

TRENDS REPORT

# State of Retail Ecommerce Pet Products

Month Ending October 2023

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CommercIQ

# Overall Executive Summary

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## Executive Summary: Top 3 Takeaways for October 2023

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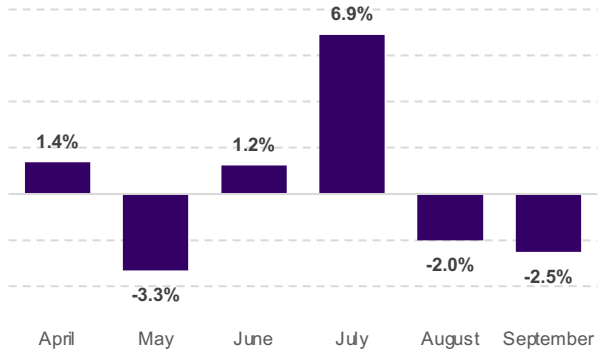
- 1 Out of Stock levels are continuing to rise month over month and have surpassed 2022 levels in September.
- 2 There is a general increase in competitiveness with a growth in ad spend and reduction in glance views.
- 3 Price Levels rising steadily along with slight increase in conversion rates. This likely explains a continued increase in ROAS despite rising CPCs over the last 3 months.

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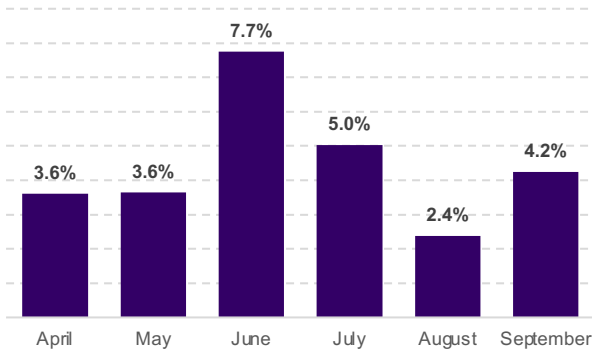
Source: Internal data from CommerceIQ's REM Platform for its users for the 18 months leading up to and including September 2023.

**Across all categories there is a much more pronounced growth in ad spend outside of summer, with a slight decline in glance views, signaling an overall more competitive landscape for brands.**

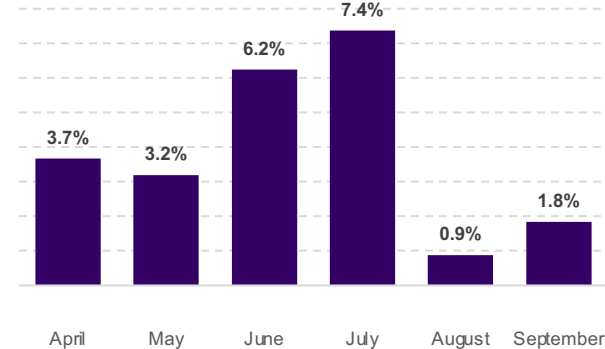
**Change in Glance Views (Overall)**  
2023 v 2022



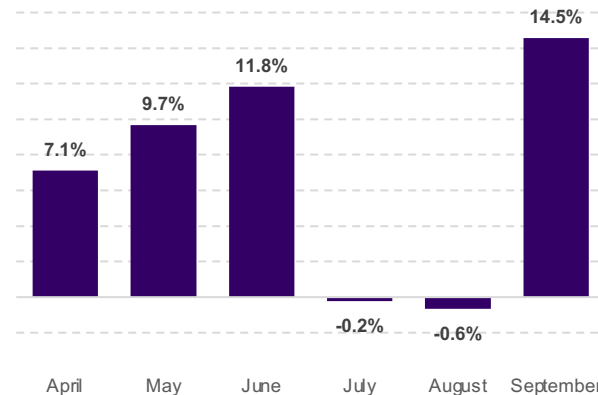
**Change in ASP (Overall)**  
2023 v 2022



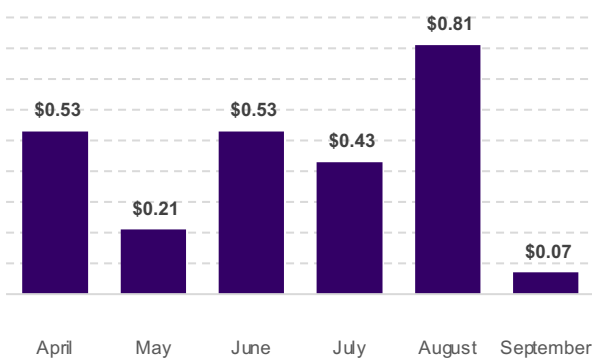
**Change in OPS (Overall)**  
2023 v 2022



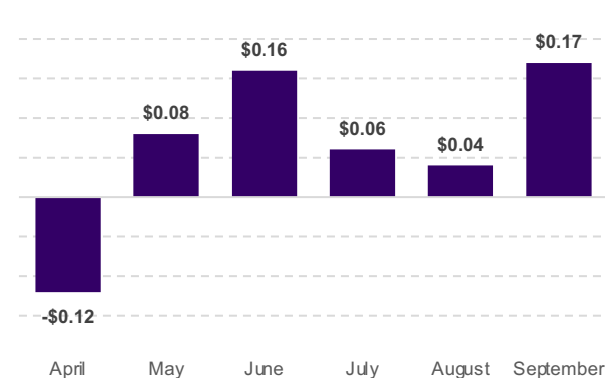
**Change in Ad Spend (Overall)**  
2023 v 2022



**Change in CPC (Overall)**  
2023 v 2022



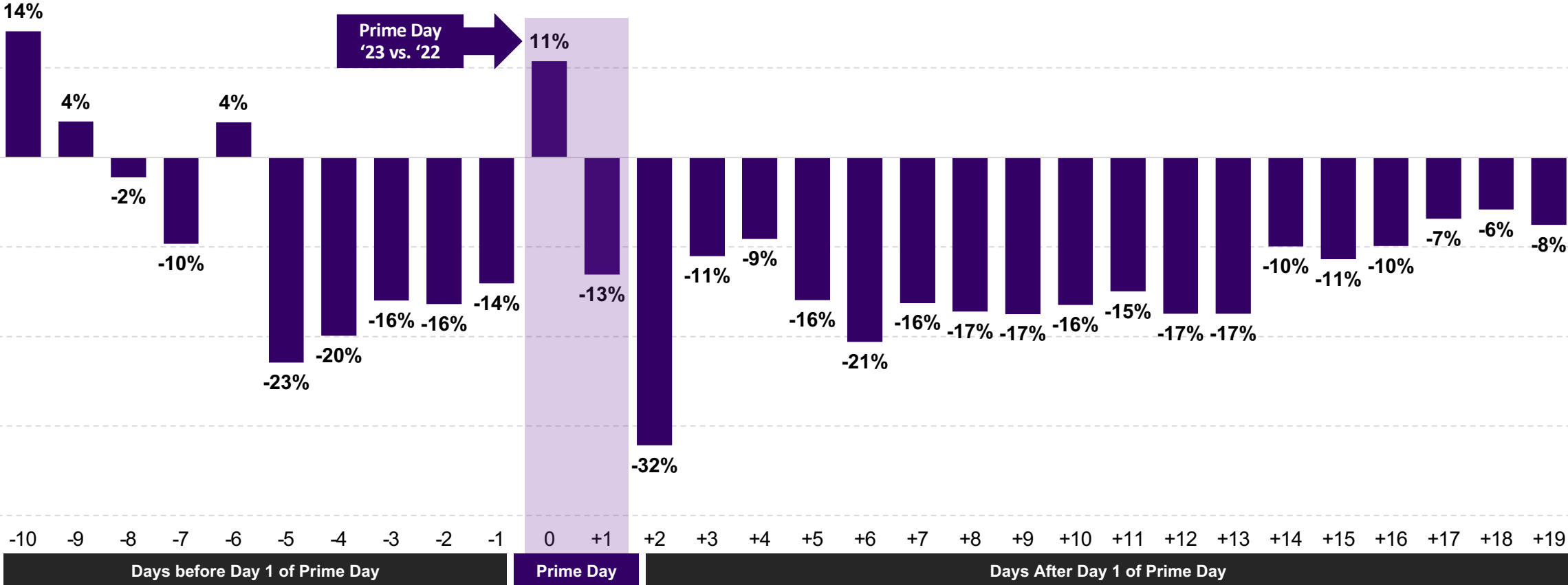
**Change in ROAS (Overall)**  
2023 v 2022



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

**Despite an +11% increase in ad spend during Day 1 of Prime Day 2023, brands pulled back ad spend throughout the rest of July, resulting in relatively flat ad spend compared to July 2022.**

