

Research on the Development of Pet E-commerce in the Context of “It Economy”

Wanju Tong^{1*}, Fenbo Jiang¹

¹ School of Business, Huaiyin Institute of Technology, Huai'an, China

Email Address

985941806@qq.com (Wanju Tong)

*Correspondence: 985941806@qq.com

Received: 26 February 2026; Accepted: 16 March 2026; Published: 2 April 2026

Abstract:

As a new engine for the integration and growth of the digital economy and emotional consumption, pet e-commerce not only activates new consumption potential but also empowers the high-quality development of related industries. Through a SWOT analysis of the pet e-commerce industry, this study systematically analyzes its core strengths, prominent weaknesses, development opportunities, and potential threats. Based on this analysis, targeted strategies are proposed, including digital collaboration across the industrial chain, differentiated innovation, construction of a full-scenario ecosystem, and compliant development. Research shows that pet e-commerce has evolved from a simple commodity trading platform into a comprehensive ecosystem encompassing products, services, content, and technology. In this process, data-driven supply chain optimization, emotion-driven user relationship development, innovative consumption scenario creation, and compliance building have become key factors for the industry's continued healthy growth. These factors not only help address current bottlenecks in development but also provide important practical experience for the digital transformation and value chain enhancement of the pet industry, while simultaneously driving the growth of the consumer economy.

Keywords:

“It economy”, Pet E-commerce, SWOT Analysis, Pet Economy, Pet Industry

1. Introduction

With continuous improvement in people's living standards and the further transformation of consumption concepts, more and more people are beginning to pay for emotional value. The phenomenon of viewing pets as family members is most pronounced, especially among single, elderly, and low-marriage and low-childbearing groups, leading to an anthropomorphic perception of pets. Raising pets not only enriches life and provides emotional support and companionship, but also drives the high-quality development of related industries. The booming pet economy is driving pet e-commerce, creating significant market demand. Pet e-commerce integrates the dual attributes of “commodity” and “life” [1], expanding the theoretical boundaries of non-standard commodity research, which is different from the general e-commerce industry. Deeply exploring the advantages, disadvantages, and opportunities in

developing pet e-commerce is a necessary prerequisite for formulating a scientific development plan.

2. Pet E-commerce Industry Under the “It Economy” Background

“It economy” refers to the pet economy, encompassing all commercial activities and economic forms related to pets, including their birth, aging, illness, death, clothing, food, shelter, transportation, emotional companionship, and more [2]. Studies have shown that this economic pattern often exhibits strong resilience during periods of macroeconomic downturn [3]. For example, during economic recessions, pet consumption in both the United States and Japan has remained strong, driven by the trend toward pet ownership in the United States and by Japan’s low birth rate and aging social structure.

The rise of China’s pet economy over the past decade has mainly benefited from the steady national economic growth and the continuous upgrading of the consumption structure. Data from the National Bureau of Statistics of China shows that from 2013 to 2023, the per capita disposable income of Chinese residents increased by 7.3%, and per capita GDP rose by 6.7%. Meanwhile, according to the *2025 White Paper on China's Pet Industry* published by Paidu, the urban dog and cat consumption market scale grew year by year from 2020 to 2025. The market size reached approximately 300.2 billion yuan in 2024, representing a year-on-year increase of 7.5% compared with 2023. The compound annual growth rate over the past decade was 11.9%, significantly higher than mature markets such as the US and Japan, and the pattern is dominated by food (52.8%) and accelerating growth in healthcare (13.9%). The urban pet (dog and cat) consumer market is projected to reach 404.2 billion yuan by 2027. The core drivers of this market vitality lie in the continued fulfillment of emotional needs and the steady increase in residents’ disposable income. The continued growth in revenue has significantly enhanced people’s willingness to pay and marginal propensity to consume in the pet consumption field.

This trend has not only promoted the development of the pet consumption market towards diversification and personalization, but also triggered a profound change in the consumption structure, specifically manifested in a significant increase in demand for high-level and service-oriented consumption such as professional services. Against this backdrop, consumers are gradually inclined to complete the purchase of pet products through online channels [4], and the market share of the pet e-commerce industry is constantly expanding.

3. Current Development Status of Pet E-commerce

In recent years, local governments have actively leveraged their own strengths to develop distinctive pet economies. Industrial clusters, exemplified by pet food in Liaocheng, Shandong, and pet supplies in Yiwu, Zhejiang, have successfully transformed their sourcing advantages into consumer enthusiasm through direct e-commerce supply models, jointly propelling the pet economy towards maturity.

Driven by both supply chain optimization and technological innovation, the pet e-commerce industry has continued to evolve, shifting from portal websites and B2C to O2O. It has now formed a composite ecosystem comprising traditional platforms, live-streaming e-commerce, and content community e-commerce [5]. As a core hub connecting upstream and downstream industries, pet e-commerce is not only the main

channel for commodity circulation, but also a key arena for information transmission and brand building.

The industry’s scale testifies to its importance. According to data from Guolian Securities Research Institute’s “Domestic Pet Market Insights,” the total online sales of pet products across all platforms reached 50.231 billion yuan in 2024, a year-on-year increase of 10%. Among them, Tmall’s sales reached 28.6 billion yuan, up 9% year on year; JD.com’s sales reached 10.6 billion yuan, up 5% year on year; and Douyin’s sales reached 11 billion yuan, up 19%, demonstrating strong growth momentum.

To better grasp the development direction and path of pet e-commerce, a SWOT analysis will be used to conduct a comprehensive strategic assessment of the current state of pet e-commerce development across four dimensions: competitive advantages, existing weaknesses, current opportunities, and potential challenges.

3.1. Advantages

3.1.1. Complete Industrial Chain

Currently, the pet e-commerce industry has formed a complete, well-structured industrial chain, covering three major segments: upstream production, sales, and manufacturing; midstream food and supplies and related brand building; and downstream medical care and diversified services, as shown in Figure 1.

