural and organic pet food market is also on the rise, propelled by factors such as pet sensitivity, obesity awareness, and the shift to online shopping"
RICHA JAGGI,
Co-Founder & CMO, Awshad

on Positioning Strategy & Senior Partner at BOD Consulting. Next, a thorough analysis of a specific pet care industry segment will help understand market dynamics, assess competition, and identify opportunities for differentiation, he says.

Also, determine an accurate business valuation based on market analysis and financial projections. This step is crucial for showcasing the potential profitability of one's venture to investors, believes Uboweja. Post that, strategic positioning strategies need to be developed to distinguish one's business amidst competition.

Uboweja asks the brands to highlight their unique value proposition and key differentiators and also identify future lines of business and operational efficiencies to enhance scalability. This will ensure that a business is well-positioned for growth and expansion.

Building a strong brand identity and establishing trust with consumers is paramount. This involves creating compelling branding, messaging, and visuals that resonate with pet owners and convey reliability and quality.

Leveraging social media and digital marketing channels can also help in building brand awareness and engaging with target audiences effectively.

Furthermore, prioritising product quality and safety is non-negotiable. Pet owners are increasingly discerning about the products they purchase for their furry companions, so ensuring that offerings are made from high-quality ingredients and adhere to rigorous safety standards is essential for long-term success.

When seeking consultancy services, one must ensure they offer comprehensive support, including risk assessments and crafting compelling pitch decks. These decks play a crucial role in helping investors understand your business's potential



"Conduct a thorough analysis of the pet care industry segment you are targeting. This will help in understanding market dynamics, assessing competition, and identifying opportunities for differentiation"
SAURABH UBOWEJA,
Advisor on Positioning Strategy & Senior Partner, BOD Consulting



“With major players like Nestle & Mars entering the industry, we should expect a major leap in the growth of the industry”

JESSICA MADAN,
Co-founder, Flying Fur



“The percentage of people starting to treat animals as family members requires a lot of stuff that’s coming in for sure, and people are investing, but I don’t see any clear protocols or standards in place to adhere to”

SHIVANI MATHUR,
Founder, Party Barky Hai

in depth. Additionally, look for consultants who can connect you to potential investors within their networks. From initial outreach to final investment agreements, prioritise continuous support to ensure a seamless experience for all stakeholders involved.


What Lies Ahead

Looking ahead, the future of the pet care industry in India appears exceedingly promising, with abundant opportunities for expansion and development. As pet ownership continues to surge, propelled by urbanisation and evolving lifestyles, the demand for pet care products and services, particularly health supplements, is poised for remarkable growth. All in all, as pet owners become increasingly knowledgeable about their pets’ nutritional requirements and overall well-being, there will be a heightened emphasis on preventive healthcare and wellness, further propelling the market for pet health supplements.

Within the market, pet food constitutes over 70 per cent, while segments such as pet accessories, shampoo and conditioner, health supplements, and cat care are poised for substantial growth in the coming years.

Not to forget, advancements in veterinary nutrition and pet care technology are expected to revolutionise the industry, presenting new opportunities for innovation and differentiation. These advancements will enable companies to develop cutting-edge products and services that cater to the evolving needs and preferences of pet owners, further fuelling the industry’s growth trajectory.

In light of these developments, the landscape looks deeply optimistic about the ongoing expansion and evolution of the pet care industry in India. The Indian pet care market presents a highly lucrative opportunity driven by rising pet ownership, changing consumer preferences, and technological advancements. With significant investments pouring into the sector and a projected CAGR of 20 per cent, the industry is poised for remarkable growth.

Despite challenges, including awareness gaps and regulatory hurdles, the industry’s resilience and potential for innovation make it an attractive prospect for investors and businesses seeking to tap into the burgeoning pet care market in India. 

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Indian Pet Care Economy Set To Cross \$3 Billion Mark By 2025

\$7M

was raised by Just Dogs from The Sixth Sense Venture

\$37M

was secured by HUFF, led by Verlinvest and Sequoia Capital India

\$60M

was secured by Drools from L Catterton, receiving the largest share

\$170M

investments were made in the Indian pet care market last year

\$15M

funding round was closed by Supertails, led by RPSG Capital Ventures

INDIA'S PET CARE MARKET'S INVESTMENT OUTLOOK

Notable Angel Investors:
Cred's Kunal Shah,
Mamaearth's Varun Alagh,
ShareChat's Farid Ahsan,
Lachy Groom, Utsav Somani,
Chaayos Nitin Saluja and
Oyo's Ritesh Agarwal

Various active VCs in
the sector include
Anthill Ventures,
Panthera Peak
Ventures, Info Edge,
and Point One Capital

70% of total market share

INDIA'S PET CARE FOOD MARKET STATS 2024

Stands at
**\$0.85
Billion**
in 2024

To reach
**\$1.87
Billion**
by 2029

17.08%
CAGR growth

“

The industry boasts remarkable resilience – even during economic downturns, pet ownership remains steady, and pet care spending continues to rise. This stability makes pet care a lucrative and reliable space for investors seeking long-term gains

Shashank Sinha
CEO, Drools Pet Care

”

“

We are optimistic about the continued growth of the pet care industry, driven by increasing disposable incomes, changing family structures, and a deeper appreciation for pets as companions

Salil Murthy
Managing Director,
Mars Petcare India

”

“

It's been inspiring to witness the influx of funding over the past few years. This financial support empowers companies to experiment, innovate, and expand the market

Rashi Sanon Narang
Founder
Heads Up For Tails

”

Graphics by **Rohul Roy**



INDIA'S PET POPULATION ANALYSIS 2024

Pet population to reach over **42 Mn**

Dog population is fastest-growing at **36.5 Mn**

Cats to touch **5.5 Mn** in 2024



20% of market share

Estimated value at **\$0.75 Bn**

The industry is further expected to grow at a CAGR of **23.7%** in the forecast period of 2024-2032

INDIA'S PETCARE PRODUCT MARKET STATS 2024

INDIA'S VETERINARY HEALTHCARE & SERVICE MARKET STATS 2024

Estimated at **\$1.25 Billion**

To reach **\$1.89 Bn** by 2029

8.6% CAGR growth

