



## **Pethealth Releases Top Line and Aggregate Findings On Pet Specialty Purchasing Behavior among Adopters of New Pets**

### ***Survey results illustrate post-adoption decisions regarding traditional and online pet specialty retail purchases***

**Oakville, ON – May 8, 2013.** (TSX: PTZ) Pethealth Inc. (“Pethealth” or the “Company”) is pleased to announce the publication of aggregate results for its latest online survey of new cat and dog adopters; the Company’s third such special report. The April 2013 Adopter Survey revisits and provides an update on the Company’s first survey on Pet Food, and Pet Specialty Retail purchasing behavior of new pet adopters, published in May of 2012.

The purpose of the survey was to (a) determine the difference in purchasing behavior between those who adopt from an animal welfare organization (AWO) and those who adopt a pet from the same organizations satellite location within a pet specialty retailer; (b) determine if shelter pet food programs, which feature the distribution of free bags of food to new adopters, create loyalty among adopters for those brands and whether AWOs or pet specialty retailers have a greater impact on that brand’s loyalty; and (c) to determine the degree to which pet adopters purchase pet supplies and pet food items online.

Surveys were received by over 235,000 new pet adopters across the United States, of which over 7,100 completed the survey. Survey respondents include new adopters of dogs and cats during the 13 month period between March 2012 and March 2013; the survey was conducted during April 2013. The survey was made possible through the Company’s position as the leading aggregator of pet adopter and animal welfare organization data. Data is aggregated through the Company’s industry leading animal management application PetPoint, now licensed by nearly 2,000 AWOs in the United States and Canada. In 2012 alone, over 2.34-million animal intakes and 973,000 pet adoptions were completed by AWOs licensing PetPoint.

Survey respondents were segmented into seven data sets:

- (i) Those that adopted a new dog or cat between March 2012 and March 2013 from a PetPoint licensed AWO that also conducts adoptions in a PetSmart (exclusively) location(s) but where the adoption was completed in the AWO’s own facility;
- (ii) Those that adopted from the same AWO but where the adoption was completed in its satellite location inside a PetSmart store;
- (iii) Those that adopted between March 2012 and March 2013 from a PetPoint licensed AWO that also conducts adoptions in Petco (exclusively) location(s) but where the adoption was completed in the AWO’s own facility;
- (iv) Those that adopted from that same shelter but where the adoption was completed at the satellite location in a Petco store;
- (v) Those that adopted between March 2012 and March 2013 from a PetPoint licensed AWO that conducts adoptions in both Petco and PetSmart stores but where the adoption was completed in its own facility.
- (vi) Those that adopted from the same AWO but where the adoption was completed in a PetSmart store.
- (vii) Those that had adopted from the same AWO but where the adoption was completed in a Petco store.

The demographic profile of respondents was; nearly 82% female; nearly 70% were between 21 and 49 years of age; over 58% have a post secondary degree; nearly 45% have a household income greater than \$60,000.

Key results from this year's survey include (with last year's results if applicable in brackets);

- Approximately 83% of animal adoptions took place in AWOs, virtually unchanged from a year ago. Adoptions in the two main sources of satellite locations for AWOs (PetSmart and Petco stores), as a result, remained in aggregate at approximately 17% of the total.
- At the point of adoption, 33% of adopters reported being provided with a bag of complimentary pet food (56.4%).
- Of those receiving complimentary bags of pet food, Hill's Science Diet remained the leader at 45%, virtually unchanged from a year ago.
- Of those receiving complimentary bags of pet food, 5.2% were subsequently contacted by the pet food company, (7.3%).
- 78% of respondents indicate that they now purchase a brand of pet food different from what they were provided at the point of adoption, (57%).
- PetSmart at 35.1% (37.4%) remains the most popular location for adopters to purchase pet food and pet supplies; Petco was second at 17.7% (15.4%) and Walmart third at 16.7% (18.2%).
- Purina continues to be the leading food manufacturer with adopters with those indicating that they feed newly adopted pets Purina Pro Plan or Purina ONE at 16.7% (19.7%); Hill's Science Diet was second at 11.8% (13.4%), and Blue Buffalo third at 9.4% (7.2%).
- Adopters indicating that they have purchased pet food or pet supplies online increased from 35% last year to 44% this year.
- When asked which online sites they have purchased pet food and pet supplies from, adopters selected Amazon.com/Wag.com number one at 39.6% (28.9%), PetSmart second at 25% (19.5%), Petco third at 22.5% (18.4%), 1800PetMeds.com fourth at 20.7% (23.1%), and ThePetangoStore.com\* fifth at 13.3% (3%).
- When asked which online retailer they most frequently purchase pet food and pet supplies from, responding adopters placed Amazon.com/Wag.com first with 28.4% (20.1%), PetSmart second with 13% (13.2%), Petco third with 11% (10.6%), 1800PetMeds.com fourth with 9.9% (13.4%), and ThePetangoStore.com fifth with 5.2% (1%).
- Shipping costs remains the major impediment to pet adopters purchasing online with 59.7% of respondents selecting shipping costs as the reason they chose not to buy online.
- Of pet food purchases made online, Blue Buffalo ranked number one at 9.6% (7.1%) and Hill's Science Diet second at 9.1% (8.1%).

*"The report again revealed some significant trends amongst new pet adopters," said Mark Warren, President and Chief Executive Officer of Pethealth. "Firstly, in light of recent changes to pet food programs offered by some of the large brands dominating the pet industry, there was not surprisingly an increase in respondents who indicated they now purchase a different brand of food than was provided at adoption. Secondly, there was a decrease this year in respondents who indicated making a purchase at point of adoption, indicating as the primary reason that the product they wanted was not available for sale. Thirdly, changes in the demographics of new adopters, coupled with increases in the purchase of pet food and supplies and dollars spent online by new adopters suggest a growing willingness of pet owners to buy pet specialty retail online."*

The aggregated results of the April 2013 New Adopter Survey on Pet Specialty Retail are published free of charge and together with previous survey aggregate results can be found at [www.petpoint.com](http://www.petpoint.com). **For those wishing to have either survey results segmented by the seven surveyed groups (data sets), these can be purchased by contacting the Company at 1-877-738-4584, ext. 236.**

In addition to this survey and other published special reports, the Company issues the 'PetPoint Report', regarded as the definitive source for data and trends in animal welfare amongst investment firms and leading industry analysts, on the 3<sup>rd</sup> Monday of each month.



\*Owned by Pethealth Inc.

**About Pethealth Inc.**

Pethealth is a leading provider of companion animal services in North America. In addition, the Company is the leading provider of management software to North American animal welfare organisations through its cloud-based application and the leading provider of pet related database management services to the North American companion animal industry. Pethealth offers a unique range of products and services for veterinarians, shelters and pet owners through a number of wholly owned subsidiaries using a range of brand names including PetCare, 24PetWatch, Pet Protect, Petpals Direct, PetPoint, Petango.com and ThePetangoStore.com.

To find out more about Pethealth, please visit us at [Pethealthinc.com](http://Pethealthinc.com).

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