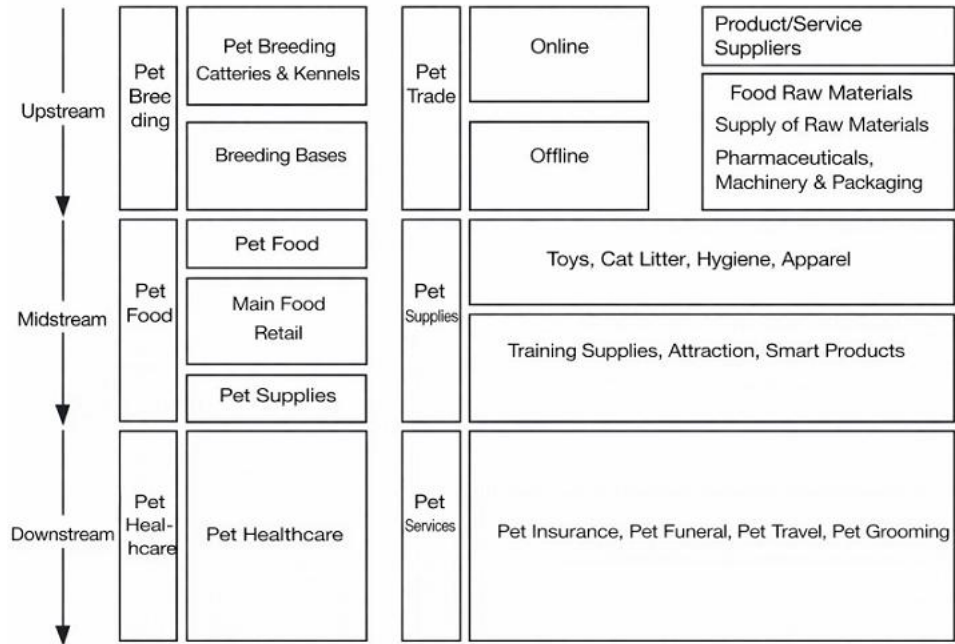


Figure 1. Schematic Diagram of the Pet Industry Chain.

Note: Drawn according to 2024 China Pet Industry Research Report by iResearch.

The upstream sector provides the industrial foundation, focusing on pet breeding and trading, food processing and production, supplying raw materials, and research and development of a range of supplies, vaccines, medicines, and consumables. The midstream sector centers on pet food and pet supply brands, covering food categories such as staple food, snacks, and health products, as well as various supplies such as toys, cleaning products, clothing, leashes, bedding, and smart devices. Enterprises shape their brand image through differentiation strategies and leverage multiple online

and offline channels to achieve product distribution and market reach. Downstream businesses, as key to value realization, have built integrated online and offline consumer networks and diversified service systems. Pet medical services and various other pet services form an essential part of the industry chain, including grooming, insurance, funeral services, transportation, and training. Furthermore, emerging services such as pet photography and boarding services are constantly appearing, continuously expanding the industry's reach and adding value.

3.1.2. Deeply empowering social e-commerce and interest-based e-commerce

Digital technology is profoundly influencing the marketing models of all industries, and pet brands are no exception. E-commerce platforms, social media, short-video platforms, and other digital channels are rapidly emerging and increasingly serving as the primary channel for pet brands to interact with consumers [4].

In this transformation, social live-streaming e-commerce, represented by Douyin and Xiaohongshu, has rapidly emerged and become a core arena for pet consumption. KPMG's *2025 China Pet Industry Market Report* shows that short video platforms and Xiaohongshu are the most frequently chosen media platforms by pet owners, accounting for 73.5% and 66.1% respectively, highlighting the key role of content in consumer decisions.

Relying on the unique marketing advantages of short video marketing, which focuses on seeding and harvesting, Douyin has achieved remarkable results in expanding the market share of pet products. It has become an important channel for pet brands to expand their market [6]. Such platforms are not only more likely to incubate hit products and achieve rapid sales growth, but also to shape consumers, whose purchasing intentions are strongly influenced by the decision-making logic of perceived value formed through content interaction.

Further research indicates that the professionalism, popularity, and interactivity of KOLs (Key Opinion Leader) in social e-commerce positively influence consumers' purchasing intentions through the mediating role of perceived value, with professionalism being particularly crucial [7]. This signifies a shift in consumer decision-making from functional comparisons to emotional identification propelled by professional trust.

At the same time, the rise of interest-based e-commerce has further enriched the marketing ecosystem. This model integrates social scenarios centered on "people" and shelf scenarios centered on "goods", acting on both the consumer and supply sides, thus playing an important role in promoting consumption upgrades. It has realized the transformation from "people looking for goods" to "goods looking for people" [8]. In practical applications, pet owners are motivated to make purchases when browsing live streams, short videos, or experience posts, stimulated by the content. The core of interest-based e-commerce lies in using intelligent recommendation technology to accurately match products with consumers' potential interests, thereby unlocking their latent demand.

It can be seen that the deep integration of social e-commerce and interest-based e-commerce has jointly built a new generation of marketing ecosystem. The former builds deep trust through content and KOLs, addressing the issue of consumer willingness; the latter achieves precise reach through algorithms and scenarios, solving the problem of efficient demand matching. The synergy between the two signifies that the core competition in pet e-commerce has shifted from traditional

channels and prices to the battle for user attention, the deepening of emotional connections, and the optimization of the entire experience, thereby reshaping the industry's value creation methods and competitive barriers.

3.1.3. Unique consumer group

In contemporary society, pet ownership has increasingly transcended the functional realm and evolved into a typical form of emotional consumption. Pet owners not only gain emotional companionship from interacting with their pets, but also form a deep emotional attachment. Studies have shown that pet owners are more extroverted and more responsible [9]. Pet attachment and empathy also strengthen their perception and respect for the moral status of pets [10]. The sense of responsibility and care for life formed through daily interactions constantly influences pet owners' consumption psychology and brand selection criteria. They are no longer satisfied with just the basic functions of products; they now place greater emphasis on their safety, reliability, and alignment with their own values.