**Ad spend by Day in July 2023 compared to July 2022**

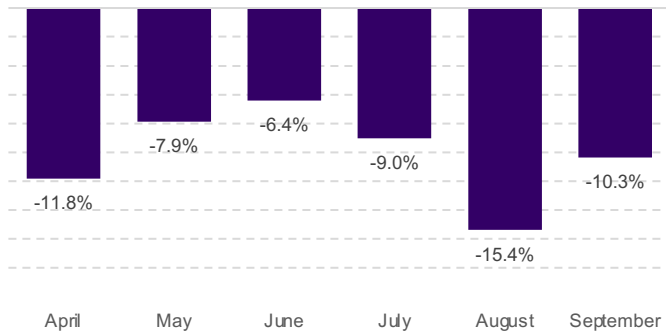


Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

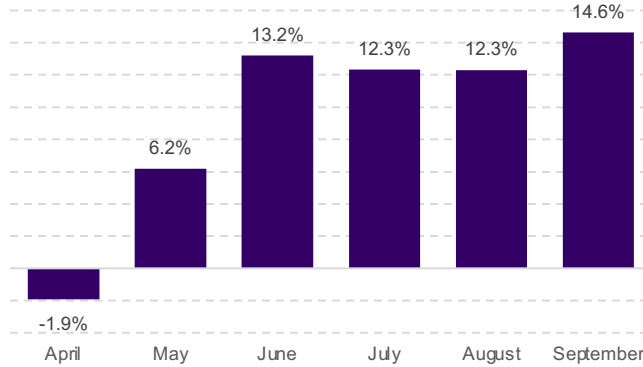
# Key Category Metrics

# Despite declining traffic, the category has seen increased revenues driven by increased ad spend and prices.

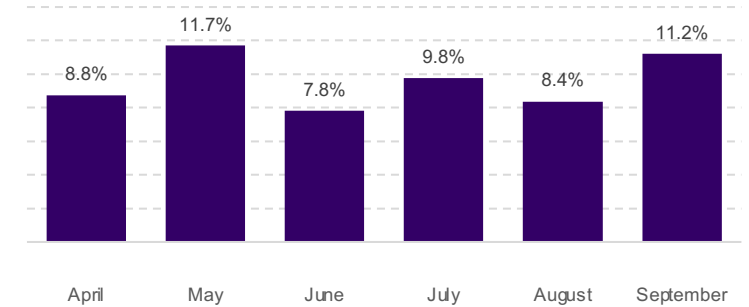
**Change in Glance Views (Overall)**  
2023 v 2022



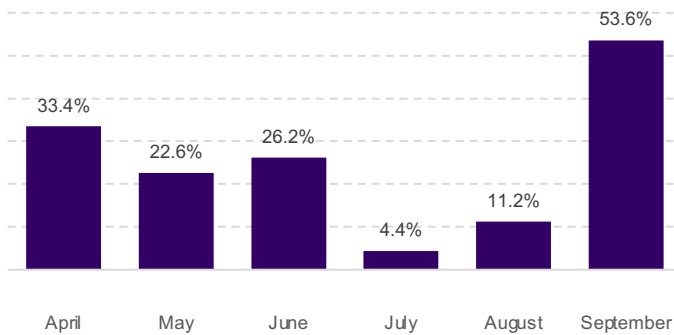
**Change in ASP (Overall)**  
2023 v 2022



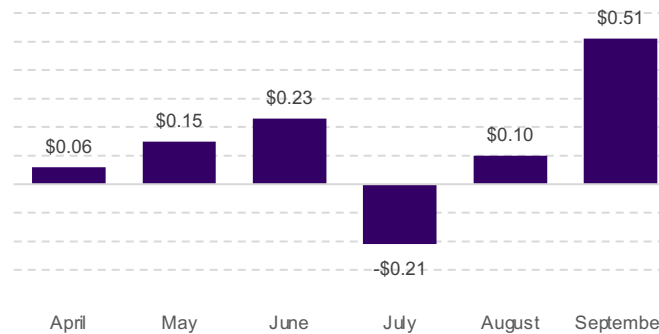
**Change in OPS (Overall)**  
2023 v 2022



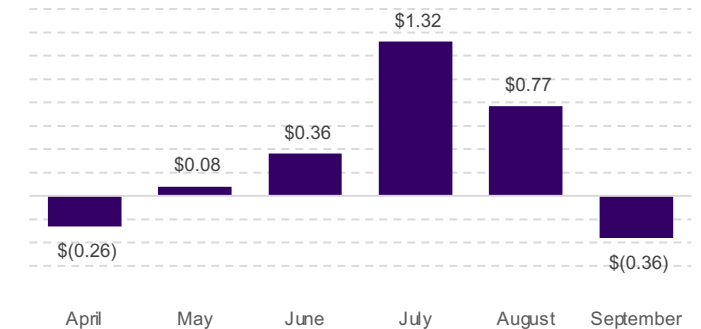
**Change in Ad Spend (Overall)**  
2023 v 2022



**Change in CPC (Overall)**  
2023 v 2022



**Change in ROAS (Overall)**  
2023 v 2022



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

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## Category Summary: Top 3 Takeaways for October 2023

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- 1 Falling RepOOS% with a continued investment into inventory on hand indicates a healthy position going into Q4.
- 2 The category is facing strong tailwinds with increasing gross margins and revenues despite reduced traffic.
- 3 Ad Spend and discounting has increased, indicating an overall focus on growth for the category, supported by improved margins and price levels.

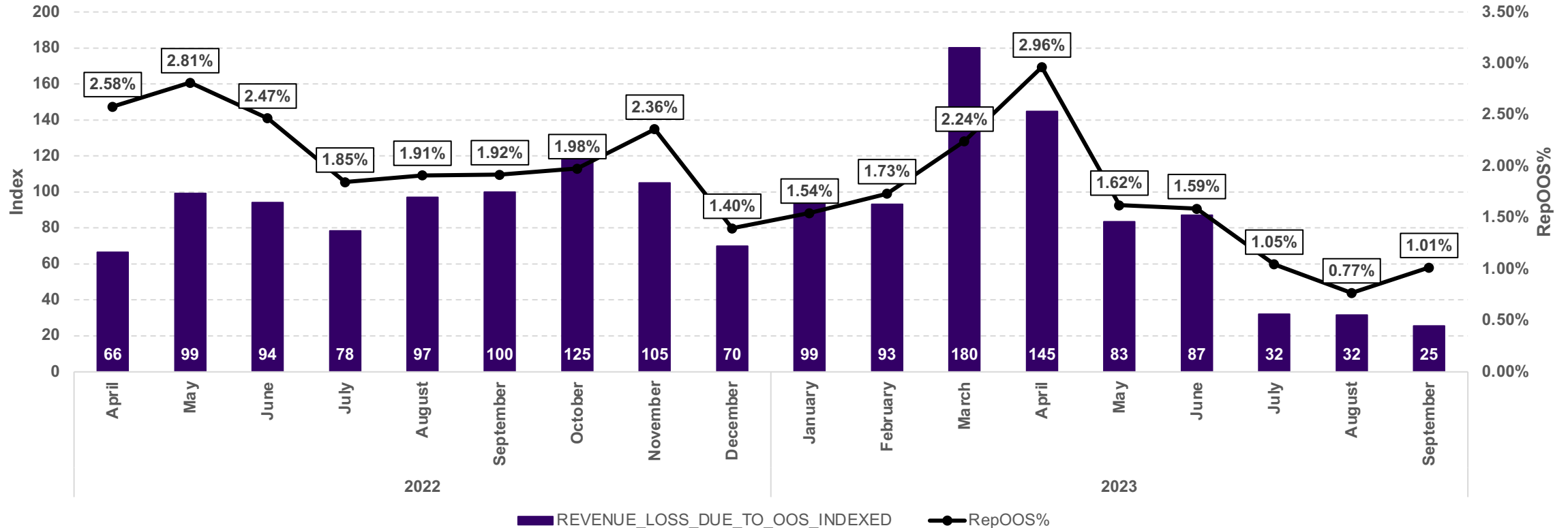
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Source: Internal data from CommerceIQ's REM Platform for its users for the 18 months leading up to and including September 2023.



