

Appendix

Market Trend References & Notes:

Craft Beer:

Reference 1:

Craft Beer Market by Product Type (Ale and Lager), Distribution Channel (On-Trade and Off-Trade), and Age Group (21–35 Year Old and 40–54 Year Old, and 55 Years and Above): Global Opportunity Analysis and Industry Forecast, 2018–2025 - <https://www.alliedmarketresearch.com/craft-beer-market>

Information from link:

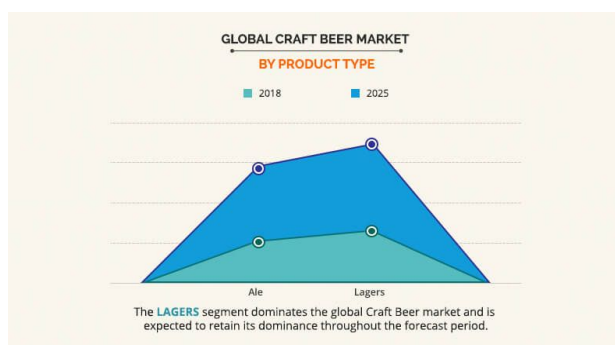
Small craft brewery needs to have <6 million barrels of beer per year

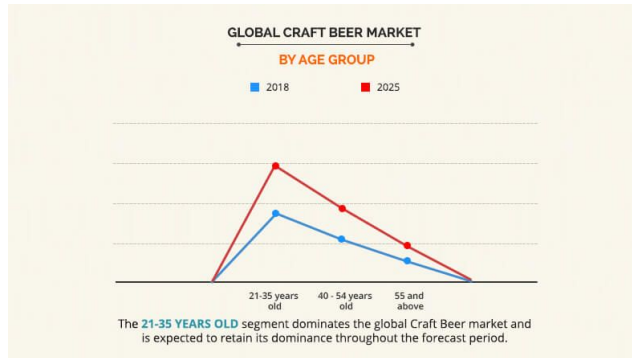
Drivers:

- surge in demand for more beer styles coupled with increase in per capita income
- demand for more variety.
- Consumers seek more comfortable and stylish experience
 - Think bars, restaurants, coffee shops, clubs, hotels, brewpubs, tasting rooms, and tiki bars
- rise in number of millennials

Restraints

- Need to purchase analysis (\$3600)





Reference 2:

North America Craft Beer Market Trends -

<https://www.marketdataforecast.com/market-reports/na-craft-beer-market>

Drivers:

- Increased demand for low-alcoholic beverages (<2.8%) that have better taste
- Significant changes in social lifestyle of local populations
- Increase in disposable income leads to more expensive products and diversity
- The demand of health conscious consumers increases, the demand for drinks with low alcohol content increases (<2.8%)

Restraints:

- New liquor sales, taxes, and government regulations

Reference 3:

Global Craft Beer Market Trends -

<https://www.mordorintelligence.com/industry-reports/craft-beer-market>

Drivers:

- demand for low-alcoholic beverages has been rising with the growing interest of health-conscious consumers
 - which is attributed to a growing awareness of alcohol unit consumption and the customers' willingness to try new beverages.
 - low-alcohol beers are now cheaper than their high alcoholic equivalents, for those of 2.8% ABV and less

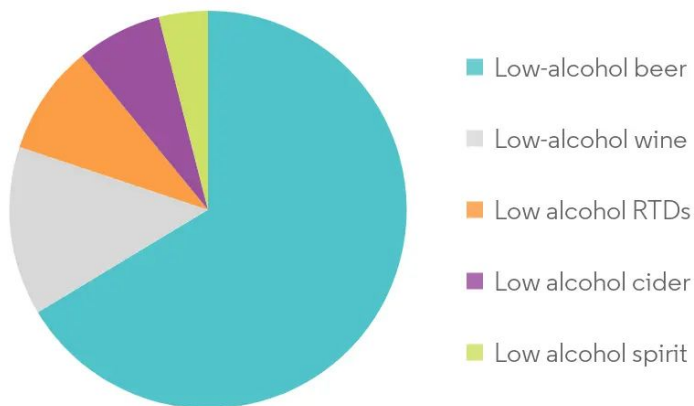
Restraints:

- the threat from other alcoholic beverages, like wine, is one of the major hindering factors to the craft beer market.