Against this backdrop, pet e-commerce, with its dual attributes of "product" and "life," has gradually built a business logic driven by "emotion and trust," transcending the functional transaction model of traditional e-commerce. Specifically, from an emotional perspective, because the consumer object is a "life", pet owners' purchasing behavior evolves from satisfying basic needs to an emotional investment. This directly leads to extremely high willingness to pay, incredibly low price sensitivity, and extraordinary brand attention, providing fertile ground for high-priced, high-margin products and services. Secondly, from a trust perspective, the "life" attribute implies higher decision-making risk. Once e-commerce platforms or brands establish a trustworthy reputation through professional content (such as scientific pet care knowledge and transparent supply chains), users will develop strong dependence and loyalty. Ultimately, driven by shared emotional bonds and a sense of responsibility, pet owners spontaneously form highly engaged community networks. They transform from consumers into co-builders and advocates of the brand. The user content they produce constitutes the most persuasive word-of-mouth assets, injecting low-cost, high-conversion, and precise traffic into the platform, thus building a virtuous cycle and a closed-loop ecosystem between emotion and commerce.

3.2. Key Disadvantages

3.2.1. Overproduction and Logistics Costs

While the pet e-commerce industry is developing rapidly, it also faces significant internal structural shortcomings. It is centrally reflected in two core challenges, namely overcapacity and logistics bottlenecks.

On the supply side, overcapacity has triggered a vicious cycle in the industry. Due to a surge in new entrants and the blind construction of industrial parks, market supply growth has significantly outpaced consumer demand growth, leading to a massive accumulation of low-end production capacity. This has directly triggered a vicious price war, resulting in a series of chain reactions, including high inventory levels, tight cash flow, declining profitability, and a lack of product innovation, severely hindering the healthy development of the industry.

On the fulfillment side, an inadequate cold chain logistics system restricts industrial upgrading. As consumers' demand for time-sensitive and safe pet food, medicine, and

other products continues to rise, the shortcomings of the traditional logistics system in terms of fulfillment efficiency, scenario coverage, and quality assurance are becoming increasingly apparent. Many small and medium-sized enterprises (SMEs) rely heavily on contract manufacturers and third-party logistics, which increases the difficulty of controlling product costs and quality, especially in categories such as fresh pet food, where preservation and transportation challenges are particularly prominent. These increased fulfillment costs will ultimately be passed on to end consumers, weakening the overall competitiveness of the industry.

A deeper issue is the structural shortage of talent. Pet cold chain logistics is an interdisciplinary field that requires personnel who understand both cold chain technology and the characteristics of pet products. Still, such multi-skilled professionals are currently in short supply. Internal constraints such as supply chain and management weaknesses will continue to weaken market competitiveness. If the dual predicaments of production capacity and logistics cannot be resolved in time, domestic pet e-commerce companies may face severe challenges of sluggish growth and brand marginalization in the increasingly fierce domestic and international competition.

3.2.2. Severe homogenization within the industry

The homogenization dilemma is profoundly hindering the healthy development of pet e-commerce. Its typical problems lie in the general convergence of product prices and the significant lack of differentiation in areas such as packaging design and marketing. This is particularly evident in the pet food sector, which serves as the core of the industry's value chain. Especially in the pet food sector, which is the core of the industry value, it has performed outstandingly. Although this category has rigid and high-frequency consumption characteristics and is the second-largest sub-market after pet medical care, it has formed a highly concentrated and homogeneous competitive pattern due to the low entry threshold and the lack of economies of scale [11]. The root cause is the lack of industry standards and supervision. On the one hand, the relevant laws, regulations, and industry standards remain imperfect, leading to a lag in the development of large-scale production and service systems, and triggering a "vicious entropy increase" in the market.

On the other hand, the domestic pet food regulatory mechanism is not yet mature, and the quality of domestic brands varies greatly. Consumers often struggle to protect their rights after purchasing low-quality products, leading them to gradually lose trust in domestic brands and turning to imported products. Imported pet food relies on the high production standards of the local industry and the strict customs inspections of the domestic customs [12] to build a solid quality trust and price moat. Against this background, some domestic manufacturers are forced to focus on the low-end market and fall into the competitive dilemma of "bad money driving out good money". It is worth noting that in recent years, some companies have begun to turn to the high-end market or emerging niche areas to seek new growth space.

In addition, in terms of the content e-commerce ecosystem, pet-related content has formed a dissemination matrix with short videos, images and texts and long articles as the core carriers. However, it also faces the challenge of significant content homogenization. Brands are generally trapped in the dilemma of creative repetition and similar expression methods, resulting in weak brand differentiation [6]. The weakening effect of homogeneous competition on user stickiness and brand loyalty

cannot be ignored. Only by breaking through the bottleneck through product innovation and content differentiation can sustainable user relationships and market competitive advantages be built. Overall, homogeneous competition in the pet e-commerce sector is a structural predicament intertwined with product, content, regulation, and market trust. Only by breaking the vicious cycle of low-level competition through systematic innovation and differentiation strategies can a sustainable market competitive advantage be built.

3.2.3. Uneven Development of Ecological Closed Loops

At present, there is a gap in the closed loop of the marketing ecosystem closed loop in pet e-commerce. Specifically, some brands focus too much on acquiring front-end traffic, while investing significantly less in back-end user operations. Due to the lack of systematic, layered private domain operation strategies, the traffic accumulation effect is limited, users remain at a shallow conversion level, and it is difficult to achieve the continuous mining of deep value and the effective release of user life-cycle value [6].

Further, mainstream digital marketing has formed four forms: social media seeding, search bidding advertising, private domain community operation, and live e-commerce. Among them, live e-commerce has the highest conversion efficiency. However, its conversion rate still faces three challenges: First, the proportion of new customers making their first purchase is low, and the threshold for users to convert for the first time is high; Second, there is a break in the marketing link under specific consumption scenarios, and a smooth closed-loop experience has not been formed; Third, there is a cognitive gap between domestic brands and imported brands based on consumer trust, which further exacerbates the psychological friction in the conversion process [13].