# The category has had dramatic improvement in supply chain efficiencies.

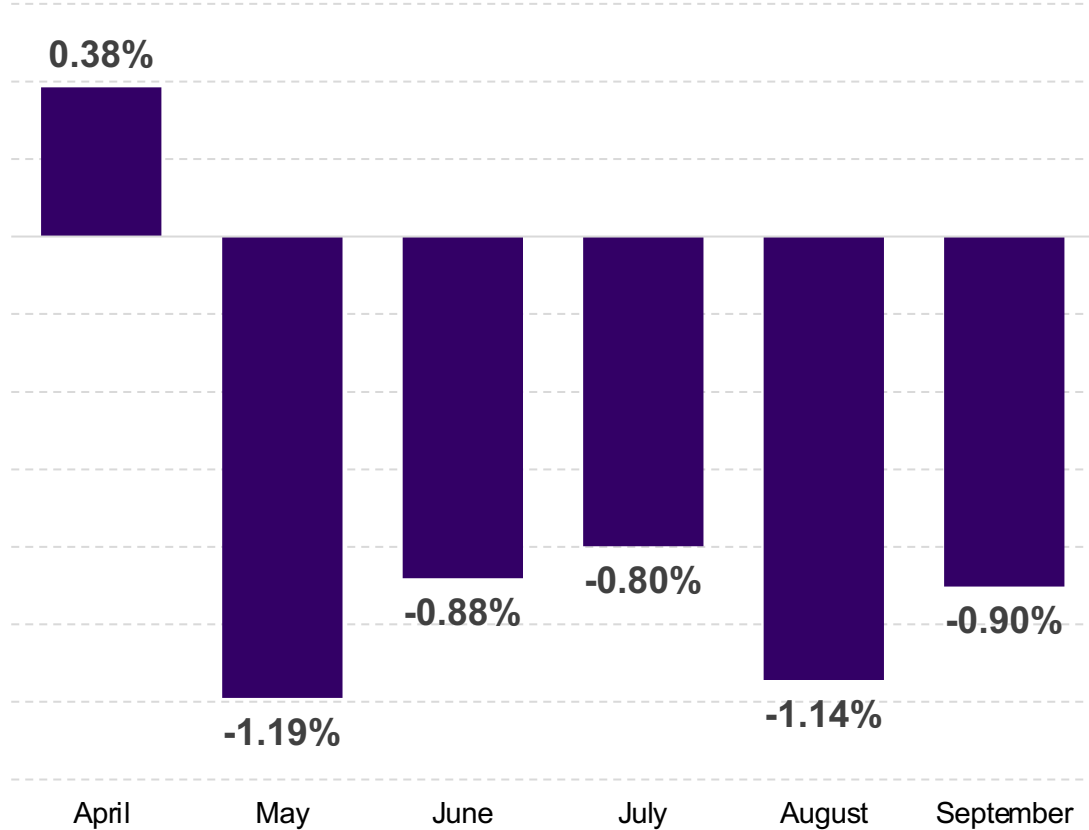
## Out of Stocks for Units and Revenue



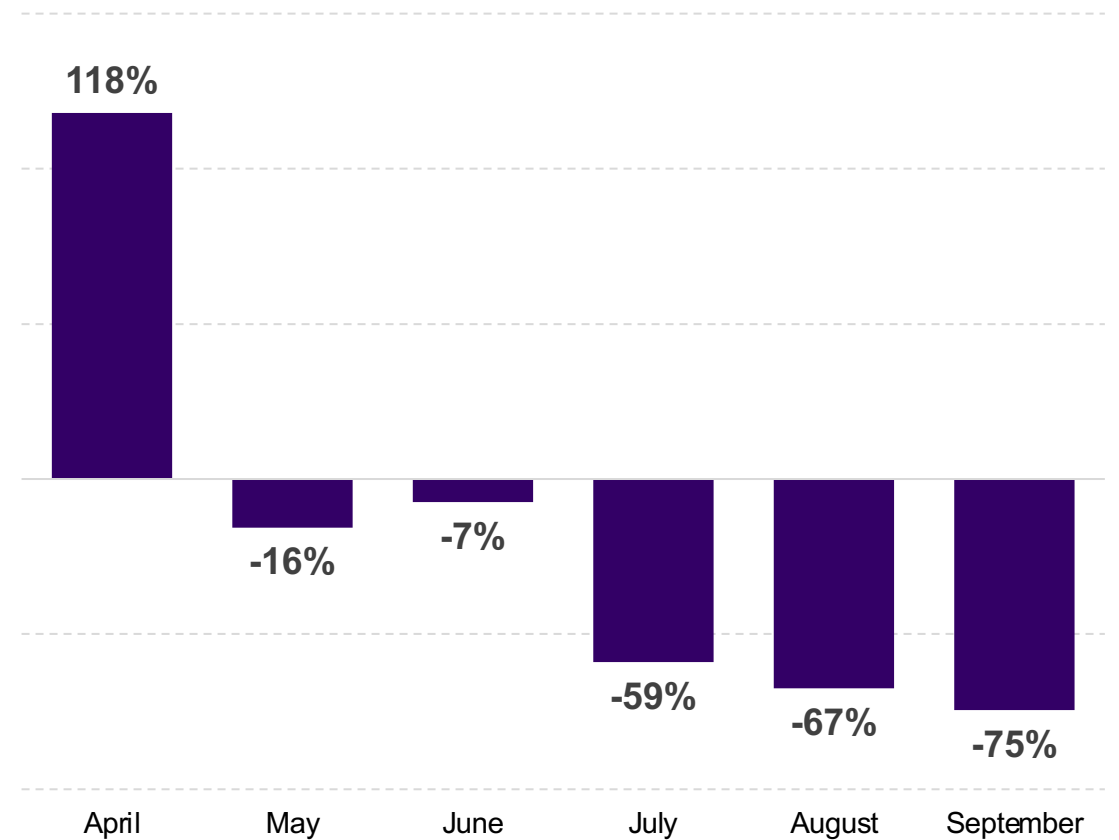
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

**RepOOS% and Revenue Losses due to OOS has fallen substantially, indicating improved supply chain efficiencies across the entire category.**

**Change in RepOOS% (2023 vs 2022)**



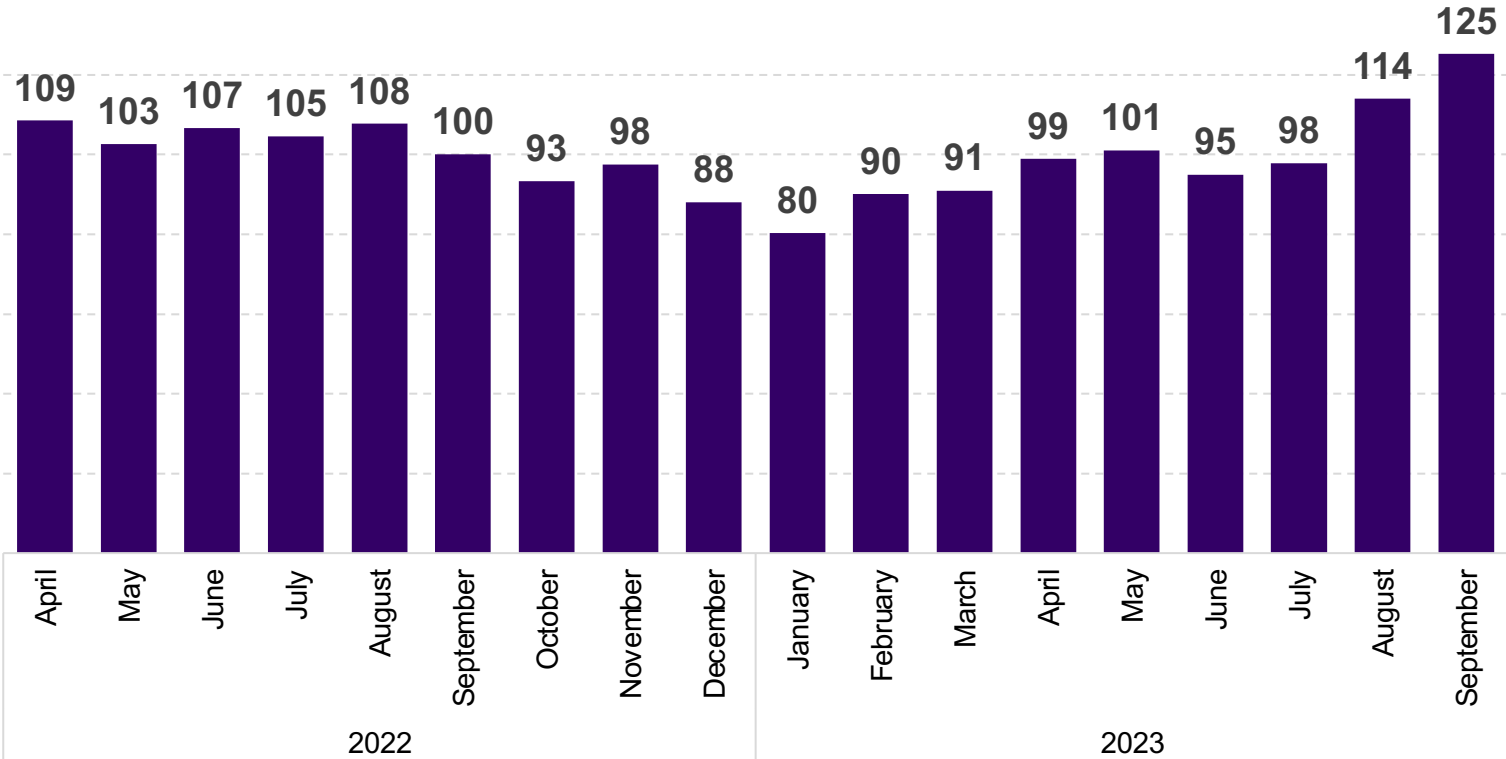
**Change in Revenue Lost due to OOS (2023 vs 2022)**



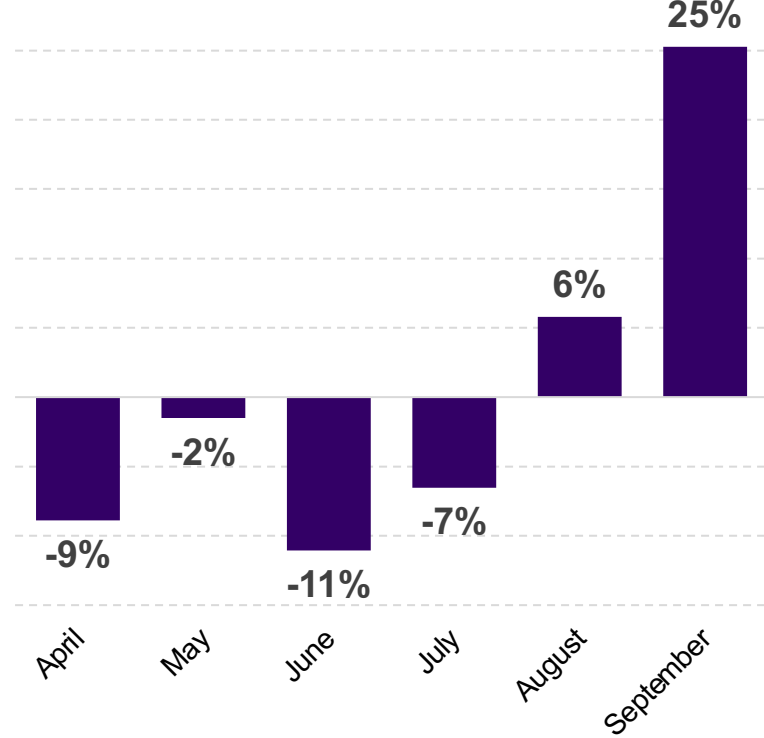
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

Inventory levels have steadily increased in the past 2 months, likely setting up for a strong Q4.

