



Special Report
2012 Adopter Survey
Findings

Pethealth conducted a comprehensive adopter survey in April 2012 designed to address three key objectives;

1. Determining the difference in purchasing behavior between those who adopt from an animal welfare organization (AWO) and those who adopt at a pet specialty retailer.
2. Determining 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.
3. Determining the degree to which pet adopters purchase pet supplies and pet pharmacy items online, and the impact that rising gas prices have on those online purchasing habits.

The survey distribution was compiled using new pet adopter data collected through AWOs using our own industry leading PetPoint application over the previous 13 months – March 2011 to March 2012.

Launched in 2005, PetPoint is the first cloud-based animal management application developed specifically for animal welfare organizations, and allows Pethealth to aggregate more data on dogs and cats in AWOs than any other company. As the most widely used application in animal welfare, licensed by over 1,830 AWOs, it is one of the industries largest and most accurate repositories of information related to the animal welfare industry, and is now widely regarded by leading industry analysts as the leading source of data relating to AWOs.

Data variables used to define the survey group included, though were not limited to:

- Adoption Location, i.e. Petco, Petmart, Private Humane Society/SPCAs, Municipal Animal Control/Shelters, Rescue Groups/Breed Placement
- Adopter First Name
- Adopter Last Name
- Animal Name
- Adoption Date
- Email Address

The resultant dataset was then segmented based on two variables; AWO adoption partners and the location of adoptions. Based on these two variables the data was segmented into 7 collector groups for distribution, as follows;

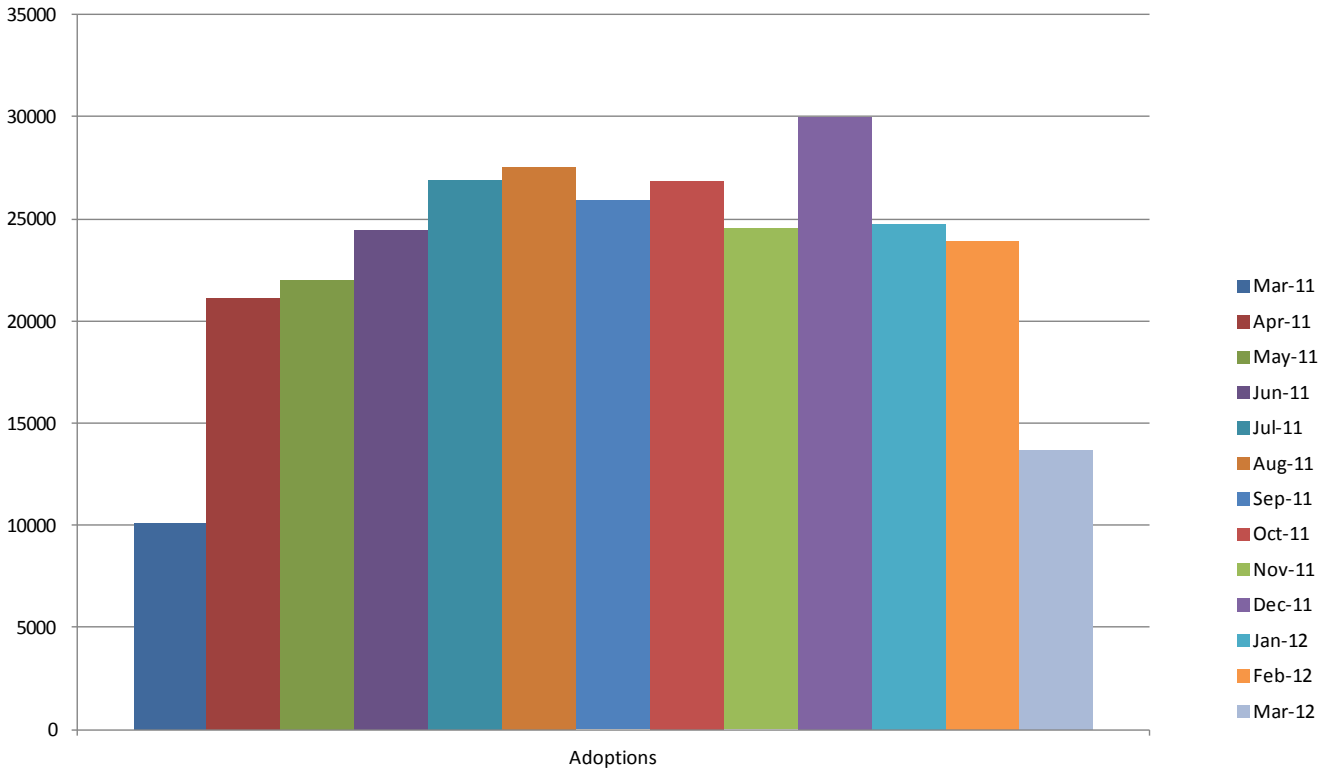
| Group | AWO Adoption Partner | Location of Adoption |
|-------|----------------------|----------------------|
| 1 | Petsmart | AWO |
| 2 | Petsmart | Petsmart |
| 3 | Petco | AWO |
| 4 | Petco | Petco |
| 5 | Petsmart and Petco | AWO |
| 6 | Petsmart and Petco | Petsmart |
| 7 | Petsmart and Petco | Petco |