Impact of COVID-19

- Pertaining to the worldwide restriction imposed on the functionality cafes and pubs, the mass consumption segment of craft beers i.e. on-trade channels incurred an extended downfall during the year 2020. However, as the situation of COVID-19 has gradually improved, with lesser restrictions being imposed on foodservice channels, craft beer market is likely to gain back its elevating consumption levels from this year.
- As the culture of "Sit Home and Booze" got on the rise throughout the pandemic period, the off-trade distribution segment witnessed a remarkable growth, as store and online alcohol sales soared across the world.

Distribution of low-alcoholic beverages market by category, Worldwide, 2019



Source : Mordor Intelligence



Reference 4:

Global Beer Market Trends

[https://samples.mordorintelligence.com/52486/Sample%20-%20Global%20Beer%20Market%20\(2020%20-%202025\)%20-%20Mordor%20Intelligence.pdf](https://samples.mordorintelligence.com/52486/Sample%20-%20Global%20Beer%20Market%20(2020%20-%202025)%20-%20Mordor%20Intelligence.pdf)

Drivers

- America is home to the largest and most diverse beer culture in the world (p. 15)
- The millennial, one of the largest demographics in the United States population, is a targeted segment of breweries. The increasing preference of millennials for flavored beers has resulted in breweries to adopt and incorporate newer flavors in their beer offerings. (p.26)
- The craft beer gained its recognition in the country, significantly by social media and local events/promotions. It is associated with high-quality products, sustainability, and local products. There is a significant growth in bars that specialize in craft beer. (p.26)

Restraints

- High levels of competition

List of low alcoholic beverages:

- Goose Island So-Lo IPA (3% ABV), Four Peaks Brewing Gilt Lifter Ale (3.4% ABV), Breckenridge Brewery Resolution Blueberry Acai Golden Ale (3.5% ABV), and Golden Road Brewing Mango Cart Wheat Ale (less than 0.5% ABV).



Reference 5:

Quotes from major players in beer industry -

<https://www.forbes.com/sites/chrisfurnari/2020/12/31/looking-ahead-beer-pros-predict-the-next-decade-of-industry-trends/?sh=2cd95f9b4213>

Adam Romanow, Founder, Castle Island Brewing Company

“The continued maturation of the category is going to force owners and leadership to get more organized, prepared, and professional. Pressures of consolidation, increased competition, and an unpredictable end consumer will mark a decade of breweries having to evolve into real businesses if they want to find growth. Expectations are going to have to be more modest, plans more developed, and business practices more honed. Ultimately I think we’ll see the next decade separate out the survivors from the passers-by, largely based on their ability to run a strong business that also happens to make incredible beer.”

Harry Schuhmacher, Founder, Beer Business Daily

“The drinker today looks toward something light in both alcohol and calories, but still cool. Tito’s and soda accomplishes that. White Claw and Truly have found a way to put it in a can. While the last decade has been about big flavors, big alcohol content, and a cool story, the next

decade will be about lower ABV, lower calories, and easy-drinking — story be damned.”

Sam Calagione, Founder, Dogfish Head Craft Brewery

“Growing demand for beers that are high in flavor and food compatibility, but lower in calories: fruit-infused sour beers and low-cal IPAs are two categories we believe will grow strong for many years to come.”

Matt Fraser, COO, CANarchy Craft Brewery Collective

“Our consumers are going to continue demanding the latest new products. Their taste profiles will evolve over the next decade and we’ll see companies in our space evolve with our consumers. CANarchy plans to continue to innovate along with our consumers and get in front of the next pocket of significant growth within our category.”