On Hand Inventory Index



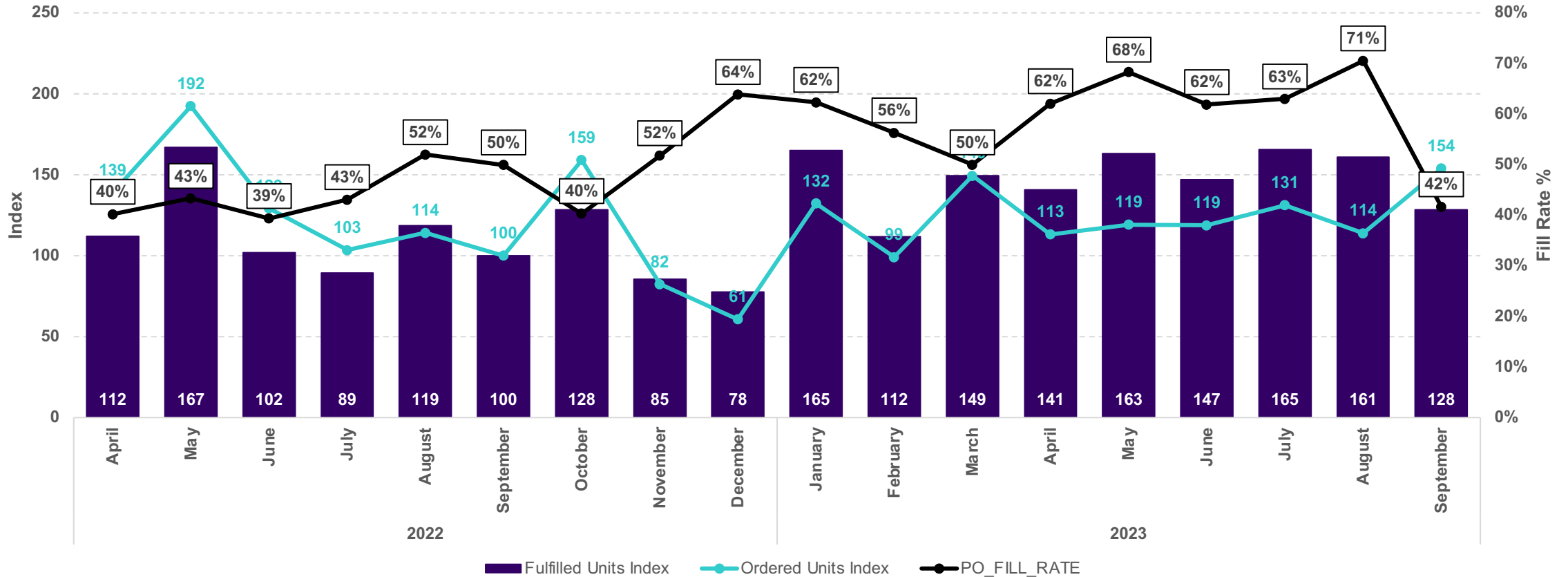
Change in On Hand Inventory (2023 vs 2022)



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Fill rates have slowly increased until a substantial drop in September. Overall Ordered Units remain above 2022 levels.

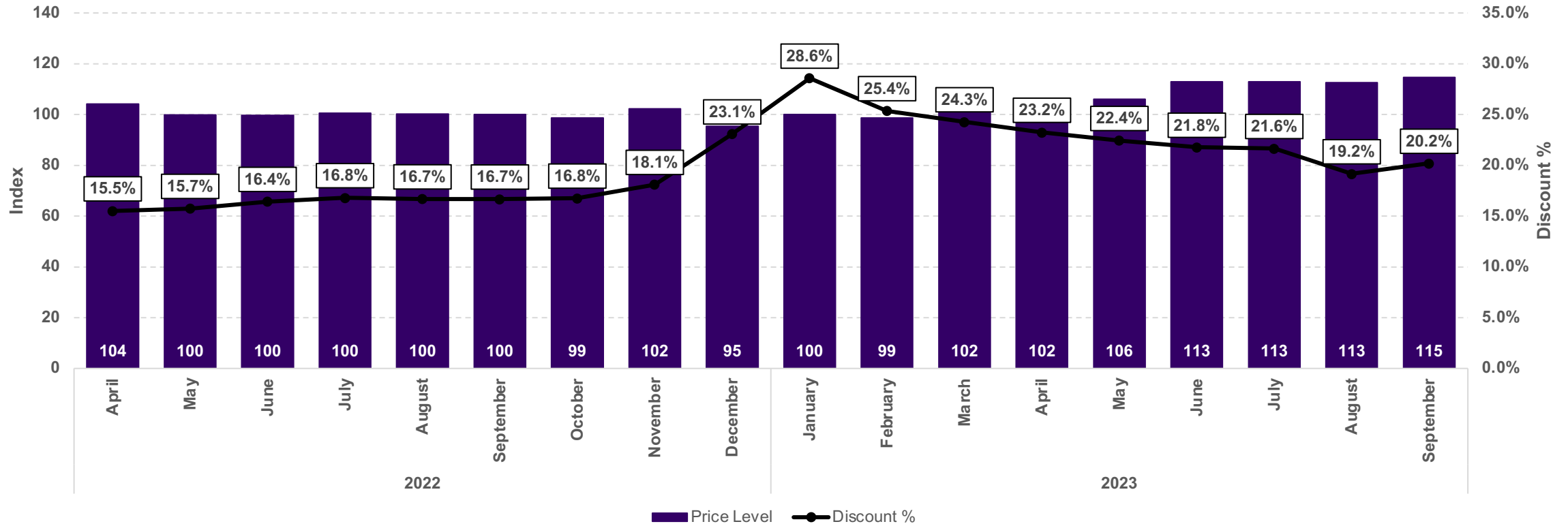
Fill Rate % vs. Ordered Unit & Fulfilled PO Units Indices



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023. Fulfilled PO Units Index = Ordered Unit Index X Fill Rate %

Price Levels and discount % are both above 2022 levels.

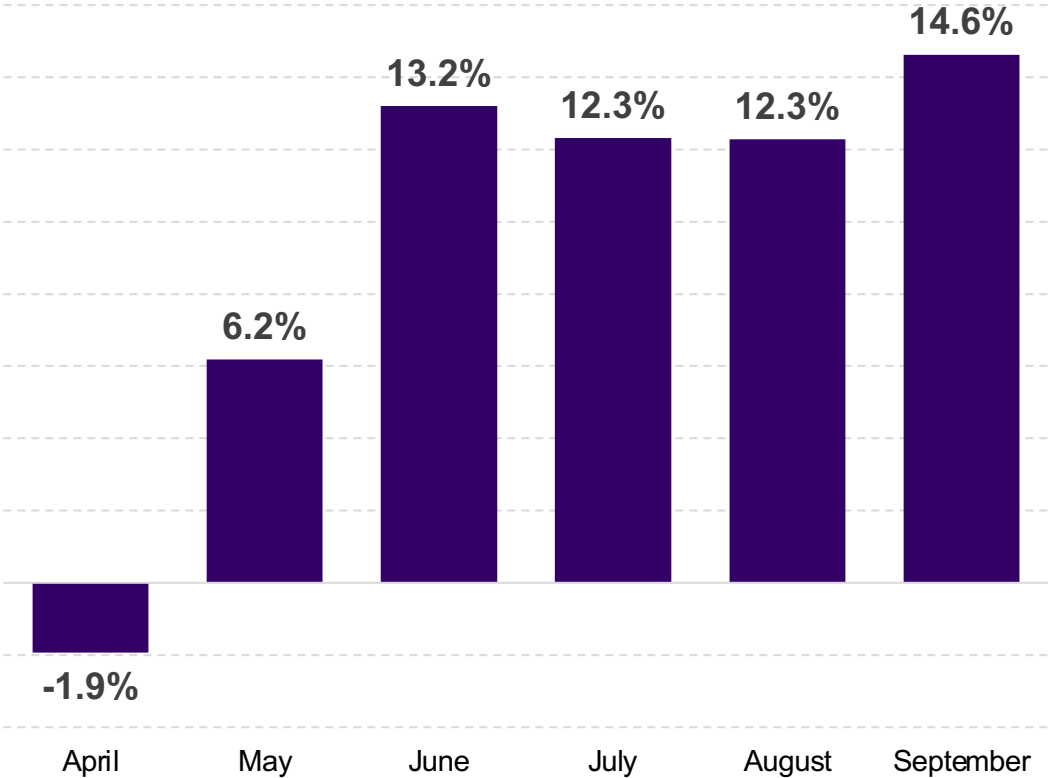
### Price Index vs. Discount Percentage



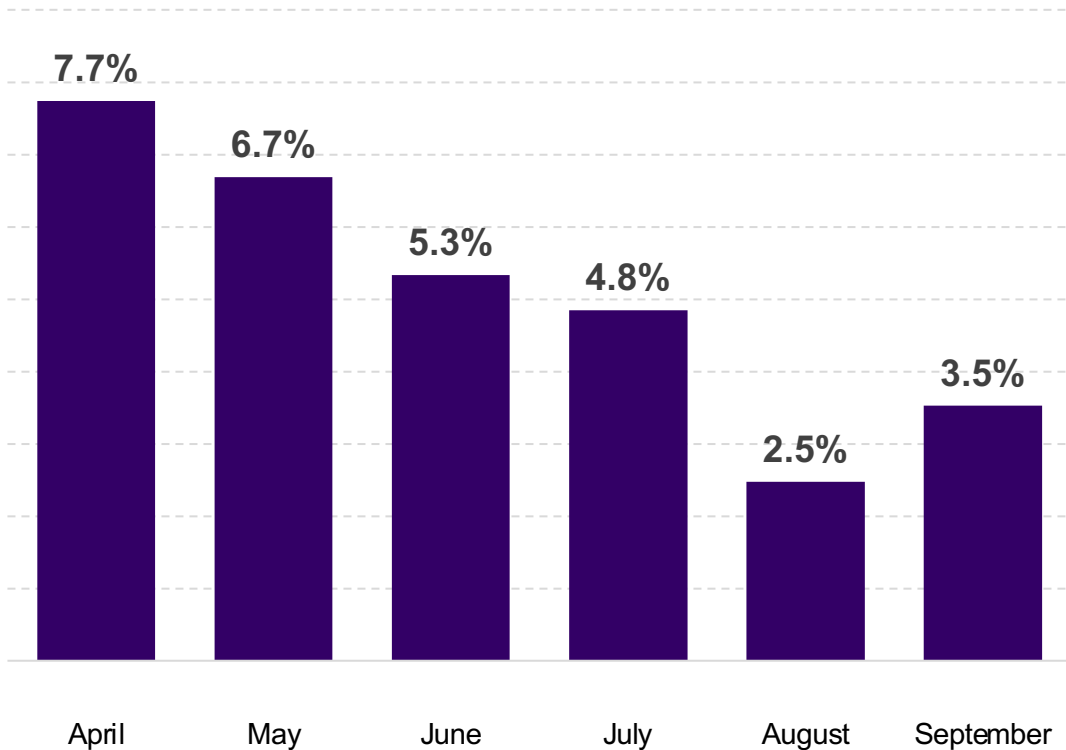
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Increased price levels have allowed for increased flexibility in using discounts to drive growth.

