

Exploring the Marketing Strategy Path of Pet Food Companies from the Environmental, Social, Governance Perspective

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Abstract:

In recent years, the global pet economy has developed rapidly, and the pet food industry has continued to expand, showing strong growth potential. The evolving relationships between people and pets have led to a shift in consumer demand for pet food, from basic nutrition to premium and functional products. Furthermore, with the increasing adoption of environmental, social, and governance (ESG) concepts, environmental protection, animal welfare, and corporate responsibility have become crucial dimensions in brand evaluation. This paper systematically explores the marketing drivers and strategic approaches of pet food companies from an ESG perspective. The study finds that tightening regulations, the younger generation's preference for sustainable consumption, and the exemplary role of leading companies in the industry have all contributed to the deepening application of ESG in the pet food sector. Specifically, environmentally oriented green marketing cultivates an environmentally friendly image through green supply chains and ecologically friendly product innovation; socially oriented ethical marketing resonates with consumers through commitments to animal welfare and community engagement; and governance-oriented trust marketing strengthens brand credibility through information disclosure and internal governance systems. Overall, ESG marketing is not only a manifestation of corporate compliance but also a crucial strategy for building competitive differentiation, enhancing consumer trust, and achieving sustainable growth.

Keywords: Pet food industry; ESG marketing; consumer behavior; brand competitiveness; animal welfare.

1. Introduction

With the development of the economy, the global pet market has become unprecedentedly large, but its growth rate still exceeds Gross Domestic Product (GDP). The pet food market is considered one of the fastest-growing segments in the food industry. In 2011, its market size reached US\$58.6 billion, growing at an average annual rate of 4%, which attracted significant attention and investment [1]. As residents' disposable income increases and the status of pets in the family improves, pets are gradually changing from „companion animals“ to „family members“, and consumers' demand for pet products has also upgraded. From basic feeding needs to high-end, healthy, functional, and personalized products, this phenomenon not only reflects the changes in the relationship between humans and pets but also reflects the transformation of consumer values.

At the same time, the concept of environmental, social, and governance (ESG) has rapidly emerged. As a framework for measuring corporate sustainability, ESG is mainly used in the investment field to present to investors to evaluate the company's long-term value creation and risk control capabilities. In recent years, with the increasing adoption of ESG concepts and a significant increase in consumer awareness, topics such as climate change, environmental protection, social equity, and animal welfare have continued to heat up. ESG has also expanded beyond the investment realm to the consumer level, becoming a key step in business operations and brand building. In the pet food industry in particular, factors such as traceability of sourced ingredients, low-carbon and environmentally friendly packaging materials, and ensuring the welfare of cats and dogs have gradually become essential indicators for consumers to evaluate brand credibility and responsibility.

However, in the past, the pet food industry's marketing thinking often lagged behind the growth trend of ESG. Traditional pet food companies' marketing often overemphasized the functionality and nutritional appeal of their products, while ignoring broader social and environmental issues, and failing to identify the risks of internal corporate governance systematically. Today, millennials and Generation Z have become the primary drivers of pet consumption. Millennials and Generation Z have generated 35% of pet ownership in America [2]. ESG factors increasingly influence their consumption behavior. This group of people generally attaches importance to animal welfare, social welfare, and environmental protection. They are more willing to pay a premium for brands that align with their own values. For example, whether the company guarantees fair competition for women in the workplace, whether it protects the legal rights of grassroots workers, and whether it uses clean energy and mate-

rials for production. This also means that ESG is no longer just an obligation that must be fulfilled to meet regulatory or investor scrutiny, but a core element that can be used to shape brand image, reflect brand value, and enhance brand competitiveness. Against this backdrop, this article aims to explore the reasons and motivations behind pet food companies' efforts to improve their ESG performance, the trends in how companies transform ESG from a single compliance requirement into a marketing and competitive strategy, and how different ESG dimensions influence consumers' purchasing decisions and brand choices to achieve brand differentiation and sustainable competitive advantage.

