

Top of Mind Within Independent Pet



October 15, 2026

Important disclosures can be found in Appendix

State of Independent Pet Retail & Best Practices Headed into 2027

Our work suggests independent pet retail demand is holding better in essential food than in discretionary categories, but channel performance remains bifurcated. Mature operators—retailers with more than seven years in business—most often described 2026 trends as ranging from down low single digits to up low single digits year/year, while newer or highly differentiated stores—those with fewer than seven years in business or a specialized concept, such as raw dog products or cat-only assortments—are growing at mid to high single digit rates as they lap easier year/year comparisons.

Within our work, cat, frozen-raw, gently cooked, freeze-dried, limited-ingredient nutrition, and health & wellness are the clearest growth pockets heading into 2027. Independents continue to distinguish themselves through education, community, services, and differentiated assortments. Chewy and Amazon overlap is generally rising as brands expand distribution.

2027 OUTLOOKS

- Our work suggests a similar outlook for 2027 to 2026, with the outlook cautious rather than bearish. Most mature organizations expecting performance to be down low single digits to up low single digits while newer or highly differentiated stores expect mid single digit growth.
 - Retailers continue to view pet food as relatively resilient, but consumer strength, inflation, tariffs, and local demographic trends are expected to determine how much customers spend outside the core need state.
- Our work suggests operator quality is becoming more important in this low-growth environment. Stores with engaged ownership, strong community outreach, better merchandising, and a differentiated product set are outperforming, while stores that have struggled continue to lose ground.
 - Several retailers expect further store closures or channel consolidation if soft demand persists, while distributors also highlighted private-equity ownership and broader channel expansion as changes that are reshaping independent relationships.
 - Our work suggests that pet store closures drive traffic growth to nearby remaining stores, as customers engaged in this channel remain loyal and look for a new retailer. Some stores in our work noted that customers are willing to travel over an hour to reach them. Store closures offer strong growth opportunities for retailers who are still in business.

CONSUMER & CHANNEL DYNAMICS

- Our work continues to point to a bifurcated consumer. Premium-oriented shoppers are maintaining spend on products they believe deliver clear health or quality benefits, while value-oriented shoppers are trading down, buying less frequently, or eliminating discretionary attachments.
 - Retailers described a growing need to prove value rather than just premiumization. Customers are willing to pay more for a product that is clearly durable, solves a health problem, or has a differentiated ingredient story.
- Retailers in our work noted that younger shoppers occasionally use independent stores to learn, trial a product, or get a recommendation and then shift replenishment to Chewy or Amazon once they know what works.
 - Convenience and online price transparency remain structural headwinds for independents.
 - Knowledgeable employees remain a key reason customers visit independents, but the channel does not always capture the repeat purchase after providing the consultation.



SPECIES TRENDS

- Cat is the most consistent species-level growth theme in our work, with retailers and distributors broadly pointing to growing cat customer interest, which is in turn driving assortment attention.
 - Our work attributes the growth of cat ownership to lower cost/maintenance, return-to-work lifestyles, multi-cat households, and greater consumer education around cat nutrition. We have been seeing this trend for the last 18 months, with expectations of it continuing in 2027.
 - A few multi-species retailers in our work now report cat equates to ~25% of sales, while stores with lower cat penetration are looking to increasing space or assortment.
 - Our work suggests that growth in multi-cat households could provide continued acceleration as new cat owners increasingly add additional cats.
 - Retailers described cat shoppers as higher-frequency, more trial-oriented buyers who want variety. While frozen-raw cat food is earlier in adoption than frozen-raw dog, wet/canned food remains particularly strong in cat.
 - Cat-specific brands and accessories are creating incremental dollars rather than simply trading existing dog spend at some stores, making better cat curation a meaningful white-space opportunity for independents.
- Outside dog/cat, farm and livestock remain relatively strong at rural/feed-oriented retailers, while small animal, tropical fish, and other specialty categories are more mixed. Specialty animal categories can still provide local differentiation where the retailer has the expertise and assortment depth.
 - A few retailers described fish and farm-feed as points of strength, due to the weight of both liquids and grains/seeds making online shipments more expensive and in-store purchases more attractive.