It is noteworthy that research shows that, in the context of pet e-commerce, the influence coefficient of service elements (such as logistics timeliness and customer service response) on consumers' perceived value is significantly higher than that of product elements (such as packaging and quality). Service quality has become the dominant factor affecting users' value judgment. Platforms and brands should prioritize optimizing and systematically upgrading the service system to improve the terminal shopping experience comprehensively [14].

Weak marketing capabilities continue to constrain profitability. Only through systematic optimization of the entire value chain, from front-end traffic acquisition and mid-platform conversion to back-end services, can growth bottlenecks be broken and sustainable profit growth achieved. The fragmentation and imbalance in the marketing ecosystem are continuously hindering the profitability and long-term development of pet e-commerce. Only by attaining coordinated optimization across the entire value chain, from front-end traffic acquisition and mid-platform conversion to back-end services, can growth bottlenecks be overcome and a sustainable, healthy growth model be built.

3.3. Current Opportunities

3.3.1. Policy Support and Talent Development

While acknowledging the aforementioned development bottlenecks, positive changes in the external environment and industry breakthroughs are creating

unprecedented development opportunities for pet e-commerce. On the one hand, policy dividends are shifting from top-level design to driving forces for industrial development. As an important sector for boosting domestic demand, the pet economy has been incorporated into key industrial chains in many regions. Taking Zhejiang, a major e-commerce province, as an example, the *Guiding Opinions on Promoting the Development of the Pet Economy*, jointly issued by six departments, explicitly proposes accelerating the development of the smart pet products manufacturing industry and supporting the deep integration of the pet economy with diverse models such as live-streaming e-commerce and social e-commerce. Such policies, through specific measures such as holding industry expos and expanding the pet section on platforms, systematically support industrial innovation and ecosystem construction.

On the other hand, breakthroughs in talent supply have also injected new momentum into the industry's development. The shortage of pet talent has long been a key bottleneck hindering the industry's professional upgrading. Data show that fewer than 3,000 graduates in related majors nationwide each year, which is insufficient to fill as many as two-thirds of the job vacancies, resulting in a significant talent supply gap [15]. In addition, there is a significant imbalance in the educational structure of the pet medical industry. Among practitioners, those with junior college or lower education account for 50.9%, while those with bachelor's degrees or higher account for only 18.3%, indicating that the overall professional education level needs improvement [16]. It is noteworthy that this situation is undergoing a fundamental shift. Since 2025, many universities in China have launched undergraduate programs in "Animal Science (Companion Animal Specialization)," to meet the industry's urgent need for highly qualified personnel. This move has not only effectively alleviated the industry's difficulty in recruiting talent but also provided significant support in cultivating well-rounded professionals with systematic knowledge, professional skills, and excellent professional ethics.

In the long run, the aggregation of high-quality talent will generate a sustained knowledge spillover effect, thereby accelerating product innovation and service upgrades, and building a sustainable competitive advantage for the entire industry. The continuous release of policy dividends and the increasingly improved talent supply system are jointly providing solid empowerment and systematic support for the professional upgrading and sustainable development of pet e-commerce.

3.3.2. Pet Technology Products Segment Market

According to survey data from the *2025 White Paper on the Development of Pet Technology Products*, the average annual consumption of pet-owning households in my country has reached 4,440 yuan, across four major areas: pet food, health care, supplies and related services. Notably, in the pet supplies sub-market, smart products account for 50.8% of consumption, becoming the absolute dominant segment. This fully reflects the transformation and upgrading of pet consumption towards intelligence and refinement.

From a consumer journey perspective, e-commerce platforms remain the primary sales channel for pet technology products. Further examination of user preferences reveals that e-commerce platforms, official brand channels, and offline pet specialty stores are the most favored. At the same time, social media and live streaming are used as direct purchase channels at a relatively low rate. This indicates that consumers

still tend to trust traditional e-commerce platforms and brand endorsements during the decision-making process.

At the product level, mainstream smart products such as automatic feeders, water dispensers, and health monitoring devices precisely address the three core pain points in pet ownership: cleaning and maintenance, health monitoring, and convenient care. These products not only provide functional solutions but also reshape consumers' perception of the value of “premium pet ownership” by improving quality of life and practical cost-effectiveness.

Faced with this clear trend, pet e-commerce platforms and brands need to regard the smart pet market as a new growth driver. They should focus on precise product selection, deepen the dissemination of “scientific pet care” content, and optimize the entire shopping experience to capture user mindshare and market share quickly. This is not merely about category expansion, but a core opportunity to leverage technology to build a new growth engine and open up new high-value development avenues.

3.3.3. Building a Closed-Loop O2O Ecosystem

The “online purchase + offline experience” model is a key trend driving the future development of pet e-commerce, stemming from the long-standing “experience dilemma” prevalent in physical goods consumption. For example, consumers of furniture, fashion, and jewelry often need to experience the product in person to confirm its suitability; however, purely online transactions cannot provide this tangible experience, leading to insufficient consumer trust and high return rates, thus hindering the further development of the e-commerce industry.

Pet consumption, especially in the areas of live animals, high-end food, and complex supplies, faces similar trust challenges. Offline scenarios can provide immediate sensory experiences and professional services, while online platforms have a natural disadvantage in this regard [16]. Conversely, traditional offline channels are limited by the breadth of SKUs (which means Stock Keeping Unit), price advantages, and geographical coverage density.

The O2O model provides a systematic solution to this contradiction by integrating online and offline channels. Merchants can acquire traffic by joining platforms or building their own private domains, and attract consumers with online subsidies. More importantly, offline networks can handle key functions such as service fulfillment and instant delivery of urgently needed items, while simultaneously driving offline traffic online, forming a closed loop of mutual benefit. This integration not only helps brands accumulate their own traffic and tap into the potential of their stores but also builds a differentiated user experience.

Based on this, pet e-commerce can rely on offline physical networks to achieve convenient service fulfillment and instant delivery of urgently needed goods, while also feeding offline traffic back into the online market. The integration of dual channels can not only get rid of the platform traffic constraints, but also quickly release the potential of pet stores and realize brand value. However, it should be pointed out that the linkage between offline channels and brands and supply chains is still weak and has not yet formed a synergistic effect. Especially when consumers tend to have an offline experience and online purchase consumption model, the platform needs to design the best commission contract to incentivize offline experience stores to provide high-quality services based on their service capabilities and effort levels, thereby driving the growth of product demand [16].