Adam Lambert, Chief Revenue Officer, BrewDog USA

“I wish I had the crystal ball on this one. There’s going to be so many moving parts over the next ten years, including continued consolidation, joint ventures and M&A. We’ve lost 4.3% of total beer volume over the last ten years, but I don’t see this continuing. I see healthy lifestyle beverages growing, craft beer leveling out, and brewers actually trying to make money in beer. Meanwhile, seltzers aren’t going away, but another form of beverage will be coming right behind it.”

Reference 6:

Drivers:

- Overall, per capita expenditure on alcohol is expected to increase at an average annual rate of 2.1% to \$759.8 over the five years to 2021, despite the coronavirus pandemic and economic recession in 2020.

Restraints:

- Trend in low carbohydrate diets discourages consumption of beer

KEY METRICS

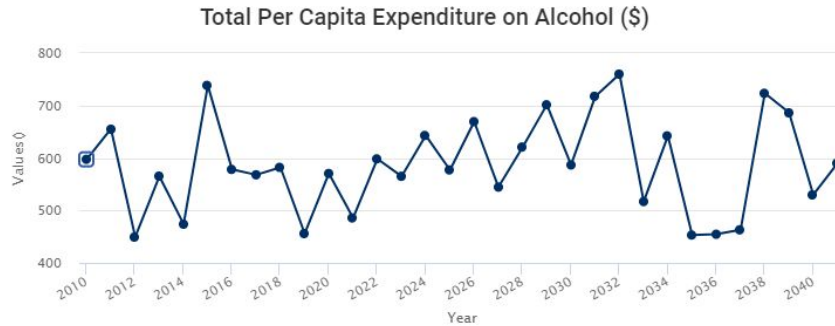
Per Capita Expenditure on Alcohol

TOTAL (2021)

~ \$760

ANNUALIZED GROWTH 2016-21

+2.0%



<https://www.ibisworld.com/us/bed/per-capita-expenditure-on-alcohol/66/>

Pet Industry

Region	Study Period	Market Size	Market Size	CAGR	Source
US	2019-2029	2019 = \$97 B	\$168.3	6%	PR Newswire
US	2016-2026			5.3%	Mordor Intelligence
Global	2020-2025			5.2%	BusinessWire
Global	2020-2027	2020 = \$225B	20207 = \$359 B	6%	Fior Markets
Global	2020-2027	2020	2027 = \$256 B	5.2%	Market Report

Global	2020-2027			3.5%	Globe News Wire
US	2018-2020	2019 Actuals = \$95.7 B	2020 Estimated = \$99.0 B		American Pet Products Foundation

Reference 7:

<https://www.mordorintelligence.com/industry-reports/united-states-pet-market>

Drivers:

- rise in the number of millennial pet owners
- shift in the way pets are viewed
- online retail channels represents the fastest growing segment for pet product sales
- 88% of millennial believed raising a pet is a good way to prepare for parenthood
- pets are viewed as integral members of the family, and owners willing to spend on their pets
 - quality food, surgical vet visits, grooming aids, toys, and vitamins, differentiate millennial population from their older counterparts in the region

Restraints:

Reference 8:

https://www.americanpetproducts.org/press_industrytrends.asp

Actual Sales within the U.S. Market in 2019

In 2019, \$95.7 billion was spent on our pets in the U.S.

Breakdown:

Pet Food & Treats	\$36.9 billion
Supplies, Live Animals & OTC Medicine	\$19.2 billion
Vet Care & Product Sales	\$29.3 billion
Other Services	\$10.3 billion

(Other Services include boarding, grooming, insurance, training, pet sitting and walking and all services outside of veterinary care)

Estimated 2020 Sales within the U.S. Market

For 2020, it *estimated* that \$99.0 billion will be spent on our pets in the U.S.

