



# **B2B E-COMMERCE**

**REAL CASE: PREET**

**By:**

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Ziyang, Yuxuan and  
Morgan

# AGENDA

Project Introduction to  
Preet

Investment Thesis

Go-to Market Strategy



**ABOUT PREET**

# ABOUT PREET

## Product demo

The image displays two screenshots of the Preet platform. The left screenshot, labeled 'For buyers', shows a homepage with a banner 'Love, Treat, Be Merry' featuring a woman petting a dog. Below the banner are sections for 'Recommended for Your Shop' (listing items like Bone Broth Dog Treat, Freeze-Dried Meal, Dry Dog Food, Frozen Food, Boba Time Pet Toy, and Air-Dried Dog Food) and 'Trending Categories' (Dog Treats, Dog Supplements, Dog Beds, Cat Furniture, Cat Toys). The right screenshot, labeled 'For sellers', shows a dashboard with metrics: Product Sold (2,535), Total Revenue (\$23,794), Sales Profit (\$10,232), Current Balance (\$162,150), and a 'Latest Orders' section showing a tracking order for a 'Doba Time' product.

Preet is a B2B Marketplace specifically in the pet industry, aiming at making transactions between pet product brands and retailer stores much more efficient.

# WHY PREET



## PAIN POINT

Currently, the B2B sales in the pet industry are archaic, brands & retailers have to attend multiple trade shows each year



## SOLUTION

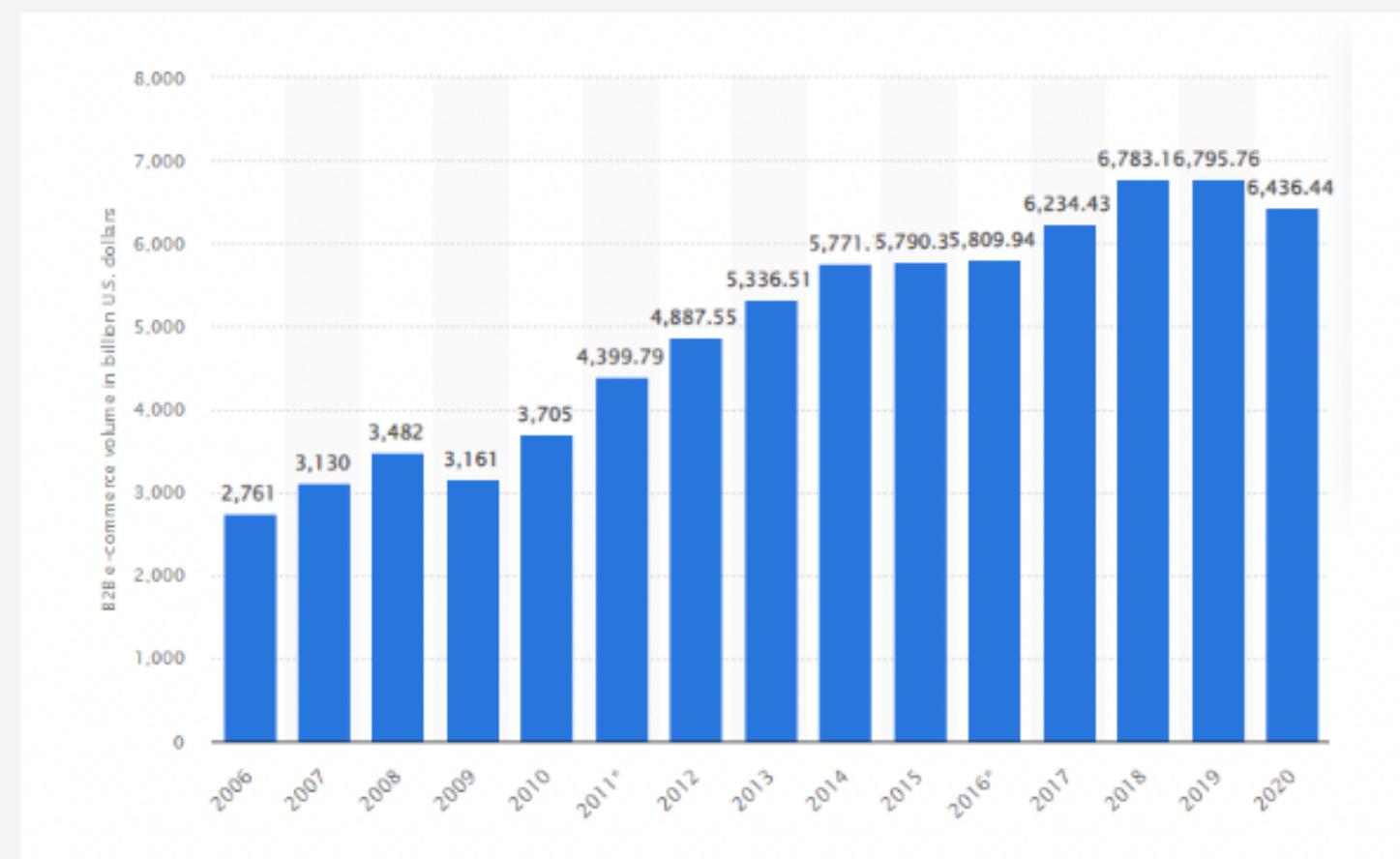
By building a one-stop e-commerce platform for both retailers and brands, Preet helps both brands and retailers better sell their products & scan for products that they actually want