Change in Price Level (2023 vs 2022)



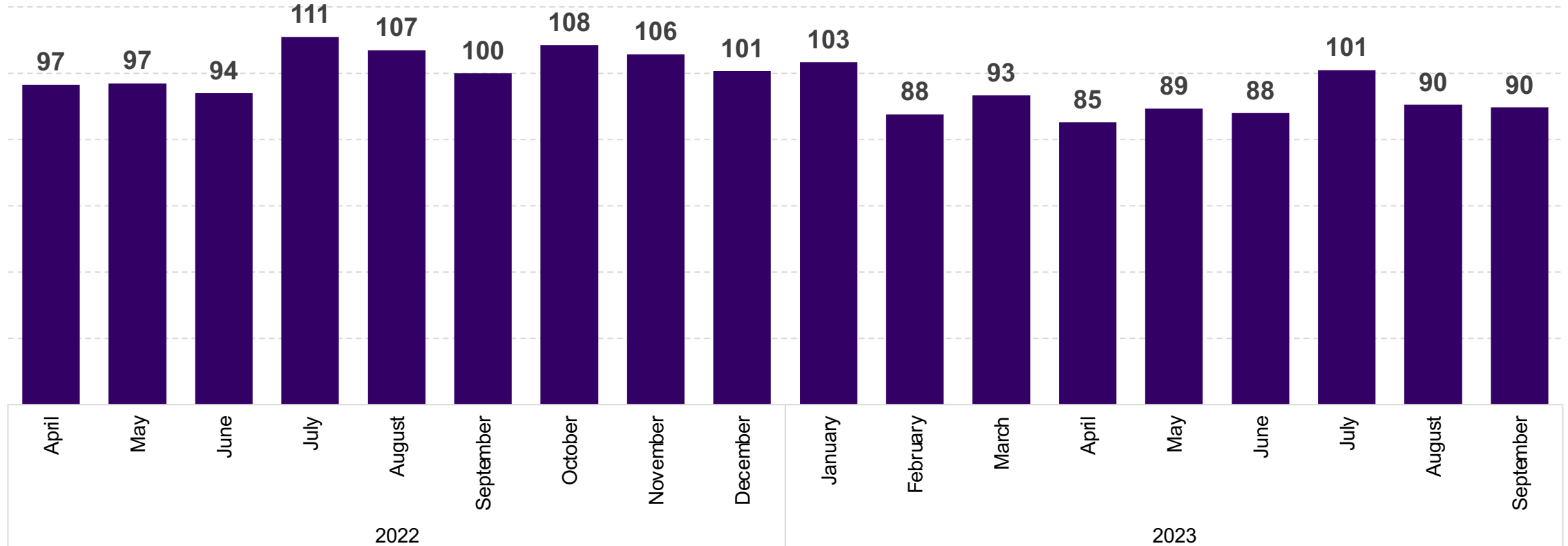
Change in Discount % (2023 vs 2022)



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

Glance views have settled slightly below 2022 levels, indicating reduced interest in the category.

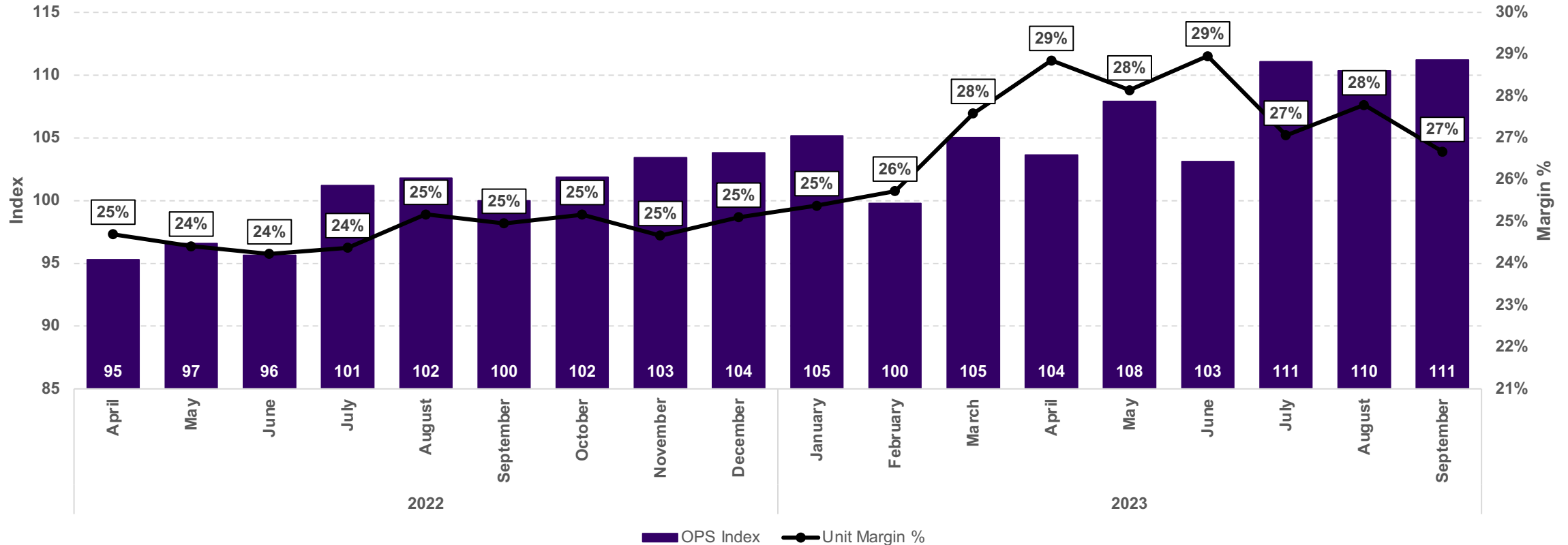
### Glance Views Index



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# OPS and unit margins have risen above 2022 levels, indicating a healthy and growing category.