Survey invitations were successfully delivered to over 235,000 adopters. Invitations were incentivized with an offer of \$15 toward the purchase of pet food or pet supplies from online pet specialty and retail site, ThePetangoStore.com.

Invitations were distributed to each of the 7 survey collector groups and included a URL unique to each group. The survey of 39 total questions was conducted online and developed with “skip logic” to ensure respondents were only presented questions based on their previous responses.

Of the over 235,000 survey invitations successfully delivered, greater than 50,000 were opened (an open rate of 21%), and over 6,400 respondents, or approximately 13% of opened invitations completed the survey.

Distribution of survey group pet adoptions between March 2011 and March 2012



Aggregate Top Responses

| Questions and Responses - Top 5 where indicated by * | | Response Results |
|--|--|------------------|
| 1 | Have you adopted a cat or dog in the last 12 months? | |
| | Yes | 95.3% |
| | No | 4.7% |
| 2 | Please tell us where you adopted your pet from; | |
| | Humane Society/SPCA | 51.5% |
| | Rescue Group | 25.9% |
| | PetSmart | 13.1% |
| | Animal Control Organization | 5.9% |
| | PETCO | 3.6% |
| 3 | Using the descriptions below, please rate your adoption experience: | |
| | Very Positive | 74.3% |
| | Positive | 20.2% |
| | Neutral | 3.2% |
| | Poor | 1.0% |
| | Very Poor | 1.2% |
| 4* | Please share with us what made your adoption experience less than positive; | |
| | Customer service did not meet expectation | 31.1% |
| | Animal was sick and/or died soon after | 20.0% |
| | Process took longer than expected | 19.7% |
| | Process required more paper work than expected | 13.1% |
| | I was not able to take my pet home with me right away | 4.9% |
| 5 | At the time of adoption, were you provided a complimentary bag of pet food for your new pet? | |
| | Yes | 56.4% |
| | No | 43.6% |
| 6* | Which of the following brands of pet food did you receive at point of adoption? | |
| | Hill's Science Diet | 45.0% |
| | Purina Pro Plan | 12.6% |
| | Purina ONE | 12.2% |
| | Eukanuba, IAMS | 6.0% |
| | Nutro, Pedigree | 3.1% |
| 7 | Were you subsequently contacted by the pet food company whose brand of food you received at point of adoption? | |
| | No | 92.7% |
| | Yes | 7.3% |
| 8 | Please tell us how long after the adoption of your pet you were contacted by this company; | |
| | 8-30 days | 47.4% |
| | 1-7 days | 39.6% |
| | 1-3 months | 9.3% |
| | Greater than 3 months | 3.7% |
| 9 | Is the food you now purchase the same brand as the brand of food you were provided at point of adoption? | |
| | Yes | 43.4% |
| | No | 56.6% |
| 10* | Please tell us why you switched to another brand of food; | |
| | I have other pets who already have a preferred brand of food | 30.0% |
| | The complimentary pet food brand was too expensive to continuing buying | 22.5% |
| | Wanted food which was natural and/or organic and/or with less fillers | 10.0% |
| | The store I visit for pet supplies does not carry the same pet food brand | 6.6% |
| | Our veterinarian recommended another brand | 6.6% |

Responses to each question have been sorted in descending order and where indicated by "*" represent the top five responses only.