***INVESTMENT THESIS***

# B2B E-COMMERCE OVERVIEW

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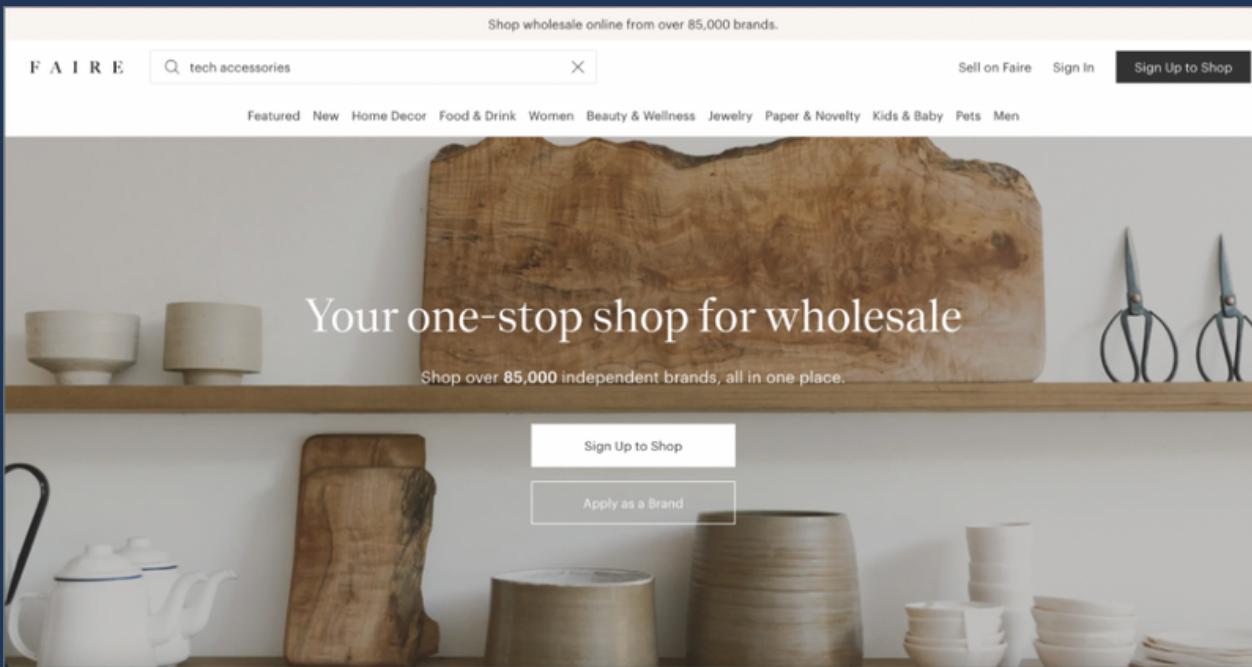