Estimated Breakdown:

Pet Food & Treats	\$38.4 billion (4.1% increase)
Supplies, Live Animals & OTC Medicine	\$19.8 billion (3.1% increase)
Vet Care & Product Sales	\$30.2 billion (3% decrease)

Other Services

\$10.7 billion (3.9% increase)

(Other Services include boarding, grooming, insurance, training, pet sitting and walking and all services outside of veterinary care)

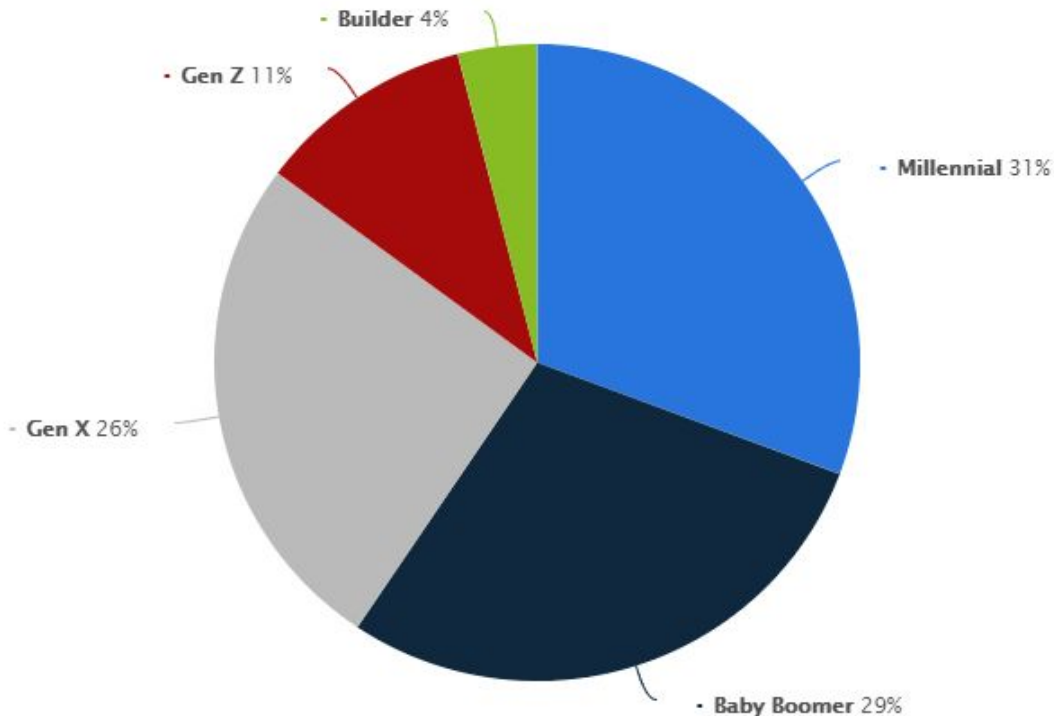
Number of U.S. Households that Own a Pet (millions)

Bird	5.7
Cat	42.7
Dog	63.4
Horse	1.6
Freshwater Fish	11.5
Saltwater Fish	1.6
Reptile	4.5
Small Animal	5.4

Reference 9:

Share of pet ownership in the united states in 2019/20, by generation

<https://www.statista.com/statistics/1130651/pet-ownership-by-generation-us/>



Reference 10:

<https://www.globenewswire.com/news-release/2020/05/13/2032542/0/en/Insights-into-the-US-Pet-Industry-to-2021-Featuring-Colgate-Palmolive-General-Mills-GuardianVets-Among-Others.html>

New York, Aug. 18, 2020 (GLOBE NEWSWIRE) -- Reportlinker.com announces the release of the report "Global Pet Care Industry" -

https://www.reportlinker.com/p05896269/?utm_source=GNW

6 Billion by 2027, growing at a CAGR of 3.5% over the analysis period 2020-2027. Food, one of the segments analyzed in the report, is projected to record a 3.1% CAGR and reach US\$134.6 Billion by the end of the analysis period. After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Accessories segment is readjusted to a revised 4.7% CAGR for the next 7-year period.

