

Providing Everything Your Pets Need

PETS360



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Section 1: Introduction

We all like pets! The happiness a pet can bring in your life cannot be compared to any other happiness in your life. We know this right, and hence we present you Pets360. It is a one stop shop for all your pet's needs. Be it his/her favorite snack, favorite toy, favorite pillow, monthly medical checkups, vaccinations... the list goes on and on.

Millennials favor pet ownership over children in America's increasingly unaffordable cities. As millennials have come into adulthood, they have embraced the pet-owning and pet-loving lifestyles to a far greater extent. They are the most enthusiastic pet owners, with almost 70 percent boasting of having at least one pet. Pets are now more common than kids in many U.S. cities. In the absence of kids, a dog or cat serves as something like a starter family. One must know exactly what one needs to keep the newest family member happy and healthy. Pet owners shell out approximately \$13 billion just for veterinary care.

To treat the beloved pet as a member of the family, we want to make sure that they get the best medical treatment when illnesses or injuries strike. Purchasing pet insurance can offset some of the costs. Along with insurance, Pets360 offers sensors to monitor activity and behavior patterns of furry babies. It's with them 24 hours a day attached to their collar which helps to track their daily activities, sleeping patterns, calories burnt, scratches, body temperature, and alerts you whenever there is a significant increase in any of these behaviors via a mobile application. If one needs a vet's expertise without the hassle and stress of heading into the animal hospital, there are now veterinarians who visit the customer's house for more personal and convenient service. Pets360 also provides medicine delivery at their doorstep. This generation is willing to pay for quality products and services to improve the health and well-being of their pets. For the pet owners going to multiple platforms for service, we have consolidated everything into a single package.

Section 2: Problem Definition

U.S. pet spending reaches an all-time high totaling \$72.56 billion in 2018, according to the survey conducted annually by the American Pet Products Association (APPA). A \$3 billion raise as compared to 2017 and were estimated to reach \$99 billion in 2020. Apart from spending \$30.32 billion on food, veterinary care was the second-highest source of spending and is estimated to be \$19.8 billion in 2020. United States is home to 128.58 million households out of which 85 million own pets. With around 89.7 million dogs and 94.2 million cats, the number of Americans that own at least one furry friend is at an all-time high. Thus, pet owners' need a consolidated platform that caters to their needs and concerns related to their furry companions and such an integrated platform

does not exist today. With specialized applications existing in the market, it may get confusing for first-time pet owners to get the right information they seek.

Thus, Pets360 provides bundled packages as a service provider to these pet owners and helps them with Health Insurance, Medicine Delivery, At Home Vet Visits by partnering with local practitioners and experts, and Real-Time Health Monitoring through proprietary technology aimed at the various age groups and customized according to their needs.

Section 3: Situation Analysis

Part1: Who is the Customers?

Most of the Americans are very well known for their pure altruism and unlimited love for their pets. Around 96% of people have had an animal of some sort at some point in their life. American pet's product association (APPA) has been conducting research on families and pets in the United States since 1988 when only 56% of American households had a pet. And according to the recent research, more than 85 million families make around 68% of all households in America own at least one pet. The popularity of pet ownership has grown by 9% in a very short period, and it is on a steady rise. It has also been found through the results of the research that over 60 million households have at least one dog, and more than 47 million own at least one cat. 2016 research data shows there is a 57% rise in the number of households with a pet having dogs and cats as the most popular pets. As the number of households across the US is rising, the number of pet dogs is also increasing significantly and it is found in one survey that more than 88 million cats are kept as pets in the US making them the second most popular pet. Because cats are independent and all they need is a litter box and don't require as much attention as dogs do, studies have shown that despite of more households around the world having dogs, cat owners often have more than one. According to a survey from 2017, the majority of cat owners that is around 58% of them are female having their average age ranging from 55 to 64 years. On the other hand, dog owners on average are 10 years younger as compared to cat owners, and most of the owners are, once again, female, at 53%. The majority of pet owners in the US are millennials, at 35%, which makes them the most substantial portion of pet owners. According to the millennial pet ownership statistics, male millennials are more likely to have a pet. The AVMA's (American Veterinary Medical Association) began collecting data in 1982 when only 38% of American households had a dog, and 25% had a cat. Their regular research and studies show that pet ownership in the US is on the constant rise.