- ***US general B2B E-commerce market size has increased from 2010 to 2019 and reached \$6,795B***
- ***Top players in B2B E-commerce still take a small portion of the market (e.g. Amazon Business has an annual GMV of \$31.5B, but only gets 1.7% of the total market share)***
- ***A new trend has formed: traditional E-commerce companies are also trying to provide B2B services (e.g. Alibaba 1688.com)***

**Source: Statista / Annual Report (Amazon, Alibaba)**

oooo

# BENCHMARK - FAIRE.COM



- 300,000 retailers
- Sold over 125,000 different products in the last year
- Over \$10 million in sales per day
- YoY growth is more than 3x
- Current Valuation: \$12.6B
- Estimated annual revenue: \$216.8 million
- Charge a 15-25% commission to the producer

Source:

1. <https://news.faire.com/2021/11/16/announcing-400-million-in-series-g/>
2. <https://growjo.com/company/Faire>
3. <https://getlatka.com/companies/faire>
4. <https://savvyshopkeeper.com/the-difference-between-faire-vs-tundra-wholesale/>



# FUNDING

Faire.com went through 12 funding rounds totaling \$1.7B





**DIVE INTO  
PET INDUSTRY**

# STATISTICS & FACTS

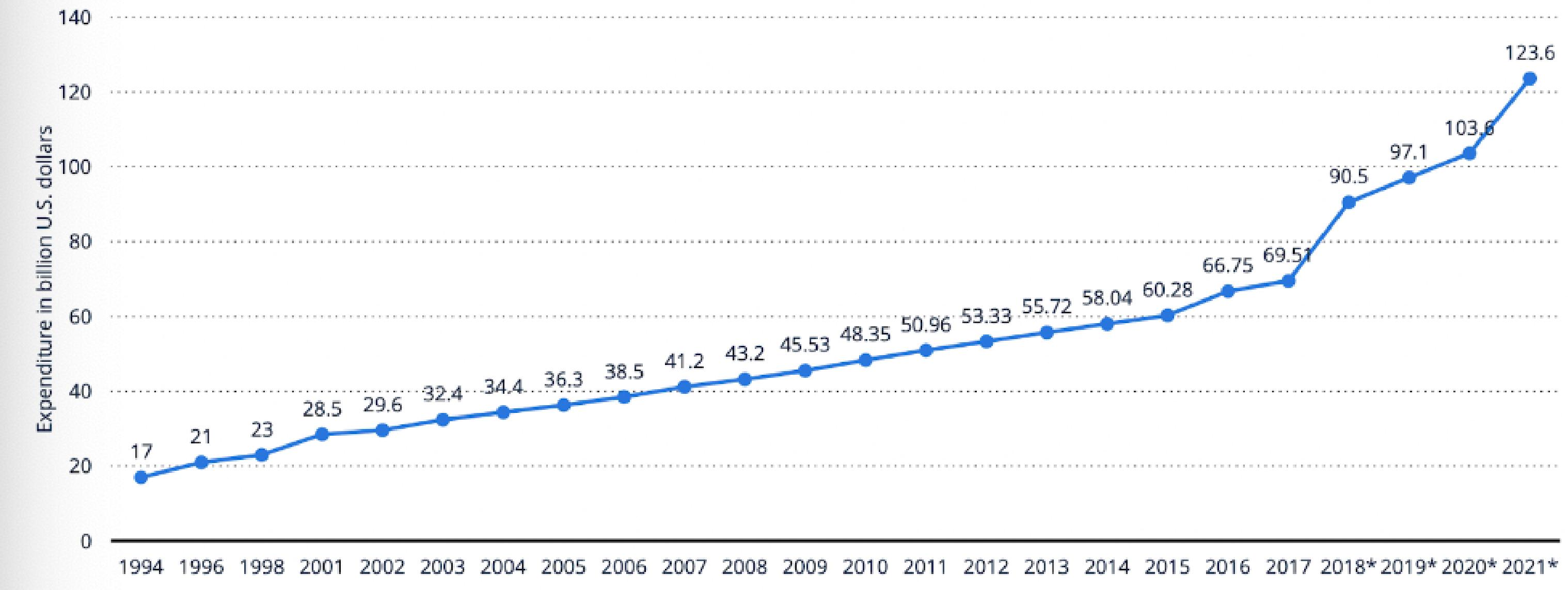
- Global Pet Care Market Size: \$150.67B in 2021
- Compound Annual Growth Rate: 5.1%
- Pet Products (not food): 54% of market share
- North America has largest revenue share of 43%
- Asian Pacific market is expected to expand the fastest with a CAGR of 5.6%