## OPS Index vs. Unit Margin %

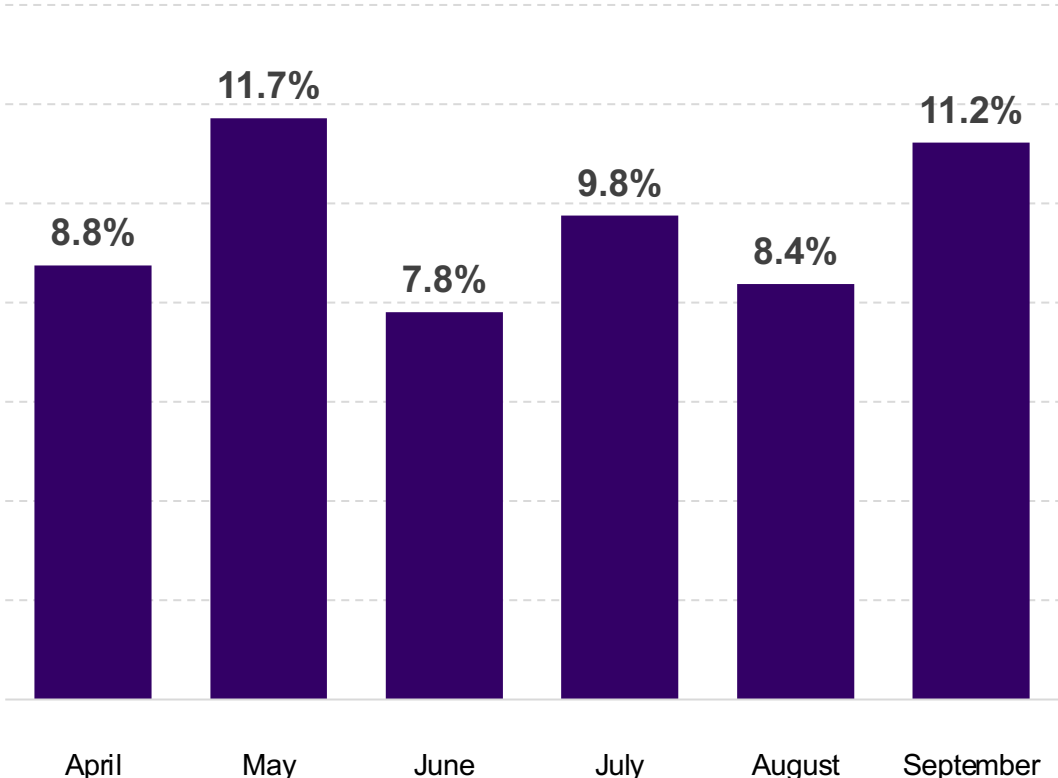


Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

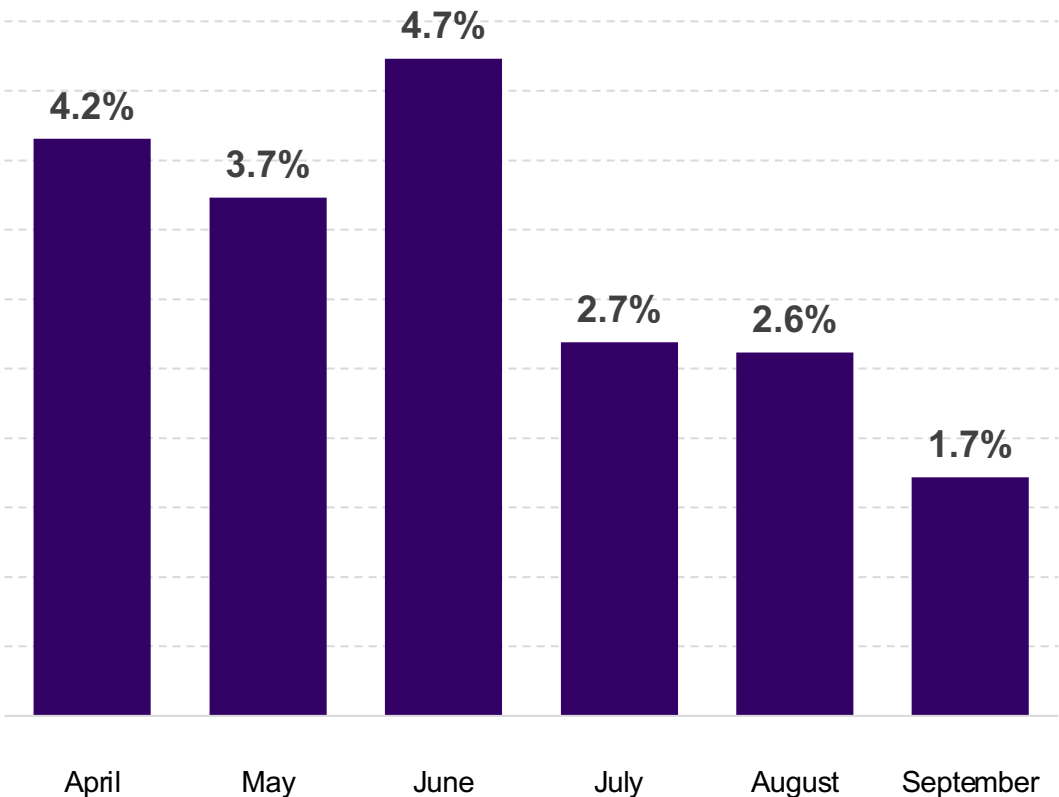


**Ordered Revenues and margins are also up year over year, further emphasizing the opportunity in the category**

**Change in Ordered Revenue (2023 vs 2022)**



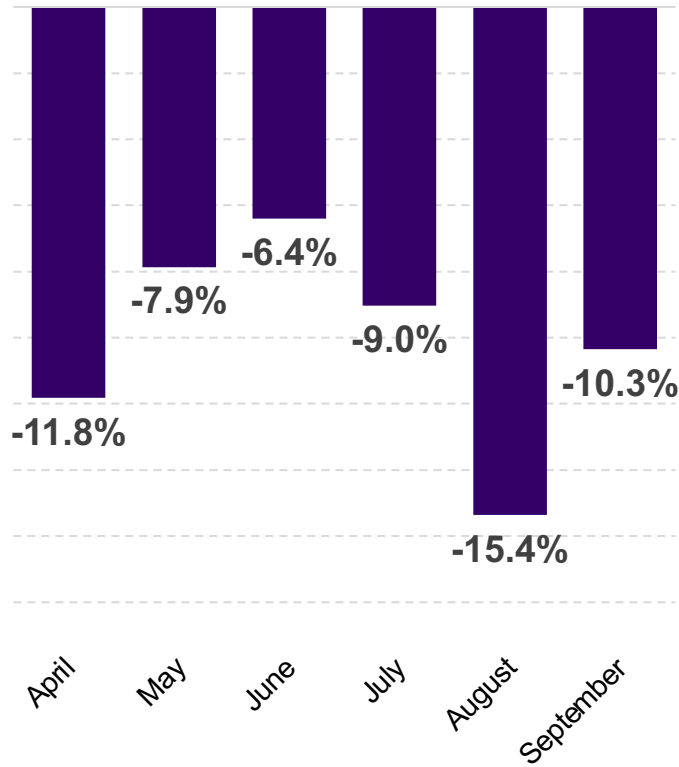
**Change in Unit Margin % (2023 vs 2022)**



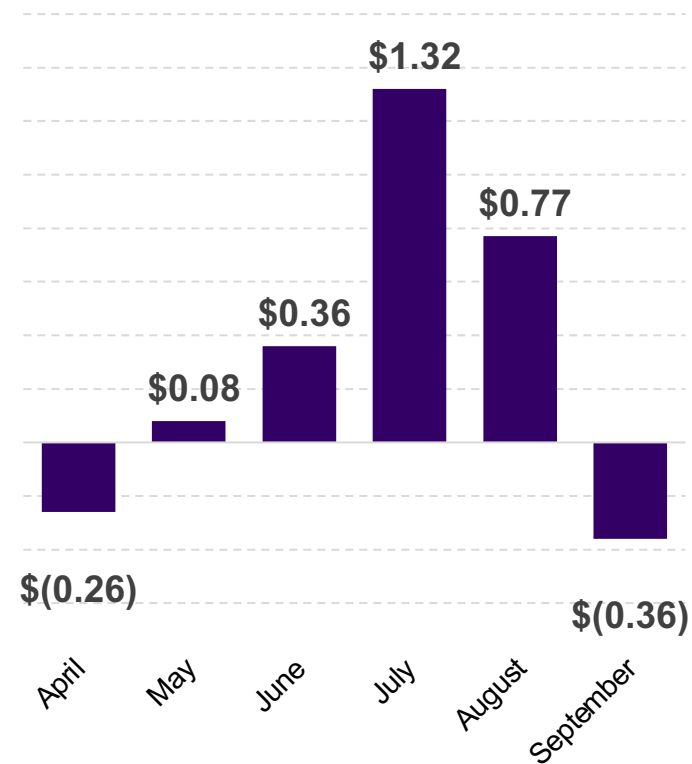
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

Despite traffic falling Year over Year, ROAS remained strong throughout the summer until a fall in September.

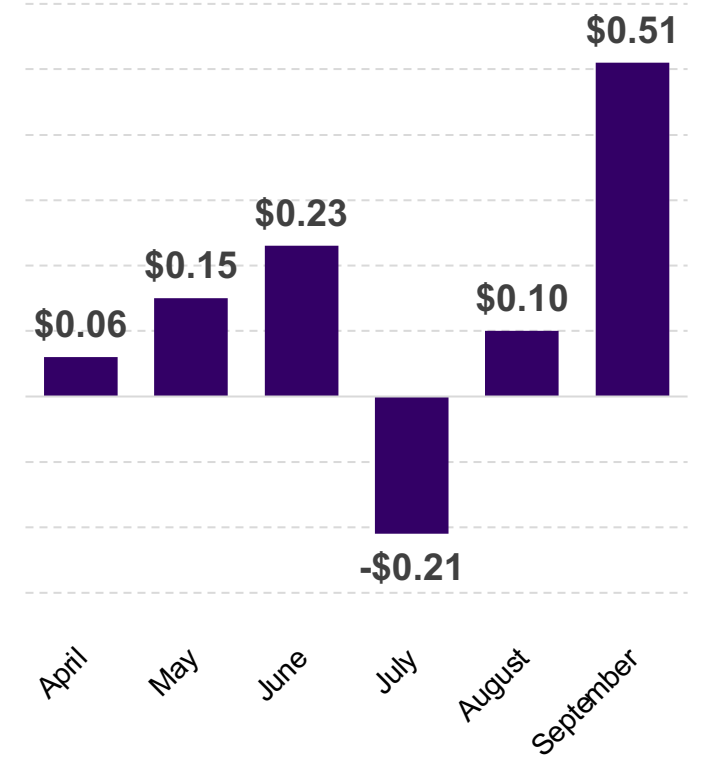
Change in Glance Views (2023 vs 2022)



Change in ROAS (2023 vs 2022)



