

Table 1

Types of Dogs

Type	Percentage
Maltese	14.8
Yorkshire Terrier	11.1
Shetland	9.4
Pomeranian	8.3
Midget Shiba	7.3
Shiizu	5.7
Poodle	4.5
Beagle	2.8
Dachshund	1.9
Chihuahua	1.8
Other	14.0
Miscellaneous	18.3

Source: Japan Small Animal Veterinary Association, 1985.

Table 2

Types of Cats

Type	Percentage
Persian	16.8
Siamese	14.0
Himalayan	5.0
Others	3.7
Miscellaneous	60.5

Source: Japan Small Animal Veterinary Association, 1985.

Prices

Markets in Japan tend to polarize at the high and low ends of the quality/price scale.

At the lower end, "no-name" and private label pet foods have become popular. This helps to expand the segments that are price-sensitive, and encourages those who might still be feeding their pets leftovers to make the first purchase. These customers may move upscale once they are used to buying pet food. Price competition has increased as the market has expanded and many new brands have been introduced.

At the higher end, a large number of new products are launched each year — over 150 in 1988. "Luxury" and "scientific" brands are emerging, enabling manufacturers to charge a higher price — often up to 80 per cent more. For example, last year premium-

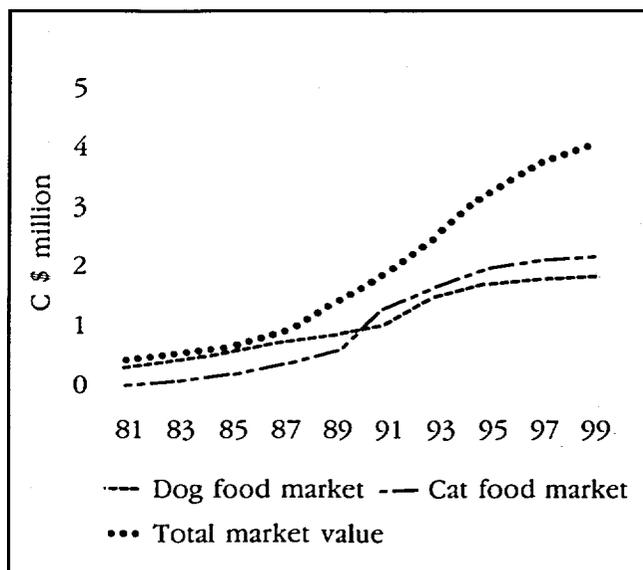
priced diet pet food and a variety of pet snacks were introduced. Cuts in prices of lower-end products have been more than offset by customers shifting to higher price/quality brands.

Pet-owners are expected to continue to move upscale in line with the improved economy and as concern over proper pet care develops. However, severe competition and low end price cuts are expected to offset this trend and keep average pet food prices at the present level.

Market value is projected to the year 2000 based on the assumption that pet food consumption will reach its potential in five years, and pet ownership in ten. Cats have grown in popularity faster than dogs and the cat food market will probably overtake dog food in the next two years.

Figure 1

Market Size Projections



Source: MAFF Statistics.

3 Market Segments

The pet food market is divided into dog food, cat food and other pet food. Of a total value of \$1.5 billion in 1988, dog food was estimated to account for \$740 million, cat food for \$645 million, and other for \$60 million. Percentages for wet, dry and other types of dog and cat food are shown in Table 3.