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but are still not at historical growth rates. We believe Untracked Channels have continued to grow at significantly higher rates than the overall market, as well as specialty channels. Wholesome Natural and Therapeutic market segments also continued to outperform the overall market in 2014, growing at a rate of 14% and 5%, respectively.

Doing Things the BLUE Way: Our Strategic Differentiation

The Landscape We Found

Pet food in 2002 was an established industry dominated by large CPG companies, offering a variety of brands made primarily with ingredients such as poultry by-product meals, corn, wheat and soy. Based on our conversations with many pet parents, we found that the vast majority of them did not read pet food labels and were often unaware of the ingredients they were feeding their pets, even though they were seeking natural foods and products for themselves and their families. A number of small natural pet food brands began to emerge in the neighborhood pet stores, led by entrepreneurs who often did not have the funding to build sizable businesses. In parallel, the pet food retail landscape had evolved significantly with the expansion of national pet superstores. These superstores carried a broad assortment of pet products and foods, anchored by Engineered brands but did not participate in the emerging Wholesome Natural market segment in a meaningful way.

The BLUE Disruption

We set out to challenge the status quo set by the incumbent brands. We were convinced that the Wholesome Natural market segment could become a large part of the industry due to a large unmet consumer demand for pet food with high-quality, natural ingredients. We have established our leadership position in the Wholesome Natural market segment through the strength and quality of our products, by broadly sharing our message to encourage pet parents to read ingredient labels and by pricing our products at a reasonable premium to Engineered brands. This approach was in contrast to our major competitors whose business models were tied to the mass production of Engineered brands.

We committed to creating wholesome pet food made with whole meats, fruits and vegetables and other high-quality, natural ingredients that we feel good about feeding our own furry family members and to educating fellow pet parents about pet nutrition. We further distinguished our products by creating a two-part dry food, consisting of kibble and our trademarked LifeSource Bits that are cold-formed to help preserve the potency of vitamins, minerals and antioxidants. LifeSource Bits are more expensive and complex to manufacture, but we believe they provide significant benefits and create a visual point of differentiation when we talk to pet parents. We also combined advanced quality control and supply chain capabilities generally consistent with the standards required for human food industries with our deep expertise in pet foods. We believe these competitive advantages, together with our investments in our brand, have distinguished us from our smaller competitors in the Wholesome Natural market segment.

We deploy our Pet Detectives, part-time pet-passionate team members, to help us fulfill our mission to educate fellow pet parents about pet nutrition. Pet Detectives interact with pet parents one-on-one as they shop for pet food in stores nationwide and in Canada. Our Pet Detective program serves as an educational marketing and sales platform as it is a resource for both pet parents already feeding their pets BLUE and pet parents currently feeding their pets other pet food brands. The Pet Detectives allow us to engage pet parents with our brand story, our mission and our shared love for pets in an authentic manner.

From the dynamics we saw in human foods, we knew that consumers were willing to pay a premium for natural products, and we were confident that pet parents would be open to paying a reasonable premium for our natural products for their furry family members. Our price premium compared to Engineered brands varies. For example, virtually all pet parents feeding their medium-sized dog an Engineered brand can switch to BLUE for anywhere from no extra cost to 70 cents more per day. For a cat, they can switch to BLUE for anywhere from no extra cost to 30 cents more per day. As we have grown, we have successfully switched pet parents from feeding their pets various brands across the full range of price points to feeding their pets BLUE, demonstrating our broad appeal and affordability to a large population of pet parents.