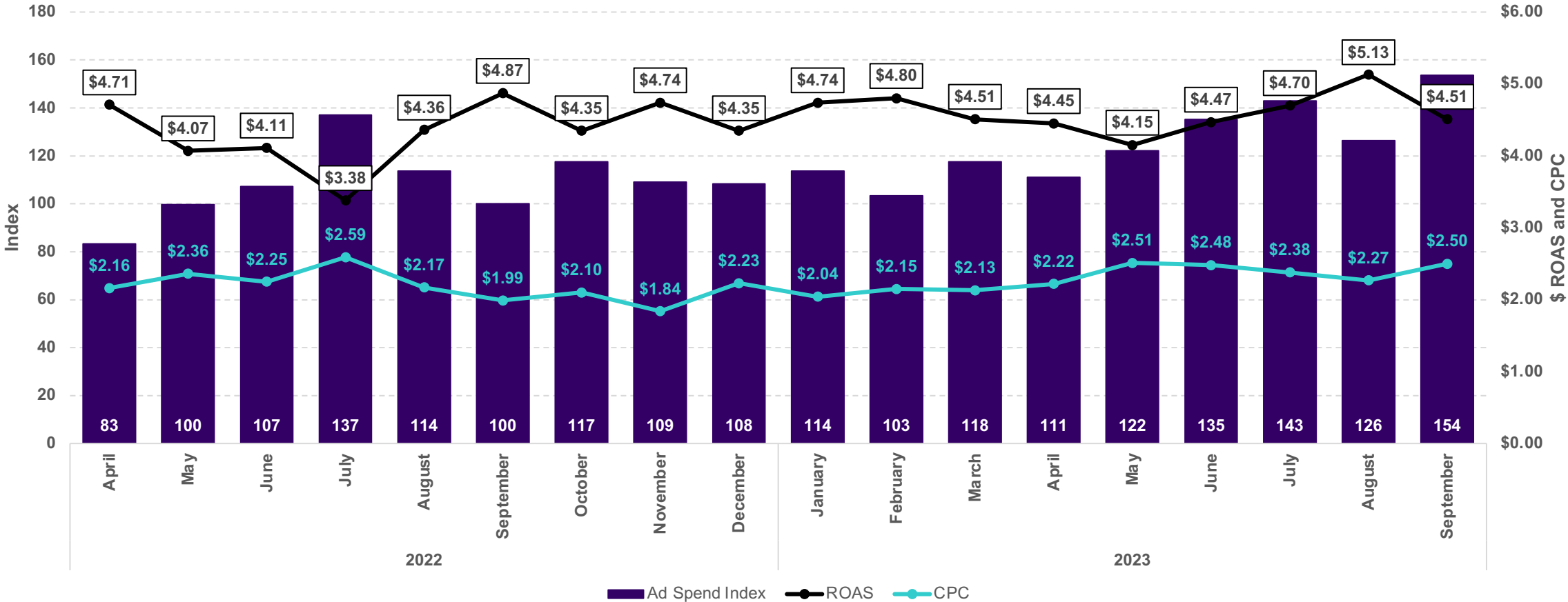
Change in CPC (2023 vs 2022)



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Ad spend has increased dramatically versus 2022, correlating with a general improvement in ROAS.

Ad Spend Index vs. ROAS and CPC



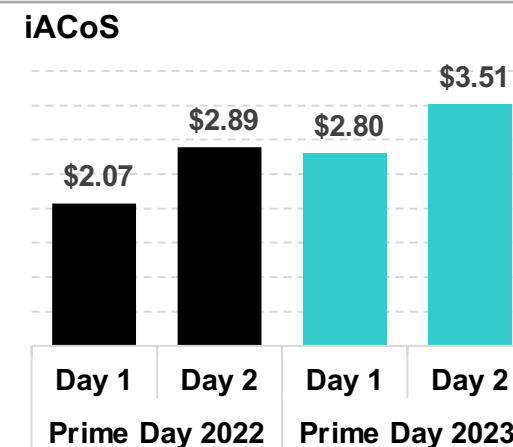
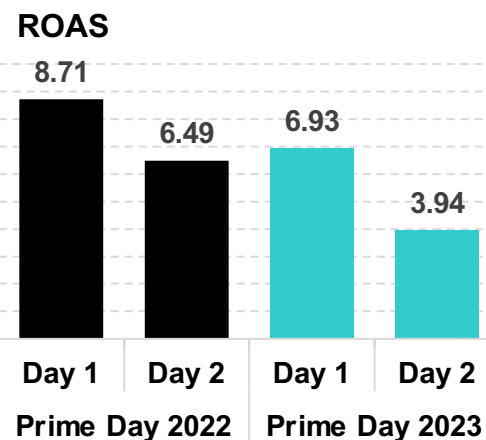
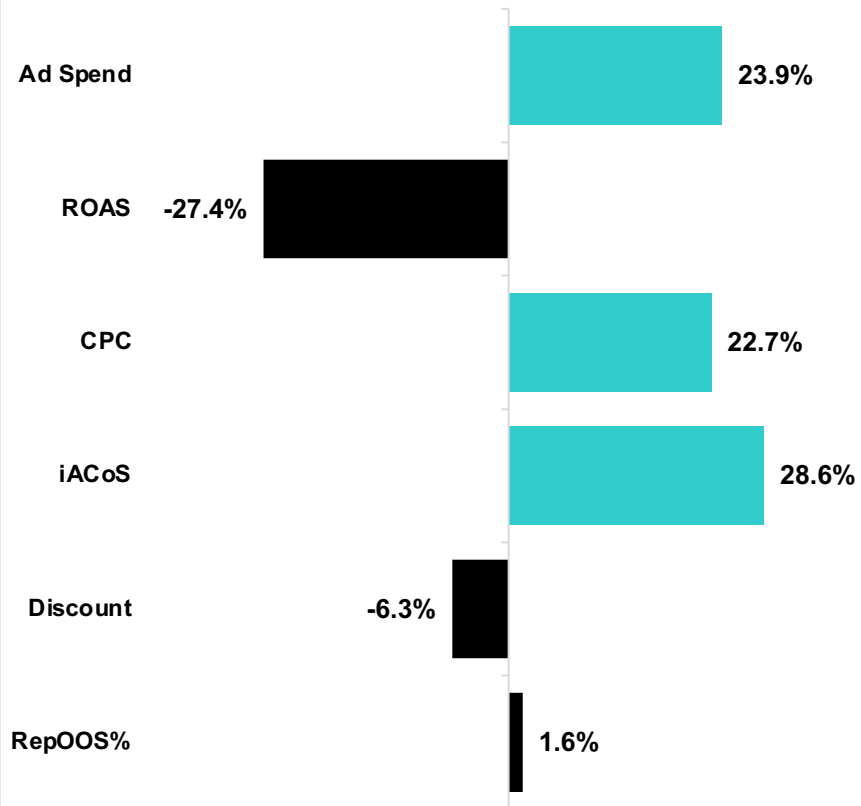
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Prime Day 2023 Summary

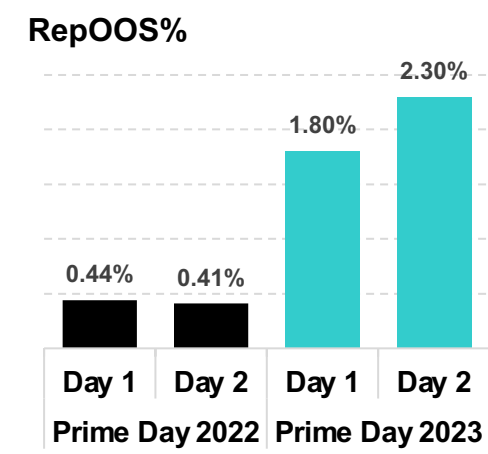
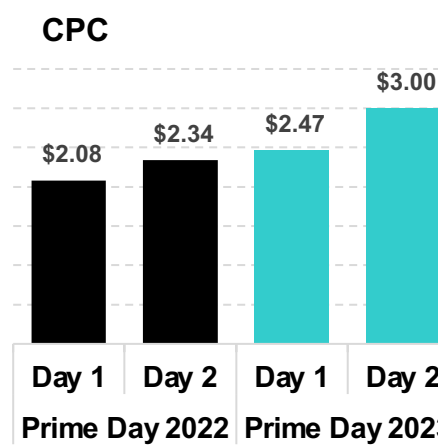
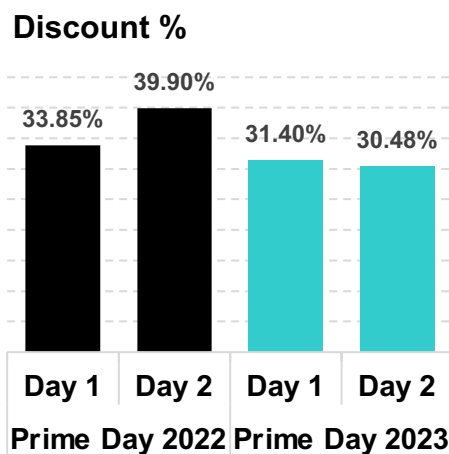
## Pet Products

# Prime Day 2023 was more competitive for brands as compared to Prime Day 2022

Change in Key Metrics on Prime Day 2023 vs. Prime Day 2022



Advertising became less efficient in '23, likely due to lower discount rates, higher CPCs and higher RepOOS%



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

**While Pet Supplies sold through 50%+ of Total Ordered Revenue on Day 1, it took until Day 2 to pass 50% of Glance Views**