The U.S. Market is Estimated at \$42.1 Billion, While China is Forecast to Grow at 6.3% CAGR

The Pet Care market in the U.S. is estimated at US\$42.1 Billion in the year 2020. China, the world's second largest economy, is forecast to reach a projected market size of US\$41 Billion by the year 2027 trailing a CAGR of 6.2% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 1% and 2.6% respectively over the 2020-2027 period. Within Europe, Germany is forecast to grow at approximately 1.7% CAGR.

Grooming Segment to Record 3.7% CAGR

Reference 11:

https://www.reportlinker.com/p05896269/Global-Pet-Care-Industry.html?utm_source=GNW

- Growth in the future will be facilitated by the continued shift from traditional foods toward gourmet options
- millennial customers who are willing to purchase organic products and spend on high-end pet hotels will present new growth opportunities
- Pet food innovations will revolve around healthy and specialized diet options for pets.
- Pet grooming services such as dog grooming, and bird grooming will rise in prominence.
- Mobile pet care services are emerging as a win-win situation for both consumers as well as service providers.
- Pets are prone to stress when taken to new locations such as hospitals or pet grooming centers, and mobile pet care services provide the required care in familiar surroundings. Mobile pet care services are also cheaper since it requires low capital resources as the model eliminates the need for maintaining a physical location. Even for established pet care centers, the mobile model provides an additional service delivery model to expand their business and increase revenues. The COVID-19 is driving demand for mobile pet care as pandemic induced restrictions on movement of people are encouraging consumers to opt for these services from the comfort of their homes.

Reference 12:

<https://www.fiormarkets.com/report/pet-care-market-by-type-cat-dog-fish-418907.html>

Pets provide companionship and help with emotional support, reduce stress level, sense of loneliness, increase social activities and add to a child's self-esteem and positive emotional development.

The factors driving the market are growing pet adoption across the globe, mobile pet grooming, an increase in animal healthcare expenditure, increasing demand for protein in animal food, demand for pet insurance, and rising prevalence of foodborne and zoonotic diseases. Smart tech pet beds and advanced tracking pet wearable is expected to provide market growth opportunities.

The factors restraining the market growth are lack of awareness in developing and under-developed regions, decreasing adoption of a mercury thermometer, and high pet care cost.

Reference 13:

<https://www.businesswire.com/news/home/20200818005453/en/Global-Pet-Service-Market-Growth-Trends-and-Projections-2020-2025---ResearchAndMarkets.com>

Drivers:

- popularity of pet fashion. Some pet owners, especially affluent ones, are very particular about representing their lifestyles by spending on comfortable and luxurious products for their pets.
- ***Increase in Number of Pet Owners and Increased Spending on Pets. The pet services include, pet sitting, pet grooming, pet travelling, pet training, pet hotels and customised subscription boxes for the pet.***
-
-

Reference 14:

<https://www.prnewswire.com/news-releases/global-pet-food-market-to-show-an-impressive-cagr-of-6-from-2019-to-2029-with-valuation-expected-to-reach-us-168-3-bn-finds-tmr-300999294.html>

Drivers:

- Pet owners, particularly those who are vegetarian are opting for using plant based food or vegan food products for grooming their pets. They have become extremely conscious about the health of their pet and are opting for premium products that will groom their pet. Such developments are thus helping to push the development of the global pet food market.
- Increasing empathy towards pets is prompting the use of premium products. This is thus

helping in improving the sale of global market and thus aiding in its overall growth.

Restraints:

- wastage and spoiling of food products because of the paper-based packaging.
- Food with high meat content gets easily spoiled leading to loss of customer loyalty.

Reference 15:

<https://www.globenewswire.com/news-release/2020/09/28/2099985/0/en/Global-Pet-Care-Market-Is-Expected-to-Reach-USD-358-62-billion-by-2027-Fior-Markets.html>

Pets help with emotional support, reduce stress level, increase social activities, and also provide companionship.