Pet consumption is inherently characterized by strong emotional attributes and regional stickiness. Such stickiness stems from the ongoing trust relationship built between consumers and brands, thereby forming a close bond similar to a “community”. In this context, seamless online and offline integration becomes crucial for maximizing user engagement and establishing a competitive edge in the industry. The O2O model, through the seamless integration of online and offline channels, effectively addresses the challenges of experience and trust in pet consumption, thereby becoming a core driver of pet e-commerce in building a long-term competitive advantage.

3.4. Potential Challenges

3.4.1. Increased Competition

While multiple opportunities, such as policy, technology, and market, have injected strong momentum into the industry, pet e-commerce also faces external threats, including market competition, platform governance, and overseas challenges. As the industry expands and profits increase, a large amount of capital will continue to flow into the pet industry, new companies will emerge, and competition between domestic and foreign brands will become increasingly fierce [17]. The reason is that the Chinese pet market has a shorter development history than those of European and American countries, and its market concentration is lower, providing ample space among competition for all participants.

Early entrants such as Nestlé Purina, Mars and Hill's have accumulated rich experience in localized operations thanks to their deep brand assets, core technologies and mature R&D systems (Research and Development systems). Despite facing challenges from local brands, they continue to consolidate their dominant position in the high-end market through strategic challenges, putting continuous pressure on domestic brands to break through to the top [17]. In addition, cross-industry competitors are flocking to the pet sector, further reshaping the industry's boundaries. Driven by shifts in consumption patterns, the pet economy has demonstrated a strong siphon effect, attracting giants from mature industries such as apparel, home appliances, daily chemicals, and food. These companies are systematically expanding their pet businesses through strategic measures such as establishing sub-brands and setting up vertical channels. This phenomenon not only confirms the enormous potential of the pet market but also indicates that entering the pet sector has become an important strategic choice for traditional enterprises seeking a second growth curve.

In general, the intertwining of international giants' accelerated localization efforts and the continuous influx of cross-industry competitors has made the competitive landscape of the pet e-commerce market increasingly complex, significantly compressing the market space and growth path for local brands, especially small and medium-sized enterprises.

3.4.2. Deficiencies exist in platform governance

Pet e-commerce platforms themselves must earnestly fulfill their “gatekeeper” responsibilities and fulfill their primary responsibilities on the primary premise of standardized development. However, the current regulatory system is significantly lagging and cannot keep up with the fast pace of industry development. On the one hand, some pet owners still need to improve their scientific understanding of feeding, and pets still frequently injure people and are abandoned. According to statistics, there

are about 40 million stray animals in China. Except for a few adopted by rescue organizations or individuals, most are still wandering in cities, posing many challenges to urban environments and management. In addition, the much-anticipated Animal Protection Law has not yet been promulgated, and only some regional regulations currently restrict abandonment behavior [18]. On the other hand, the regulatory mechanisms for e-commerce platforms remain imperfect, further exacerbating the industry's chaos. Due to the time lag and information asymmetry inherent in online transactions, consumer disputes such as "weekly pets" and "pets not matching descriptions" are common in pet trading, seriously damaging consumer rights and eroding the long-term reputations of platforms and merchants.

Fundamentally, the core weakness in platform governance lies in the failure to build a comprehensive, meticulous regulatory system that addresses the "life" attribute and the "non-standard" nature of live animal transactions, encompassing pre-transaction qualification verification, transaction traceability, and post-transaction rights protection. This structural defect not only directly infringes on consumers' legitimate rights and interests, but also poses a potential threat to animal welfare. If it is not addressed in time, such dual negative impacts will ultimately restrict the long-term sustainable and standardized development of the pet economy ecosystem [19]. Therefore, it is urgent to systematically promote the construction of a refined regulatory system that spans the entire transaction cycle, from multiple perspectives such as legal connections, and platform governance, to rebuild consumer trust and ensure the healthy development of the industry.

3.4.3. Obstacles to Overseas Expansion for Chinese Pet Food Companies

According to data from Magic Mirror Insights' *2024 Overseas Pet Market White Paper*, from the beginning of 2023 to mid-2024, the total online sales volume of pet products in major global regions (including North America, Europe, Southeast Asia, and other Asia-Pacific regions) reached approximately RMB 242.18 billion, showing a steady growth trend. Among them, the US market ranked among the top globally with online sales exceeding RMB 150 billion, reflecting the large online consumer base and brand concentration of mature markets. This situation provides significant opportunities for Chinese pet food companies to expand into international markets and promote industrial upgrading through cross-border e-commerce. However, China's pet food industry still faces significant challenges in its overseas expansion.

On the one hand, the export structure is mainly based on OEM manufacturing, and the overall characteristics are weak brand influence, low export unit price, and weak international competitiveness [20]. On the other hand, some developed markets have erected trade barriers based on food safety concerns, using their technological advantages to restrict my country's pet food exports [12]. Meanwhile, the persistent shifts in the trade policies of importing countries compel domestic production enterprises to continuously comply with the regulatory standards of various markets. Such adjustments, which cover R&D, raw material sourcing, manufacturing processes, and quality control, have substantially increased compliance costs. Against the backdrop of increasing uncertainty in the global trade environment, trade frictions between major exporting countries and China will directly affect the pet food industry's overseas business layout. Among them, raw material safety standards have become the most critical technical barrier to the international development.

Overall, the current situation of domestic pet product foreign trade is that export volume is growing rapidly, mainly driven by OEM, while brand influence is insufficient [21]. To achieve sustainable international development, the industry needs to break its dependence on the OEM model and promote a strategic transformation from “OEM export” to “brand going global”. In particular, it needs to systematically overcome the technical and standard barriers posed by raw material safety, thereby establishing long-term competitiveness in the continuously growing global market.