<https://www.grandviewresearch.com/industry-analysis/pet-care-market>

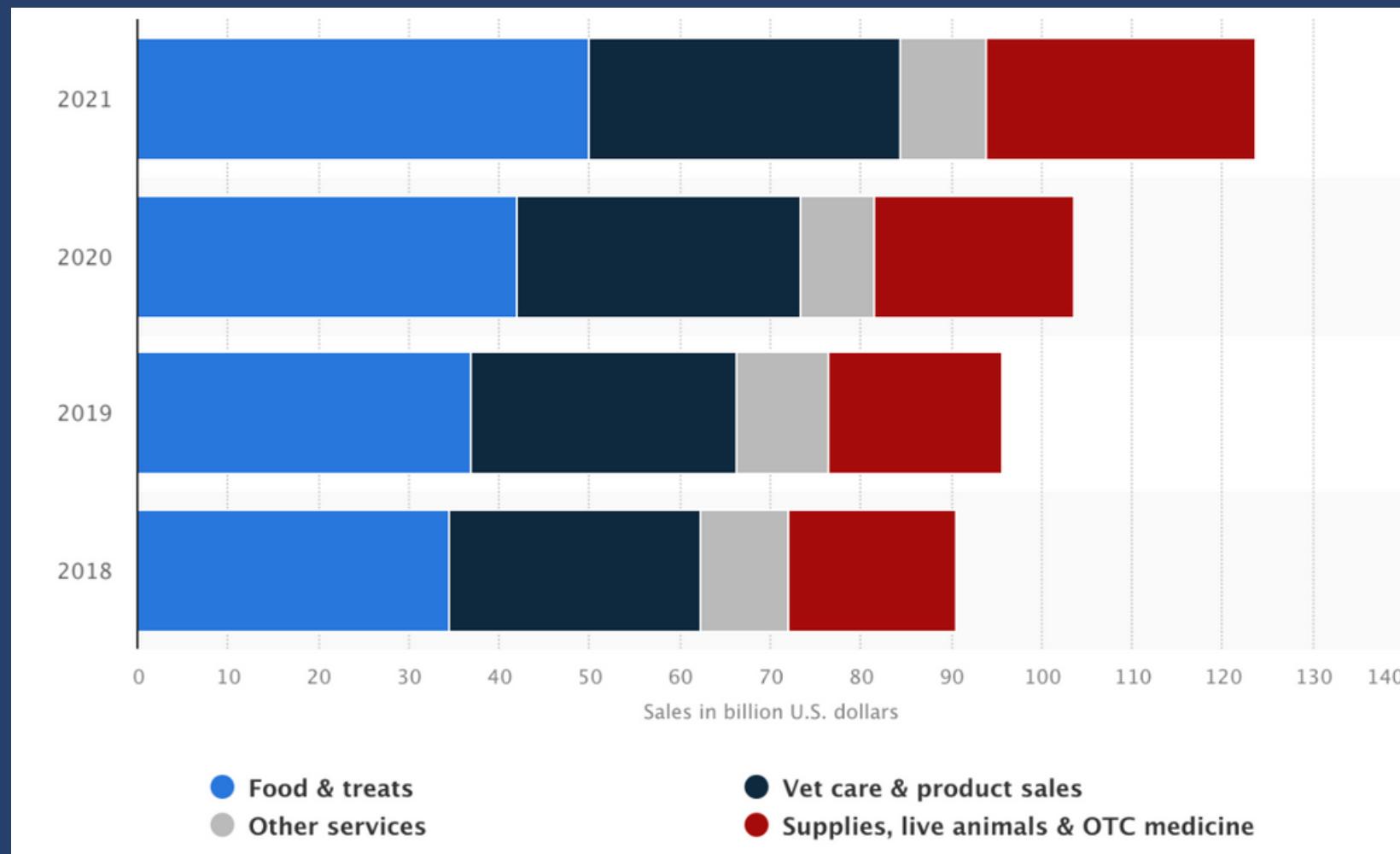
# US PET INDUSTRY MARKET SIZE HAS ARRIVED \$100+B