**1:00 PM PST**  
July 11 (Day 1)

Highest % of Prime Day Glance Views

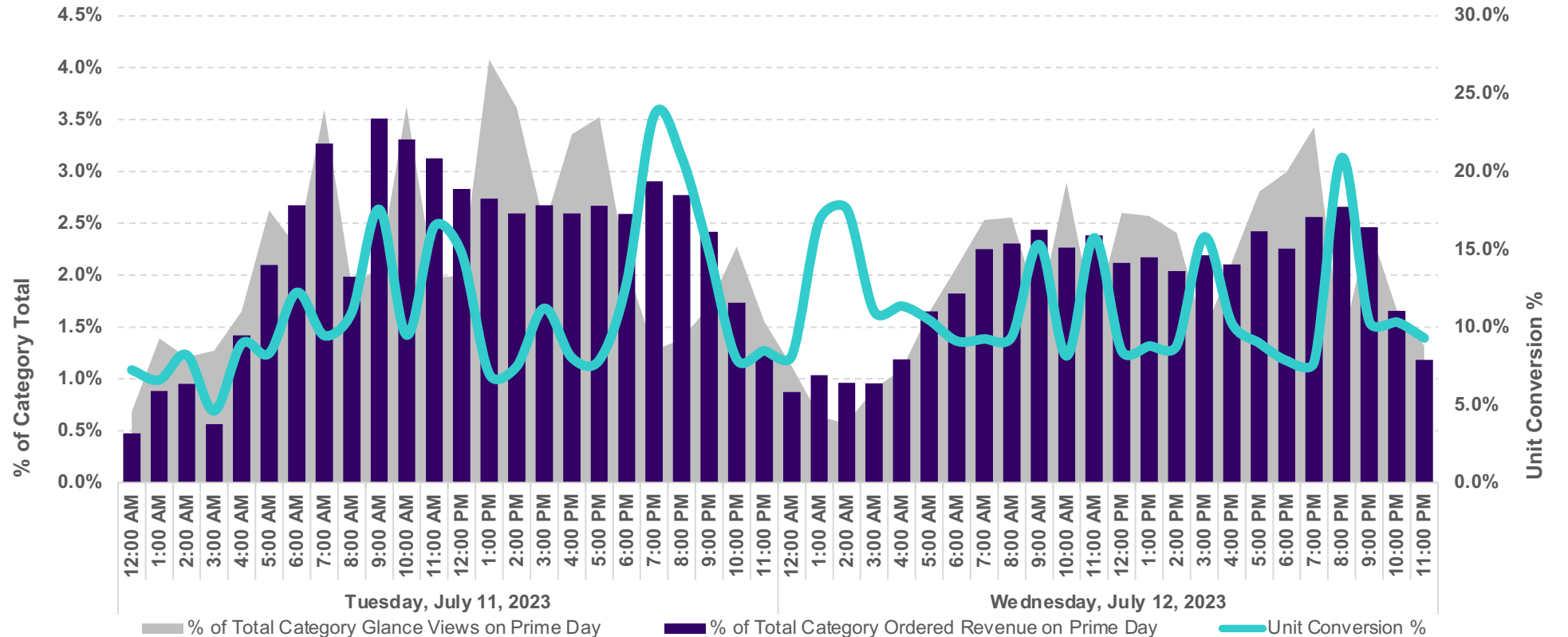
**9:00 AM PST**  
July 11 (Day 1)

Highest % of Prime Day Ordered Revenue

**7:00 PM PST**  
July 11 (Day 1)

Highest Unit Conversion % Time

**Hourly View of Prime Day Glance Views, Ordered Revenue and Unit Conversion % for Pet Supplies**



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

# Change in Volume Share for Pet Supplies: Prime Day 2023 compared to Prime Day 2022

**-20%**



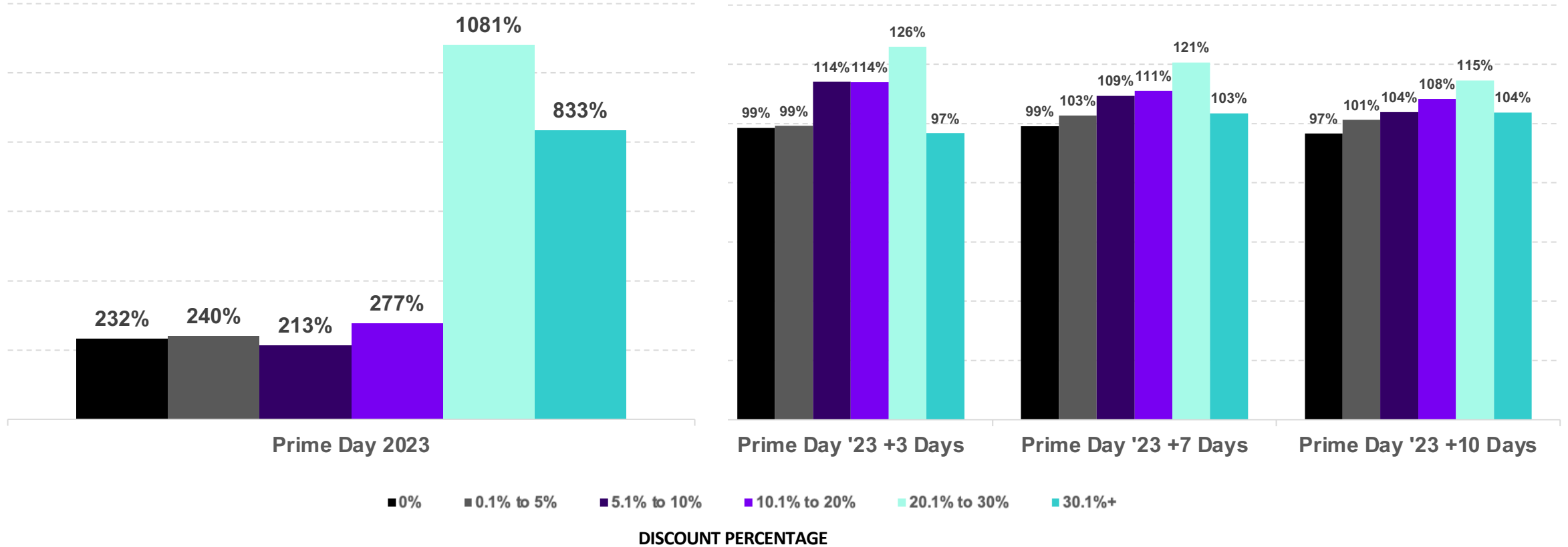
Pet Supplies	
Biggest Rising Terms vs. Prime Day 2022	
Search Term	% Change
dog bones long lasting	472%
dog treats made in usa only	316%
sweet potato chews for dogs	225%
chicken feet dog treats	214%
training treats for puppies 0-6 months	188%
antlers for dogs large	163%
raw hides large dogs	160%
chicken feet for dogs	135%
dog treats for large dogs	118%
collagen sticks for dogs	104%

Pet Supplies	
Biggest Falling Terms vs. Prime Day 2022	
Search Term	% Change
dog rawhide chews	-37%
dog treats	-40%
rawhide bones for large dogs	-42%
treats	-42%
dog bones rawhide free	-43%
dog gifts	-44%
dog bones for large dogs	-48%
antlers for dogs	-49%
dog bones for medium dogs	-56%
dog treat cookies, biscuits & snacks	-59%

Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

Discounting on Prime Day has benefits during and post Prime Day. Higher discounts of 20%+ generally correlated with an increase in glance views *on* Prime Day and 10%+ correlated with a general retention of glance views *post* Prime Day.

Average Daily Glance Views as % of Average Daily Glance Views for L28 Days Prior to Prime Day 2023 in Pet Supplies

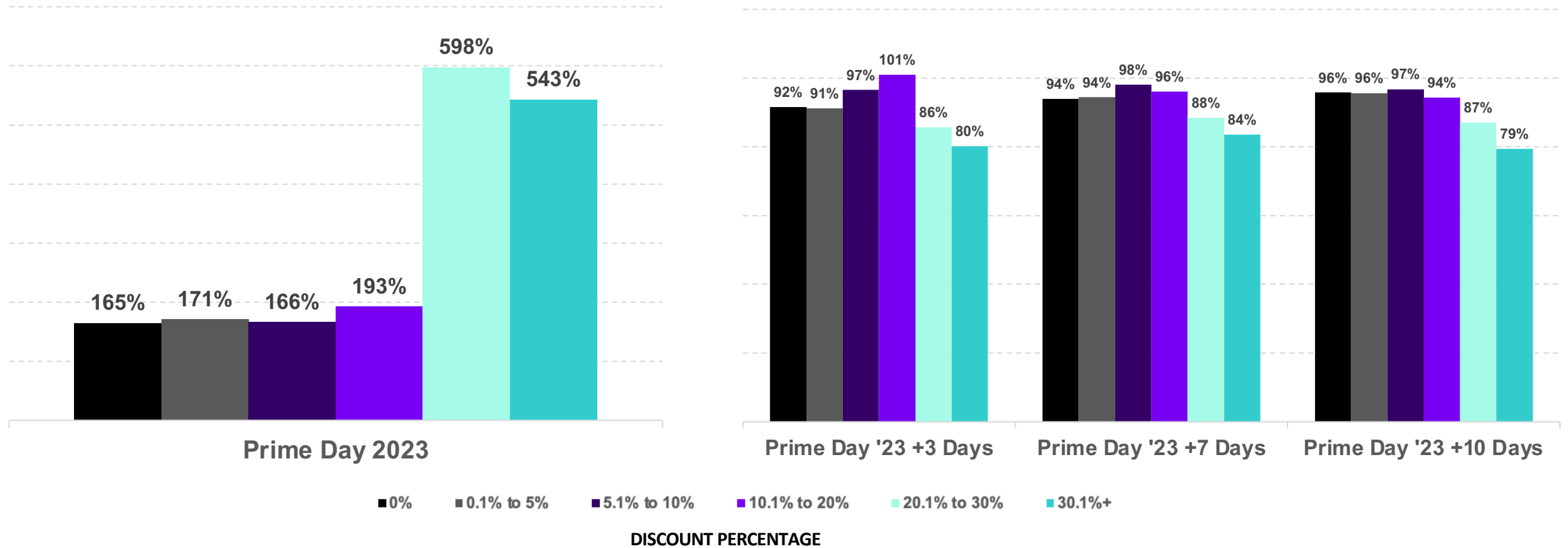


Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022, compared to the 28 days prior average, and the daily average +3, +7 and +10 days post Prime Day.



Discounts had a similar impact on revenues, with 20%+ discounts having a 2x to 3x impact on revenues the day of. However, post Prime Day these same cohorts fell in revenue, implying a pull forward of demand and potential pantry loading by shoppers.

Average Daily Ordered Revenue as % of Average Daily Ordered Revenue for L28 Days Prior to Prime Day 2023 in Pet Supplies



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022, compared to the 28 days prior average, and the daily average +3, +7 and +10 days post Prime Day.

## Contact Us

Contact CommercetQ at <https://www.commerceiq.ai/demo/>

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