CATEGORIES & PRODUCT ASSORTMENT

- Hardgoods performance is mixed. For toys, our work suggests that consumers are either purchasing durable products at a higher price with the expectation that they will last or trading down to low price impulse purchases that will be destroyed by the end of the weekend.
 - Our work suggests that for non-toy hardgoods, consumers are reducing the frequency of their purchases; however, the purchases that they do make are higher-quality, longer-lasting products.
- Customers, with the guidance of many independent stores, are increasingly reading labels and asking about sourcing, protein choice, and manufacturing quality. Limited-ingredient products remain strong, particularly in treats and foods positioned around allergies or sensitivity.
- Kibble remains the largest absolute food base in many stores and continues to benefit from convenience and affordability, even as premium mix shifts toward raw, freeze-dried, and gently cooked gain market share.
- Frozen-raw continues as a strong premium food trend in the independent channel, supported by repeat purchase behavior and the ability to offer products that are harder to replicate through eCommerce.
 - Our work suggests that the lack of freezer space in consumer households paired with the difficulty of shipping frozen-raw through retailers like Chewy and Amazon makes independent stores prime locations for frequent frozen-raw.
 - Freezer expansion was a visible indicator of the trend; however, freezer growth seems to have slowed in the past year and a half with most retailers not looking to add more freezers in 2027. The constraint is increasingly physical and economic as store space and electrical cost are limiting how far retailers can expand frozen assortments.
- Freeze-dried products are growing as a bridge between kibble and frozen-raw, offering a premium, healthier positioning with greater convenience and shelf stability.

- Gently cooked is another growth pocket, particularly in cat, while other convenient shelf-stable premium formats can reduce some of the storage friction associated with frozen products.
- Supplements, toppers, broth/goat milk, and other health & wellness products are gaining relevance as shoppers look to enhance a base diet or address skin, gastrointestinal, allergy, hydration, and first-aid needs without fully moving to the highest-cost food format.

PROMOTIONAL STRATEGIES

- Astro Loyalty has become close to table stakes, with frequent-buyer offers, BOGOs, dollars-off promotions, and manufacturer-funded rewards helping stores create value without fully absorbing the margin hit.
 - Retailers increasingly believe straightforward dollars-off offers resonate best with pressured consumers, while more aggressive promotions can drive traffic but require careful margin management.
 - Many stores layer their own points/loyalty programs on top of manufacturer-funded offers, reinforcing the value of first-party customer relationships when the product promotion itself is vendor funded.

DISTRIBUTION, SUPPLY CHAIN, & INVENTORY

- Our work suggests independent procurement is becoming more fragmented, with retailers increasingly using a hybrid of traditional distributors, direct-to-retail, drop shipping, and B2B marketplaces to fill assortment gaps and manage minimums.
 - Faire and Wholesale Pet were increasingly referenced as ways to access smaller or emerging brands outside distributor catalogs, while direct-to-retail works best when vendors can offer lower minimums or free shipping.
- Out-of-stocks remain a recurring pain point across the independent channel, with contacts citing freeze-dried items, rabbit, turkey, beef, and other protein-constrained SKUs as frequent pressure areas.
 - Retailers note that persistent in-stock failures can permanently change behavior. Their customers will switch brands or stores if a staple product is repeatedly unavailable. To protect sales and their repeat customers, some operators described an increasing willingness to replace a brand when supply becomes unreliable.
- Retailer inventory strategies are becoming materially leaner as softer discretionary demand and cash constraints push operators to hold less working capital. One manufacturer's rep estimated roughly 50% of retailers are holding less inventory than normal, while several stores described ordering closer to need, lengthening reorder cycles, or narrowing SKU counts to protect in-stocks levels on core items.
 - Leaner store inventories are increasing the cost of execution mistakes. With less safety stock on hand, a missed distributor order or manufacturer shortage is more likely to create an empty shelf, and retailers are noting these challenges.

COMPETITIVE POSITIONING & STORE STRATEGY

- Product overlap with Chewy and Amazon is generally increasing, however, a few outliers have managed to maintain a majority of product offerings that are available only through independents. This shift is putting most independents in a position where they can no longer differentiate on exclusivity alone.
 - Retailers continue to protect the set with independent-focused/family-owned brands, local products, frozen-raw, and unique hardgoods. Brands that expand into Chewy, Amazon, Petco, PetSmart, or mass can create frustration when independents believe they helped build the brand. Our work suggests some retailers will replace those brands; however, manufacturers with strong product experience few repercussions from retailers as this trend is becoming more unavoidable.
- Retailers note that services remain one of the clearest ways to drive traffic. Many have one or more of the following services: dog wash, grooming, training, adoption events, treat bars/bakeries, nail trims, and nutrition consultation. These services can generate traffic, incremental product attachment, and new customer growth.

- Retailers are also using store execution as a sales lever – cleaner/more organized layouts, constant re-merchandising, rotating displays, seasonal product stories, and highlighting newness can improve discovery and move slower SKUs.
- Online ordering and delivery can retain customers and meet them where they are, but also expose independents to a broader price comparison set and can dilute the service advantage of the store. In our work, around 30% of retailers offered a form of online ordering or delivery.

APPENDIX

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