Pet industry expenditure in the United States from 1994 to 2021 (in billion U.S. dollars)

U.S. pet industry expenditure 1994-2021



# MARKET SIZE BY SEGMENTS



- In 2021, the overall pet market had reached \$123B in the US
  - Food & Treats: \$50B
  - Vet care: \$33B
  - Supplies: \$30B
  - Others: \$10B

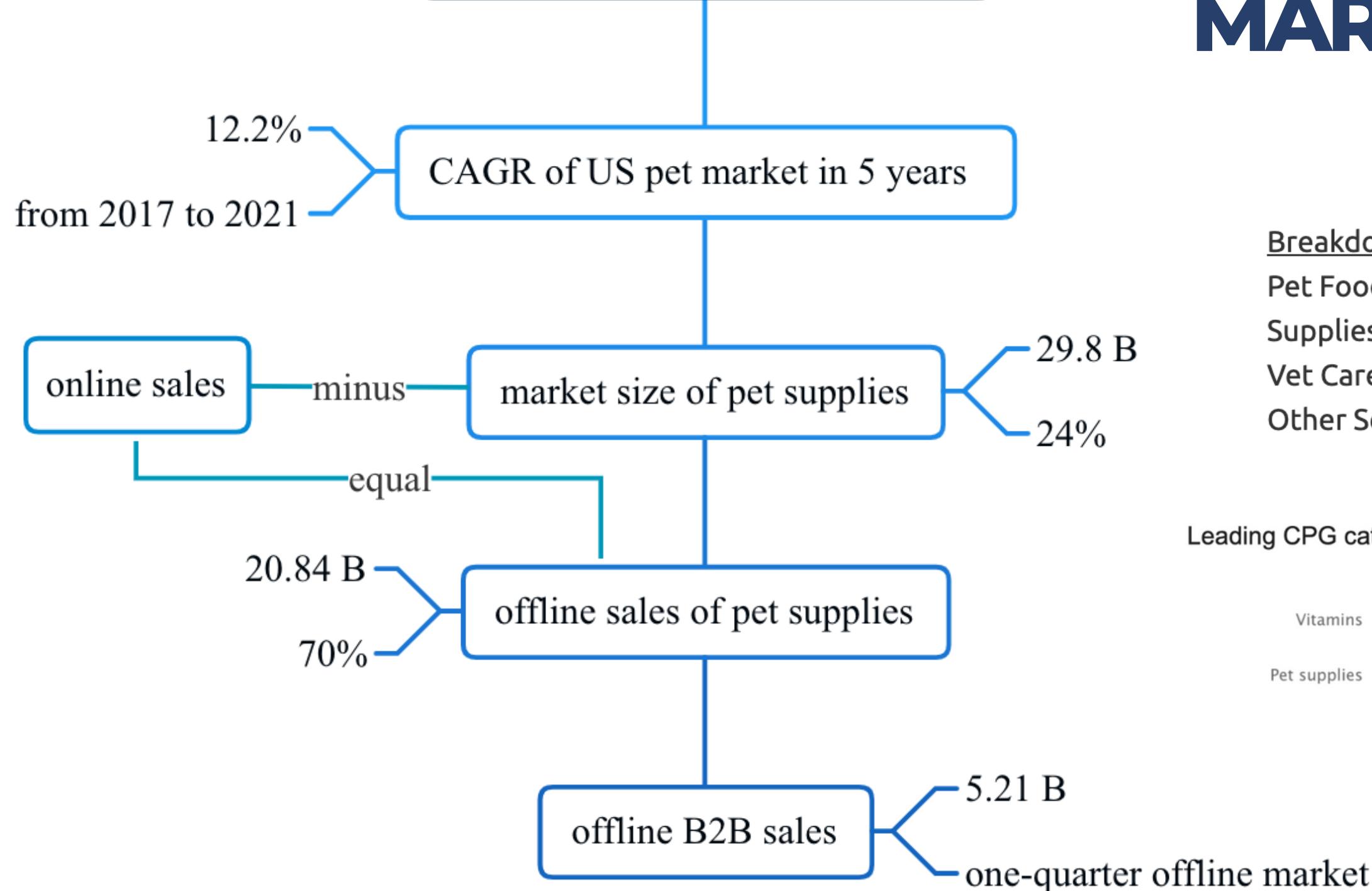
Next Page we will talk specifically about the offline sales (estimated)