Therefore, our potential customers are anyone who owns a dog or a cat. Our various features, and facilities would provide an advantage of **“One platform for all pets related services”** to people who would want their needs to be handled by a single service provider which will serve a hassle-free manager

Part 2: What is the Competition?

Looking into our competitors, we have multiple field competitors considering the various services such as supermarkets, online stores, discount stores, other mass merchandisers, specialty pet stores, unsolicited mail houses, Internet retailers, and veterinarians. And to being fragmented, pet product retailers cater to different demographics. Nationwide outlets like Chewy, their marketing model is “convenience” — it delivers toys, chews, food, and treats directly to a consumer’s home, in a box. Three Dog Bakery tends to hold "high end" products while supermarket-style stores like Pet Supplies Plus tend to hold lower-cost products. This differentiation makes it difficult for one manufacturer to dominate the market and leaves niche markets open.

Part 3: Assumptions about our company:

Pets360 shall be a pet healthcare and supply service which is an extravagant and differentiated online shopping experience. We shall have a nationwide network of veterinary practitioners, pet pharmacies, and warehouses. Our company shall provide best offers and discounts compared to any other online site. We shall have excellent customer care service where the issues get addressed within 24 hours . Basically this application provides A to Z supply and services for your pets

Part 4: What are the Costs?

Our total budget is allocated as follows:

i. Marketing Costs: \$6M

- Market Research, Competitor Research, Market Segmentation, Targeting, Advertisement, and Payroll

- ii. **Insurance Assistance Costs: \$7M**
 - In house Vet visit, Monthly medicine delivery, and Payroll
- iii. **Digital Services Development and Maintenance Costs: \$3M**
 - Development of website and mobile apps, Research & Development cost Infrastructure
- iv. **Pay Roll Cost: \$6M**
- v. **Other Charges: \$10M**
 - Rent and Utilities
- vi. **Operating Cost: \$8M**
 - Selling cost and Administrative cost
- vii. **Taxes: \$2.4M**
 - 21% Corporate Tax and The Combined States and Federal Corporate Tax Rate (Depending on states)

Total Costs - \$42.4M

Section 4: Potential Market in terms of dollars, profits and sales:

Total pet count in the U.S. = 89.7 million dogs + 94.2 million cats = 183.9 million dogs and cats

Percentage of Insured Pets in the U.S. = 1.5%

Total number of pets insured in the U.S. = $0.015 \times 183.9 \text{ million} = 2,758,500$

Assuming only 20% of these pets are insured through Pets360,

20% of Total Insured through Pets360 = $.2 \times 2,758,500 = 551,700$

Total Revenue = Unit Price x Quantity Sold

= $\$400 \times 551,700$

= 220,680,000

Total Cost = \$42.4 million

Profit = Total Revenue – Total Cost

= $\$220,680,000 - \$42,400,000$

= \$178,280,000

Section 5: Marketing Plan for the introduction:

Part 1: Product:

We have named our brand 'Pets360' as we focus on not just pet grooming, but also on the health and fitness of them.

We plan to offer three packages for our customers viz. Basic, 360 and 360+.

The three packages can be compared as below:

Features	Basic	360	360+
Insurance			
Monthly Health Checkup	Once per month	One per month	Unlimited
Pet Training Video Suite			
Exclusive Deals		20% off on all products	20% off on all products and early bird access to exclusive deals
Health Monitor Device			

Part 2: Promotion:

In the current world, when 90 percent of the business is done online, having a strong online presence is our topmost priority and we are strived to do so. We plan to spend 30 percent of our

advertising budget on purchasing Facebook Ads as in the current time, most of the people in our target age bracket(18 to 35 years) use Facebook for around two or three hours per day and are most active.

Along with Facebook, having an Instagram Page and promoting our products along with giving shoutouts to our customers on the platform would help in the word of mouth publicity which is the best form of publicity since a long time.