2. Analysis of the Driving Factors of Marketing in the Pet Food Industry from An ESG Perspective

2.1 Policy-driven Factors

First, the policy and regulatory environment is the main external force driving pet industry companies to pay attention to ESG. In recent years, global laws and regulations, carbon emission standards, and food safety regulatory systems have been continuously strengthened. For example, the European Union (EU) Green Deal requires packaging materials to be transformed towards recyclable and degradable materials, and countries such as the United States and Japan have also set higher standards for animal feed safety and production traceability. According to Section 204 of the Food and Drug Administration (FDA) Food Safety Modernization Act (FSMA), starting in 2026, United States (US) food (including some pet food ingredient) companies must keep key tracking event records (KDEs) and ensure that complete supply chain information is provided within 24 hours [3]. In China, the „dual carbon“ strategic goal clearly proposes achieving a carbon peak by 2030 and carbon neutrality by 2060, with the agricultural and food industries identified as key areas for carbon emission reduction. Pet food companies are directly affected by policies in aspects such as raw material procurement, production processes, packaging, and transportation. For listed companies, ESG information disclosure at the exchange level is moving from voluntary to institutionalized and mandatory. Taking the Hong Kong Stock Exchange as an example, it has implemented a semi-mandatory ESG disclosure system, known as „comply or explain,“ for listed companies since 2016. This system requires companies to disclose ESG reports and provide explanations for any non-disclosures. Unlike completely voluntary disclosure, this measure has actually increased the rigidity of ESG disclosure [4]. ESG is an increasingly popular mandatory requirement for listed companies at the

financial exchange and policy level. It requires existing listed companies to complete and disclose, and also drives other companies to make early arrangements to cope with future capital market and policy requirements. Overall, the dual promotion of global and local policies has made the pet food industry no longer a question of „whether to participate“ in the ESG transformation, but an inevitable choice of „how to adapt as quickly as possible“. From raw material supply to production and manufacturing, to market financing and brand building, policy-driven almost permeates the entire industry chain, forcing companies to incorporate ESG into the core of their strategy to ensure compliance, competitiveness, and long-term sustainable development.

2.2 Consumer-driven Factors

Compared with external pressure from policies, changes in consumer demand are a more direct and lasting force driving ESG marketing in the pet industry. Studies have shown that American pet owners show significant concern for animal welfare in their pet food consumption. They are generally interested in farm animal welfare and are willing to pay a certain premium for pet food with the „animal welfare friendly“ label, and young people and women are more willing to pay. This demonstrates that pet food is not only a product that meets nutritional needs, but also gradually assumes the role of value alignment and social responsibility. Animal welfare has become an important consideration in consumer trends [5]. For example, some multinational pet food companies emphasize the traceability of raw materials and clearly mark labels such as „antibiotic-free“, „sustainable fishing“, and „only using small farmers to grow crops“ to meet consumers' requirements for transparency. At the same time, packaging design has also become an essential part of ESG marketing. Environmentally friendly and degradable packaging not only conforms to policy trends but also conforms to the values of young consumers, thus becoming a highlight of differentiated competition.

Additionally, the popularity of social media has also amplified the impact of ESG on the consumer side. Consumers are increasingly interested in ESG issues. Companies that can establish a brand narrative of „environmental protection, health, and social responsibility“ through ESG marketing will significantly attract consumers, promote a positive corporate image, and increase user retention. This consumer-driven approach makes ESG no longer an additional burden for companies, but a strategic tool for gaining market share, improving brand competitiveness, and increasing premium pricing.

2.3 Competition-driven Factors

Finally, from a competitive perspective, differentiated

competition among industry players is also accelerating ESG marketing. As the pet food market continues to grow and industry concentration increases, leading companies have been the first to incorporate ESG into their strategic plans, creating a market-leading effect and driving ESG awareness across the industry. For example, Nestlé Purina has launched a product line featuring recyclable packaging and responsibly sourced ingredients to attract young pet owners focused on sustainable consumption. Mars Petcare has pledged to achieve 100% recyclable packaging by 2025 and strengthen animal welfare standards throughout its supply chain. If small and medium-sized enterprises continue to ignore ESG, they risk being eliminated from the market, weakening their brand image, reducing valuations, and attracting investment confidence. This „spill-over effect“ compels other companies, seeing the leading companies' ESG marketing practices set the industry benchmark, to follow suit, even for defensive reasons, to avoid losing market position. This me-too-catch-up effect is accelerating the adoption and deepening of ESG in the pet industry.