By comprehensively analyzing the advantages, disadvantages, opportunities, and threats of pet e-commerce development, and summarizing its internal logical relationships, as shown in Table 1, a basis is provided for constructing a pet e-commerce development strategy.

Table 1. *SWOT Analysis of Pet E-commerce Development.*

Dimensions	core elements	logical connections
S	(1) Full industry chain (2) Emotion-Trust Driven (3) Social/interest-based e-commerce empowerment	Its core advantage lies in starting with consumers' emotional needs, efficiently connecting through digital platforms, and empowering the industry chain in reverse, ultimately forming a synergistic, mutually reinforcing ecological cycle among the three.
W	(1) Production capacity and logistics bottlenecks (2) Product content homogenization (3) Uneven ecological loop	Supply chain weaknesses directly lead to low-quality and homogenized products. This homogenization forces operations to resort to low-price marketing to attract customers. Inefficient operations completely lock in the possibility of supply chain upgrades, ultimately creating a vicious cycle that is difficult to escape.
O	(1) Policy and talent support (2) New track for smart products (3) O2O model integration	Policy and talent provide a dual guarantee of resources and capabilities, emerging sectors such as smart products point to a clear direction for differentiated growth, and the O2O model provides a complete scenario chain for value realization. The synergy of these three elements forms a virtuous cycle of “policy guiding the direction, sectors providing support, and models opening up pathways,” thereby systematically transforming external opportunities into sustainable competitiveness that overcomes internal disadvantages.
T	(1) International and cross-border competition (2) Platform governance deficiencies (3) Obstacles to overseas expansion	International and cross-industry competition poses a severe external pressure, while inadequate platform governance continues to trigger internal risks. The combination of these two factors further hinders companies' overseas expansion and growth potential. At the same time, the inherent weaknesses of pet e-commerce in areas such as supply chain management and brand building leave it with sufficient resilience and buffering capacity to cope with external shocks. This intertwined and amplified situation of external pressure and internal vulnerability ultimately constitutes the systemic risk challenge facing the industry.

4. Development Strategies of Pet E-commerce under the “It Economy” Background

4.1. Strengthen the closed-loop ecosystem of emotional connection, industrial collaboration, and digital empowerment to build a solid core competitive barrier

The long-term development of pet e-commerce depends on the deep integration of the three core advantages of the completeness of the industrial ecosystem, the deep trust relationship based on emotional resonance, and the efficient conversion capability of social and interest-based e-commerce, and systematically transforming them into sustainable business results, thereby building a solid competitive foundation.

First, the supply chain faces the dual task of integrating physical and online marketing and needs to strengthen its online and offline integration to enhance the ultimate consumer experience [22]. E-commerce platforms or leading brands should take the lead in building a unified pet industry data platform to integrate the entire data chain, including upstream raw material procurement, midstream factory production, downstream sales, and user behavior. This requires connecting with the factory's ERP (Enterprise Resource Planning) system, the warehouse's WMS (Warehouse Management System), and the e-commerce platform's CRM (Customer Relationship Management) and CDP (Customer Data Platform) systems.

Secondly, by building a membership growth system encompassing membership levels, points, and exclusive benefits, and by segmenting communities and precisely targeting users based on user tags, while guiding core users to become brand co-builders, businesses can systematically transform consumers from one-way buyers into brand partners with high engagement and loyalty. This deepens emotional connections and effectively increases repurchase rates and customer lifetime value, overcoming the disadvantages of uneven marketing ecosystem loops.

Finally, e-commerce platforms can build precise pet profiles and user interest tags based on user behavior data (such as browsing, searching, and interactive content), using algorithmic models to deliver personalized product recommendations, shifting from “people finding goods” to “goods finding people.” This can be combined with typical pet-owning scenarios such as “puppy delivery,” “senior pet care,” and “holiday outfits,” integrating related products into scenario-based solutions. By stimulating potential demand through precise content delivery and themed event planning, and leveraging KOL reviews and real user cases to enhance scenario immersion and trust endorsement, efficient conversion from awareness and interest to purchase can be achieved in specific contexts, significantly improving the accuracy of marketing outreach and overall conversion efficiency.

4.2. Break the vicious cycle between supply chain, products, and operations, and systematically build resilience for development

Addressing the structural disadvantages of the pet e-commerce industry, such as production capacity and logistics bottlenecks, homogeneous product competition, and insufficient ecosystem development, systematic digitalization and e-commerce methods can provide precise solutions.

First, on the supply side, digital transformation of the manufacturing process should be encouraged. Modular and intelligent upgrades to production lines can enable them to handle small-batch, multi-batch customized orders. This allows for rapid response

to market changes, significantly reducing finished product inventory and unsold inventory risks, while meeting the e-commerce channel's requirements for rapid product updates and diversity. On the logistics side, efforts should be focused on building intelligent warehousing networks and regional cold chain hubs, especially for special commodities such as fresh pet food, to construct temperature-controlled logistics systems to mitigate operational risks caused by a lack of cold chain guarantees (as shown in the Pet Fresh case). By building a warehousing and distribution network integrating regional dispatch centers, flexible city forward points, and extensive store instant touchpoints, and leveraging intelligent dispatch systems for coordination, cost structures can be optimized while ensuring the timely delivery of high-efficiency goods, thus making fulfillment efficiency a key competitive advantage in the market.

Second, companies should build differentiated brands through value innovation and in-depth content to escape the trap of homogeneous competition. They should abandon simple price competition and shift to an asymmetric competition strategy centered on technological innovation and emotional value. On the one hand, they should focus on high-growth, high-value-added niche markets such as smart pet products and functional pet food, making precise strategic deployments. On the other hand, they must systematically shape a unique brand value proposition through continuous professional content output and immersive experience design, deeply integrating superior product quality, emotional connection, and continuous innovation capabilities to establish an irreplaceable competitive advantage in consumers' minds.