We also plan to promote our brand in the Global Pet Expo, Local Pet Exhibitions and also being sponsors for some pet beauty contests happening on a local level. The presence of many pet parents in these events and locations would help us in spreading the word. We will also consider the possibilities of tie-ups with veterinary clinics and advertising through them.

The next plan would be to buy some air time on local radios and also local televisions during Christmas and Thanksgiving season, which would help us in our growth immensely.

Using tools like Google Analytics would help us analyze the location hotspots where people search for pet grooming products more and this would help us in targeting those areas.

Part 3: Distribution:

We plan to rent warehouse space at the major hotspots around the cities for all the most frequently ordered items, so that we can satisfy one day delivery on them.

We plan on purchasing shelf space at some of the largest retail stores like Walmart, Target and PetSmart.

The deliveries of medicines and other fitness products can be done at the doorstep for a minimum order of \$50 (can be revised later).

Part 4: Product Price:

Veterinary Service: \$75 per visit.

Veterinary Specialist Service: \$200 per visit.

Wearable Sensor: \$100 per unit. Prices can be lowered for bulk orders.

Taxes vary from state to state but an average tax of 9% can be implied.

Insurance can vary between \$20 to \$80 per month.

Part 5: Price of Packages:

Basic - \$40 per month | \$400 per year (Savings of \$80)

The basic package would include the basic insurance of \$10 per month, one monthly health checkup at a Pet360 certified vet and access to Pet360 training videos.

360 - \$60 per month | \$600 per year (Savings of \$120)

This package would include insurance of \$20 per month, one monthly health checkup at a Pet360 certified vet and one specialist appointment, access to Pet360 training videos, and exclusive deals on grooming products with an all time 20% off.

360+ - \$80 per month | \$800 per year (Savings of \$160)

This package would include insurance of \$20 per month, unlimited health checkups at any Pet360 certified vet, one health monitor device, access to Pet360 training videos, exclusive early bird access to the latest products on the pet grooming line.

Part 6: Time Frame:

National Rollout:

As mentioned above, we need to spend enough time with marketing of the product on social media to get the online presence. Every event of the product release should be carefully scheduled. Product promotion and product production should be properly aligned. Different tasks like Product Development, QA, Marketing, and Distribution should go hand in hand. We are planning to launch our product next quarter.

Successful National Rollout is achievable but for that, we need perfect planning. First, we must launch our product across a limited number of U.S. regions like California, New York, Florida, Texas, and Massachusetts because we have a maximum number of pets holding households in these states and then gradually increase scope on the national level. This will help us to understand and improve our flaws before our product goes live on a national level based on customer feedback and reviews. While crafting our plan at the national level we must focus on three factors: Timing, Distribution, and Promotion. If the product's timeline is disorganized, then we may lose our credibility. If the demand is high or low as compared to our expected figures, then we must focus on your distribution. Also, if our promotional efforts are low, we can't attract more customers, so we have to consider this factor as well.

Part 7: Limitations or potential threats to Success:

If your product is innovative and first in the market, it's obvious that the moment you start succeeding you will suddenly get to know that you are blinded with copycats. We all know there is a huge competition in the business market. So other organizations will try to surpass you by

giving similar products with great deals and discounts. But we must consider this situation in advance because it is unavoidable. We must consider below ways to deal with such copycats in the market:

1. Don't let them kill your vibe:

Push your boundaries and accept challenges. The process will be frustrating because we must invest money, efforts to overcome your competitors. But we can't ignore it because it will have a negative impact on our sales and profit.

2. Don't break your customer's trust:

While saving your brand don't forget about customer's requirements and expectations. Also, focus on the quality and quantity of your product while maintaining the position of your brand. Stay connected to your customers and understand what their needs are and try to achieve them.

3. Ignore copycats:

Focus on your own growth and customers and forget about who is following you. Remember that if they are following you that means you are ahead of them.

Also, if customers are expecting too much from you, you must proactively manage the situation and stay calm and professional to avoid escalations. Try to understand the problem customers are facing and try to solve that problem genuinely. Offer them different packages we are having at different costs.

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