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The Pet Supplies Paradox: When High CVR Drives Low ROAS

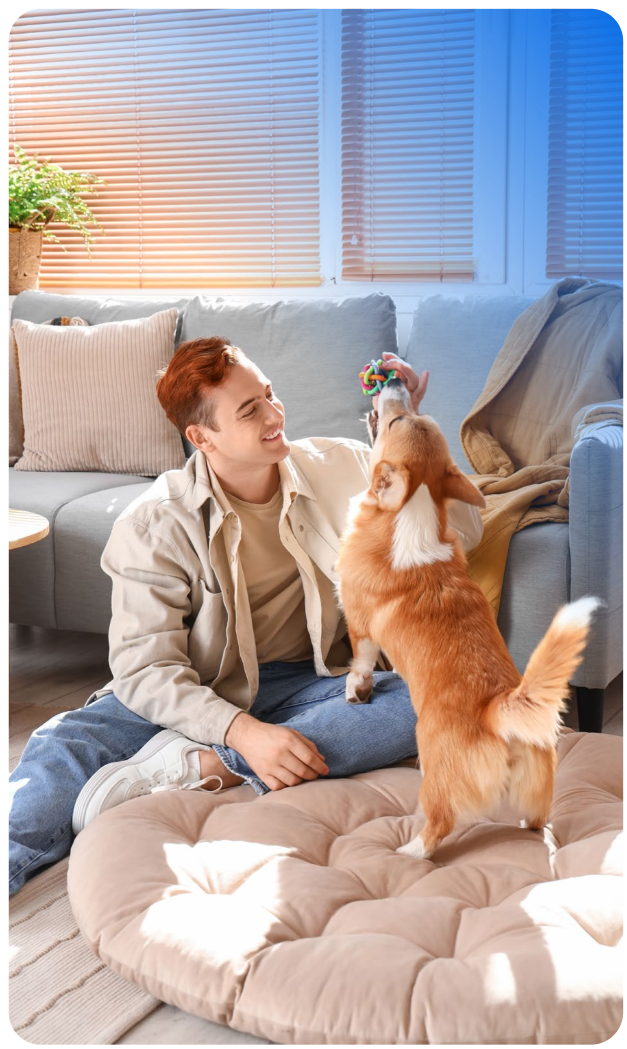
Transforming a High-Intent Category into a Customer Acquisition Engine

+16.0% Conversion Rate (YoY)	-17.4% Return on Ad Spend (YoY)	+12.6% Cost-per-Click (YoY)	25.2% Conversion Rate (Q2 2026)

On Amazon, advertisers face a puzzling dilemma with the Pet Supplies category.

While they have little trouble driving conversions—CVR was a robust 25.2% in Q2 2026, improving +16% YoY—they struggle to turn a profit on their Pet Supplies campaigns. ROAS declined –17.4% YoY to $3.28 in the same quarter, while sales fell -29.8% YoY and spend contracted –14.1% YoY.

However, rising CPCs (+12.6% YoY) indicate real demand, not market collapse. The problem is that too many brands are focused on making a quick buck through one-off purchases on consumables (dog kibble, cat litter, etc.) and other low-margin items, instead of building recurring revenue streams through loyalty programs—like Subscribe & Save deals—and strategically promoting their most profitable products.



Performance Comparison: Q2 & Prime Day

Metric	Q2 2025	Q2 2026	Prime Day 2026	Q2 Δ YoY
CVR	21.7%	25.2%	25.3%	+16.0%
CPC	$1.67	$1.88	$2.02	+12.6%
ROAS	$3.97	$3.28	$2.89	-17.4%

The New **Pet Supplies Playbook**

1 Prioritize customer acquisition over revenue with Amazon Ads.

Take advantage of the category's strong CVR on Amazon to drive customer acquisition through consumables and other low-margin items, sacrificing profitability on the first transaction to build a customer base you can monetize later.

2 Segment products by acquisition vs. retention value.

Bid aggressively on ASINs that drive customer acquisition, while spending more conservatively on—and promoting via owned channels—your most profitable products.

3 Build a repeat purchase infrastructure.

Deploy email sequences, loyalty programs, and post-purchase engagement to convert one-off buyers into repeat customers, directing them toward high-margin items (like premium food tiers and toys).

4 Expand beyond Amazon to protect your margins.

Drive customer acquisition through Amazon, then further monetize those relationships through a multi-channel strategy—including platforms like Chewy and direct-to-consumer—to diversify risk and assert more control over pricing and profitability.

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Your Strategic Partner for Pet Supplies Success

Pacvue is the leading Commerce Media OS, powering over $12B in advertising spend across 100+ global retail media networks including Amazon, Walmart, Target, Kroger, Instacart, Criteo, and CitrusAd. Powered by industry-leading AI and real-time data, Pacvue enables over 70,000 brands and agencies to maximize advertising performance, drive incrementality, and expand reach across the commerce universe from a single mission control.

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