Third, the core of growth model optimization lies in systematically building a complete value evolution loop for users, from public domain acquisition, private domain retention, to social diffusion. This requires companies to shift their growth logic from relying on external traffic to lean operations centered on user relationships and social assets. In practice, precise content in the public domain can be used to achieve traffic attraction and conversion, while personalized services in the private domain help improve user loyalty and long-term value. Moreover, designing well-incentivized social fission mechanisms can transform users' social resources into a steady flow of new customers, thereby forming a growth cycle that reduces customer acquisition costs and strengthens the network effect. Addressing industry challenges requires a systematic strategy, which essentially involves upgrading e-commerce platforms from transaction channels into an ecological hub that drives industrial efficiency and value reshaping through digitalization, value innovation, and deepening user relationships.

4.3. Seize the synergistic opportunities presented by policies, industry sectors, and the O2O model to build a differentiated growth engine

To achieve leapfrog development, the pet e-commerce industry should leverage policy and talent support to build fundamental advantages, focus on emerging sectors such as smart products to gain growth momentum, and create a seamless consumer experience by deepening the integration of O2O models, systematically transforming external opportunities into endogenous growth drivers.

Driven by the dual wheels of policy and talent, pet e-commerce enterprises should take the initiative to align with local supporting policies for the pet industry. They can obtain rent reductions and R&D subsidies by applying for admission to industrial parks, and actively participate in the construction of public service platforms such as

pet food research and development centers to reduce compliance costs. At the same time, they should jointly build internship bases with universities offering pet-related majors, systematically introduce interdisciplinary talents with backgrounds in pet medicine and nutrition, and establish professional teams covering product development, quality inspection, and compliance management. Ultimately, the dual goals of optimizing operational costs and improving organizational efficiency can be achieved.

In terms of category strategy, pet e-commerce should focus on high-potential categories while building a full-scenario ecosystem that integrates online instant fulfillment and in-depth offline experiences. This requires establishing a pre-positioned warehouse delivery network supporting one-hour online delivery, deploying multi-functional service centers for offline operations, and integrating both channels through a unified membership system, aiming to ultimately form a closed-loop consumption model that facilitates purchases through instant delivery and solidifies trust through physical interaction.

4.4. Joint efforts from both internal and external sources to mitigate systemic risks and build a buffer barrier against threats

In order to systematically address multiple threats such as international competition, platform governance deficiencies and barriers to overseas expansion, the pet e-commerce industry needs to build a strategic framework centered on branding, full-chain compliance and differentiated overseas expansion. To enhance the competitiveness of domestic brands through transparency in quality and professional differentiation, it is necessary to establish a full-process visualization system from raw material traceability to production procedures. By disclosing supply chain details and introducing third-party testing and certification, consumer trust barriers can be broken down. Meanwhile, brands should deepen their expertise in pet nutrition and ethology, collaborate with veterinary experts to develop functional products for different breeds and age groups, and build a professional brand image through the output of professional content. On this basis, by addressing pet safety concerns, competitive barriers that are difficult for imported brands to replicate can be constructed with scientific formulas and professional services.

To transform compliance costs into trust assets and run through key links in the upstream and downstream of the pet industry. To establish live breeding registration and welfare standards in the upstream, such as the UK breeding license system [23], only breeders with licenses can sell self-bred puppies, the sale of puppies by pet stores is prohibited. Online platforms must disclose license numbers and the source of pets when selling pets, thus regulating the pet breeding and sales market from the source. Furthermore, the midstream sector strictly enforces pet food production standards and transparent traceability, while downstream e-commerce platforms implement merchant qualification verification, transaction process tracking, and after-sales guarantee mechanisms. By introducing third-party testing, formulating group standards that exceed national standards, and establishing a “Pet Consumer Protection Fund” to handle disputes, compliance costs are transformed into brand trust assets, systematically addressing market irregularities such as “weekly pets” and inconsistent product quality, ultimately rebuilding industry credibility on both legal and ethical levels.

Regarding market expansion and operations, priority should be given to emerging markets such as Southeast Asia, which are geographically close to China and culturally similar. Products tailored to local pet-keeping habits should be developed (such as mold-resistant and moisture-proof pet food for tropical climates), and marketing and promotion should be conducted in collaboration with local influencers through localized content. Simultaneously, international quality standard certifications should be actively obtained, and overseas warehouses and local customer service teams should be established in target markets. A dual-track model of “cross-border e-commerce + local operation” should be adopted to reduce the impact of trade barriers, gradually achieving a transformation and upgrade from OEM manufacturing to independent brand overseas expansion.

Based on the above analysis, Table 2 lists four types of strategies: S-O growth strategy, W-O turnaround strategy, S-T diversification strategy, and W-T defensive strategy.

Table 2. *Pet E-commerce Development Strategies.*

	(S)	(W)
	S-O	W-O
(O)	(1) Deepen industrial data collaboration and transform the supply chain into an e-commerce supply advantage; (2) By leveraging professional content and refined private domain operations, we can deepen emotional connections and accumulate user assets with high repurchase rates; (3) By leveraging algorithms and scenario-based operations, we can achieve precise conversion through “product finding people”.	(1) Reduce compliance costs with policy support and introduce professional talent to improve e-commerce operational efficiency; (2) Implement a category-focused strategy and create new business growth points through the integration and innovation of online and offline scenarios; (3) Build an omnichannel service ecosystem that integrates online instant fulfillment with in-depth offline experiences.
	S-T	W-T
(T)	(1) By ensuring transparency in product quality and differentiating professional functions, we can build the core competitiveness of domestic brands; (2) Establish a compliance and trust system covering the entire industry chain to systematically rebuild consumer confidence; (3) By prioritizing emerging markets and deeply localizing operations, we can break through international barriers.	(1) Systematically optimize supply chain efficiency, break through logistics bottlenecks, and firmly implement a differentiated competitive strategy; (2) Build a flexible supply chain and instant delivery system to address the shortcomings of e-commerce in terms of fulfillment experience; (3) The system integrates public domain traffic acquisition, private domain user retention, and social fission mechanisms to form a sustainable growth loop.