3. Analysis of ESG Marketing Strategy Paths of Pet Food Companies

3.1 Environment-Oriented Green Marketing

Environmentally-focused green marketing is a fundamental path for pet food companies to implement their ESG strategies. Its core goal is to achieve sustainable development while enhancing brand competitiveness by reducing resource consumption, lowering environmental impact, and promoting recycling. For pet food companies, green marketing is not only an environmental responsibility but also a market opportunity. Through multi-dimensional initiatives such as supply chain management, product design, and packaging innovation, it closely integrates corporate development with environmental protection, thereby building a sustainable competitive advantage.

First and foremost, green supply chain management is essential. ESG issues within pet food companies' supply chains should permeate every stage, from procurement and production to logistics and transportation, and establish green factories. Sustainable procurement strategies primarily focus on raw material traceability. Centralized procurement centers establish transparent raw material traceability systems, conduct background checks, qualification certification reviews, and conduct on-site inspections of suppliers to ensure they adhere to sustainable fishing and farming, responsible farming, and animal welfare standards, thereby enhancing overall supply chain compliance and transparency. Furthermore, in the production process, companies need to reduce the environmental

impact of the manufacturing process by utilizing clean energy, reducing energy consumption, and promoting the recycling of waste resources. In terms of logistics and transportation, companies are also gradually optimizing transportation routes, building regional production and distribution centers, and promoting low-carbon transportation methods to reduce energy consumption and carbon emissions.

The second is sustainable product design. In the product design process, green innovation in the packaging process is also a key part of the marketing strategy. More and more pet food companies are using biodegradable or recyclable packaging materials, or reducing material usage and the carbon footprint of the transportation process through lightweight design; some companies are also working with retailers to establish a recycling system to encourage consumers to return used packaging materials for recycling. In addition, many pet food companies have introduced insect protein into their formulas. Studies have shown that insects, as cold-blooded animals, have high energy utilization efficiency and better feed conversion rates than ruminants, pigs, and poultry. Life cycle assessment results indicate that insect protein generally requires fewer resources and emits lower carbon dioxide equivalent emissions compared to traditional livestock and poultry protein, in terms of land and water use. With the optimization of production processes and the utilization of low-value organic by-products, its environmental footprint is expected to be further reduced [6]. For pet food companies, this means achieving emission reduction and circular economy goals while also reducing reliance on finite resources, responding to consumer expectations for sustainable consumption, and creating a differentiated competitive advantage in the market. Products bring companies closer to consumers, helping companies strengthen their brand and environmental image through communication.

3.2 Society-Oriented Ethical Marketing

The ethical responsibility of pet food companies is first reflected in the protection of animal welfare, respecting the nature of dogs and cats, and protecting the welfare of animals. During research and development testing, avoid harmful and unnecessary animal experiments and ensure the living environment and mental health of animals used in experimental testing. In addition, companies should extend this to the raw material supply chain and encourage suppliers to adopt humane breeding practices. For example, some international pet food companies have established animal welfare review mechanisms. The American pet food company Earth Animal cooperated with the global animal welfare organization Compassion in World Farming and signed the Better Chicken Commitment (BCC) in 2022. It also launched the industry's first com-

prehensive „Animal Welfare Framework“ and set goals to improve the welfare standards of chicken sources in its supply chain [7]. An important part of ethical marketing is also community responsibility. Pet food companies can enhance their resonance with the community's values by cooperating with animal protection organizations, funding animal shelters for strays, and promoting adoption and rescue projects. Nowadays, some pet food companies have launched „Adoption Day“ activities to find homes for stray cats and dogs. They also carry out pet knowledge lectures in the community to popularize scientific pet care knowledge, so that people who have not yet owned pets can truly understand the responsibilities of pet ownership and possible problems, and reduce the number of abandoned pets at the source. This will also help existing pet owners understand how to better coexist with their pets and strengthen the human-pet relationship. Furthermore, when a local disaster strikes, such as fires, floods, or epidemic lockdowns, pet food companies should actively shoulder their social responsibilities, integrate social resources, and ensure food supply for pets in the disaster-stricken area, alleviating the pressure on residents to keep pets during disasters.