Aggregate Top Responses

| Questions and Responses - Top 5 where indicated by * | | Response Results |
|--|---|------------------|
| 11 | Did you also purchase any pet supplies at the point of adoption for your new pet? | |
| | Yes | 59.3% |
| | No | 40.7% |
| 12* | Please select what product types you purchased (more than one type may be selected); | |
| | Toys | 71.5% |
| | Pet food, Treats | 69.7% |
| | Collar, Leash | 64.8% |
| | Bowls | 48.9% |
| | Crate, Bedding | 44.1% |
| 13* | What was the reason you chose not to purchase your pet supplies at the point of adoption? | |
| | I have another preferred supplier | 18.6% |
| | There was nothing available to purchase | 15.0% |
| | I already had the needed pet supplies | 10.0% |
| | They did not carry the brand(s) I was looking for | 9.6% |
| | The prices were not competitive | 5.8% |
| 14* | Please tell us where you most frequently purchase your pet supplies from; | |
| | PetSmart | 37.4% |
| | Wal-Mart | 18.2% |
| | PETCO | 15.4% |
| | Pet Supplies Plus | 2.8% |
| | Costco | 2.4% |
| 15 | How many times since you adopted your pet have you visited [Q14]? | |
| | More than 10 visits | 44.3% |
| | 5-7 visits | 20.8% |
| | 2-4 visits | 18.1% |
| | 7-10 visits | 13.9% |
| | Only once | 3.0% |
| 16 | How much would you estimate you have spent on pet supplies from this store to date? | |
| | \$100 - \$250 | 34.6% |
| | \$250 - \$500 | 29.7% |
| | Under \$100 | 14.9% |
| | \$500 - \$1000 | 13.8% |
| | more than \$1000 | 7.0% |
| 17* | Please tell us which brand of food you have most consistently purchased since adopting your pet (includes ALL respondents); | |
| | Purina Pro Plan OR Purina ONE | 19.7% |
| | Hill's Science Diet | 13.6% |
| | Eukanuba, IAMS | 9.7% |
| | Purina Dog Chow OR Alpo OR Beneful | 9.2% |
| | Blue Buffalo | 7.2% |
| 18 | How important is saving money to your household when purchasing pet food and pet supplies? | |
| | Important | 50.0% |
| | Very Important | 43.6% |
| | Not at all important | 6.4% |
| 19 | When purchasing pet food and pet supplies, is 'giving back' to your local animal welfare community important to you? | |
| | Important | 63.1% |
| | Very Important | 26.9% |
| | Not at all important | 10.0% |

Responses to each question have been sorted in descending order and where indicated by ""**" represent the top five responses only.

| Questions and Responses - Top 5 where indicated by * | | Response Results |
|--|---|------------------|
| 20 | Is the rising cost of gas a concern in your household? | |
| | Yes | 87.5% |
| | No | 12.5% |
| 21 | At what price per gallon of gas would you be likely to limit trips to your pet supplies retailer? | |
| | \$4.00 - \$4.50/Gallon | 43.1% |
| | \$4.50 - \$5.00/Gallon | 22.9% |
| | \$5.50 - \$6.00/Gallon | 19.4% |
| | \$5.00 - \$5.50/Gallon | 14.7% |
| 22 | How likely would you be to purchase pet food or pet supplies online with gas prices at [Q21]? | |
| | Somewhat likely | 43.7% |
| | Likely | 22.0% |
| | Not at all likely | 19.4% |
| | Very likely | 14.9% |
| 23 | Have you ever purchased pet food or pet supplies online? | |
| | No | 64.4% |
| | Yes | 35.6% |
| 24* | Please tell us which online retailers you purchased your pet food or pet supplies from (more than one may be selected); | |
| | Amazon.com/Wag.com | 28.9% |
| | 1800PetMeds.com | 23.1% |
| | PetSmart.com | 19.5% |
| | PETCO.com | 18.4% |
| | Drsfostersmith.com | 8.0% |
| 25* | Please tell us which online retailer you MOST frequently purchased your pet food or pet supplies from; | |
| | Amazon.com/Wag.com | 20.1% |
| | 1800PetMeds.com | 13.4% |
| | PetSmart.com | 13.2% |
| | PETCO.com | 10.6% |
| | Drsfostersmith.com | 5.0% |
| 26* | What was the reason you chose not to purchase your pet food or pet supplies online? | |
| | Shipping costs | 47.7% |
| | Concerns regarding online security | 16.0% |
| | Concerns regarding delivery/fulfillment of my order | 15.9% |
| | The prices were not competitive | 14.8% |
| | They did not carry the brand(s) I was looking for | 5.6% |
| 27* | Please select what product types you purchased on your most recent visit to [Q24] (more than one type may be selected); | |
| | Pet food, Treats | 61.4% |
| | Toys | 39.6% |
| | Pet Medication (Flea, Tick, Heartworm) | 28.5% |
| | Collar, Leash | 19.5% |
| | Grooming Products | 17.5% |
| 28* | For food purchases made online, please tell us which brand of food you purchased; | |
| | Hill's Science Diet | 8.1% |
| | Purina Pro Plan OR Purina ONE | 7.7% |
| | Blue Buffalo | 7.1% |
| | Eukanuba, IAMS | 4.5% |
| | Nutro, Pedigree | 3.6% |