5. Conclusions

In light of the SWOT analysis, pet e-commerce is at a critical stage of development, facing both opportunities and challenges. To achieve high-quality development, it is necessary to consolidate the advantages of the industry chain and interest-based e-commerce through a “strengths-based” strategy, and address the bottlenecks in the trust system and supply chain by “filling the gaps.” Specifically, a dual-channel integrated consumer ecosystem should be built, and market expansion and quality assurance should be driven by both market penetration in lower-tier cities and the

construction of a quality control and traceability system. This will provide a clear, traceable development path for transforming and upgrading the entire pet economy.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this article.

Funding

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

References

- [1] Wang, Q.; Tian, L. Investigation of Issues Related to Animal Trading in China's Pet E-Commerce. *Management*, 2025, 8(4), 1-9, DOI: 10.31058/J.MANA.2025.84001.
- [2] Dong, Y.Y. Research on Market Promotion of Pet Products in the Era of Pet Economy. *Quality and Market*, 2021, 9, 122-124.
- [3] Qian, H.; Zhou, S.Y. Special Topic II on the Pet Industry: Referring to the High Resilience of Overseas Consumption, Optimistic About the Vigorous Development of the Domestic Market. Available online: https://stock.finance.sina.com.cn/stock/go.php/vReport_Show/kind/latest/rptid/745314637695/index.phtml (accessed on 11 December 2025).
- [4] Li, J.Q.; Yang, X.Y.; Zhang, Z.W.; et al. Research on Marketing Strategies of Pet Brands Empowered by Digitalization. *China Market*, 2025, 6, 123-126, DOI: 10.13939/j.cnki.zgsc.2025.06.030.
- [5] Hu, J.; Li, S.Y.; Huang, W.; et al. Research on the Development of Pet E-Commerce in the New Media Era. *Time-honored Brand Marketing*, 2022, 19, 25-27.
- [6] Zeng, W.W.; Li, S.W.; Huang, J.K.; et al. Research on the Optimization of Pet Product Marketing Strategies on Douyin Short Video Platform. *Market Modernization*, 2025, 18, 84-86, DOI: 10.14013/j.cnki.scxdh.2025.18.039.
- [7] Feng, H.M. The Influence of KOL Characteristics on Consumers' Purchase Intention in Social E-Commerce. *Market Modernization*, 2025, 20, 28-30, DOI: 10.14013/j.cnki.scxdh.2025.20.006.
- [8] Gao, W.J.; Zhu, D. Research on the Mechanism of Interest E-Commerce New Form Promoting Consumption: A Case Study of Domestic Product Consumption. *Expanding Horizons*, 2023, 5, 83-90.
- [9] Lu, N.N.; Li, G.P. Emotional Simulacrum: A Study on the Emotional Consumption Phenomenon of Young People Raising Pets. *China Youth Study*, 2023, 3, 22-29, DOI: 10.19633/j.cnki.11-2579/d.2023.0044.
- [10] Xu, K.P.; Ou, Q.Q.; Xue, H.; et al. Traditional Petism: The Influence of Pet Owner Identity, Pet Type and Pet Traits on the Moral Status of Pets. *Acta Psychologica Sinica*, 2023, 55(10), 1662-1676.

- [11]Chen, L.; Jiang, H.J.; Zhang, X.Y.; et al. Research on the Current Situation and Countermeasures of China's Pet Economy Development. *Contemporary Animal Husbandry*, 2023, 9, 117-120.
- [12]Feng, F.F.; Cao, S.M.; Li, J. SWOT Analysis on the Market Development of Domestic Pet Food. *Northern Economy and Trade*, 2022, 5, 56-58.
- [13]Zhang, L. Evolution and Practice of China's Cross-border E-Commerce Tax System. *China Business and Market*, 2018, 32(10), 48-55, DOI: 10.14089/j.cnki.cn11-3664/f.2018.10.006.
- [14]Li, W.X. Research on the Influencing Factors of Consumers' Online Purchase of Pet Supplies. *E-Commerce Letters*, 2024, 13(2), 889-901.
- [15]Zhang, Y.X.; Zhao, W.Y.; Hu, C.Y.; et al. Research on the Development Problems and Countermeasures of the Pet Industry Focusing on Pet Dogs. *China Working Dog*, 2022, 3, 14-17.
- [16]Wang, G.S.; Li, J.X. Design of O2O Incentive Mechanism under the "Offline Experience + Online Purchase" Model. *Systems Engineering*, 2022, 40(5), 104-113.
- [17]Chen, L.H. Current Situation, Influencing Factors and Development Trend of China's Pet Industry. *China Animal Health*, 2018, 20(8), 4-8.
- [18]Chen, L.; Jiang, H.J.; Zhang, X.Y.; et al. Research on the Current Situation and Countermeasures of China's Pet Economy Development. *Contemporary Animal Husbandry*, 2023, 9, 117-120.
- [19]Liu, C.; Cui, Y.F.; Wei, S.; et al. Research on the Current Situation and Countermeasures of China's Pet Economy Development. *Trade Fair Economy*, 2025, 5, 119-122, DOI: 10.19995/J.cnki.CN10-1617/F7.2025.05.119.
- [20]Liu, Y.Q.; Sun, Q.; Shi, Y.T. Measurement and Analysis of the International Competitiveness of China's Pet Food. *China Feed*, 2023, 11, 114-118, DOI: 10.15906/j.cnki.cn11-2975/s.2023050101-05.
- [21]Song, P.F.; Guo, X.Y.; Sun, L.W.; et al. Analysis of the Influencing Factors of China's Pet Product Export Trade. *Market Modernization*, 2025, 19, 98-100, DOI:10.14013/j.cnki.scxdh.2025.19.041.
- [22]Wu, T. Research on the Integrated Development of Supply Chain in Omnichannel Marketing. *Journal of Commercial Economics*, 2021, 17, 72-74.
- [23]Sun, X.L.; Liu, J.B. The Pet Management System in the United Kingdom. *Modern World Police*, 2025, 8, 80-84.



© 2026 by the author(s); licensee International Technology and Science Publications (ITS), this work for open access publication is under the Creative Commons Attribution International License (CC BY 4.0). (<http://creativecommons.org/licenses/by/4.0/>)