3.3 Governance-Oriented Trust Marketing

The primary task of a governance-oriented approach is to establish an open and transparent mechanism for disclosing information. Pet food companies, based on their specific circumstances, must publish ESG or sustainability reports on a regular basis, covering both financially material and impact-significant issues, so that stakeholders can keep informed of their progress. Furthermore, companies should proactively undergo third-party audits and industry certifications to ensure the authenticity and reliability of their disclosures. For example, some international pet food companies have adopted the Global Reporting Initiative (GRI) framework and the Sustainability Accounting Standards Board (SASB) standards to standardize their disclosure systems, enhancing transparency and compliance. In contrast, companies that neglect information disclosure or fail to maintain strict governance controls can easily lead to a severe crisis of trust. In 2007, Menu Foods' supply chain oversight flaws led to the contamination of melamine-containing ingredients in pet food, triggering the largest pet food recall in North American history and severely damaging the industry's overall credibility. In 2019, Hill's was forced to recall dozens of products globally due to excessive vitamin D levels, casting doubt on its „scientific nutrition“ brand image. These negative examples demonstrate how a lack of transparency and ineffective internal governance can quickly escalate into a reputational crisis [8]. A sound internal governance structure is a vital prerequisite for trust marketing. Pet food companies need to establish a sound board and manage-

ment structure with a clear division of responsibilities and oversight mechanisms. Companies should set up dedicated ESG or sustainability committees to incorporate sustainable development into corporate strategic decision-making. In addition, they need to promote the implementation of anti-corruption, anti-monopoly, and fair competition policies to avoid damage to corporate reputation due to governance deficiencies. By standardizing internal governance, companies can not only reduce operational risks but also convey a stable and credible brand image to the outside world.

4. Conclusion

This article examines and analyzes the marketing strategies of the pet food industry from an ESG perspective. From a macro perspective, with the rapid growth of the global pet economy and the shift in consumer values, pet food companies are gradually incorporating ESG sustainability into their core development strategies. The rise of ESG concepts has provided the industry with a new competitive dimension and brand-building logic. An analysis of policy, consumer, and competitive drivers reveals that the tightening of policies and regulations, consumer concern about companies' environmental and social responsibilities, and the exemplary competitive effect of leading companies in the industry have all contributed to the accelerated adoption of ESG in the pet food industry. At the strategic level, environmentally oriented green marketing helps companies achieve the dual goals of environmental responsibility and market demand through green supply chain management and sustainable product design. Socially oriented ethical marketing emphasizes animal welfare commitments and social benefits, thereby strengthening the value alignment between companies and consumers, and increasing both the customer base and retention. Governance-oriented trust marketing focuses on transparent information disclosure and internal corporate governance, shaping a company's image as fair, stable, and trustworthy. ESG marketing has become a crucial step for the pet food industry to adapt to market trends.

Looking ahead, pet food companies still have room for further improvement in their ESG marketing efforts. First, they should continue to promote digital transformation and upgrades, leveraging technologies like big data and blockchain to achieve efficient supply chain traceability and transparent disclosure, thereby enhancing consumer trust. Second, companies need to continuously innovate

in animal welfare and community responsibility, collaborating with charitable organizations, research institutions, and government agencies to promote the advancement of industry standards and improve the pet-rearing environment. Furthermore, in terms of internal governance, ESG metrics should be more closely integrated with performance evaluations, incorporating them into core assessment systems for quantitative management to ensure ESG strategies are fully implemented in all aspects of corporate operations. With the continued expansion of the global pet food market and increasingly avant-garde consumer values, ESG will not only be a marketing advantage but also a mandatory requirement to ensure a company's market presence. Therefore, pet food companies must continuously deepen their ESG practices to address environmental challenges, meet social expectations, and improve their governance structures, while simultaneously winning long-term consumer loyalty and the continued favor of the capital market, ultimately achieving both economic benefits and social value.

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