Responses to each question have been sorted in descending order and where indicated by “*” represent the top five responses only.

Aggregate Top Responses

| Questions and Responses - Top 5 where indicated by * | | Response Results |
|--|--|------------------|
| 29* | What was the approximate cost of your online purchase? | |
| | \$26 - \$50 | 33.6% |
| | \$51 - \$99 | 30.0% |
| | Under \$25 | 18.4% |
| | \$100 - \$150 | 12.9% |
| | \$151 - \$200 | 3.0% |
| 30* | Please tell us what helped your decision to purchase your food or supplies online (more than one type may be selected); | |
| | Prices were competitive | 55.2% |
| | Convenience of shopping online and home delivery | 47.7% |
| | Carries the brand(s) I prefer | 20.6% |
| | Broad selection | 15.8% |
| | Cause giving | 4.1% |
| 31 | Would you be inclined to purchase your pet food and pet supplies online if a portion of the purchase was donated to an animal welfare organization of your choice? | |
| | Yes | 68.5% |
| | No | 31.5% |
| 32 | Would you be interested in the convenience of a "standing" pet food order; a routine delivery of your pet's food on a recurring cycle which you can choose? | |
| | No | 64.1% |
| | Yes | 35.9% |
| 33 | Please tell us what interests you most about this service; | |
| | The convenience of not having to drive to a store | 68.3% |
| | The value of saving money on transportation expenses | 47.7% |
| | Assurance of preferred brand availability | 35.2% |
| | Other (please specify) | 10.0% |
| 34 | Please tell us why you would prefer not to have your order automatically fulfilled and delivered; | |
| | Free Form Response | |
| 35 | Are you male or female? | |
| | Female | 81.3% |
| | Male | 18.7% |
| 36* | Which category below includes your age? | |
| | 21-29 | 21.9% |
| | 50-59 | 21.6% |
| | 40-49 | 20.5% |
| | 30-39 | 16.7% |
| | 60 or older | 16.7% |
| 37 | What is the highest level of school you have completed or the highest degree you have received? | |
| | Bachelor degree | 34.0% |
| | Some college but no degree | 31.5% |
| | Graduate degree | 20.8% |
| | High school degree or equivalent (e.g., GED) | 12.5% |
| | Less than high school degree | 1.1% |
| 38 | Which of the following categories best describes your employment status? | |
| | Employed | 72.3% |
| | Retired | 13.7% |
| | Unemployed | 10.2% |
| | Disabled; not able to work | 3.8% |
| 39* | What is your current total household income? | |
| | \$34,999 or less | 28.2% |
| | \$35,000 to \$59,999 | 25.6% |
| | \$60,000 to \$79,999 | 16.2% |
| | \$80,000 to \$99,999 | 12.6% |
| | \$100,000 to \$149,999 | 11.0% |

Responses to each question have been sorted in descending order and where indicated by "*" represent the top five responses only.