# **OFFLINE MARKET SIZE**

- In 2021, the overall pet market had reached \$123B in the US
  - the online / offline ratio is around 3:7 for now
  - which means the offline market in US pet industry as general is around \$86B (for B2B should be around \$20B)
  - Notice: this "\$86B" is the customer end price, to make a much more precise estimation for B2B market, we need to divide the end price with a certain ratio (by estimation)
  - To prepare for the Go-to-market strategy, we also did the specific research for offline pet supply sales

Next Page we will show an example about how we did the estimation about the offline pet supply sales

## Estimating the market of offline B2B

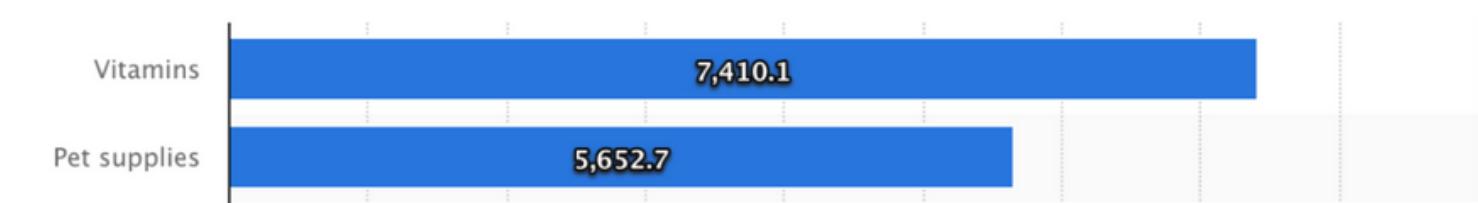


# OFFLINE PET SUPPLY B2B MARKET ESTIMATION

### Breakdown:

|                                       |                |
|---------------------------------------|----------------|
| Pet Food & Treats                     | \$50.0 billion |
| Supplies, Live Animals & OTC Medicine | \$29.8 billion |
| Vet Care & Product Sales              | \$34.3 billion |
| Other Services                        | \$9.5 billion  |

Leading CPG categories based on e-commerce sales in the United States in 2018





**GO-TO-MARKET**

### Step 1 (2 months)

- Demo out --> test data get feedback
- Enter the pet supply segment (less competitive, decent market size)

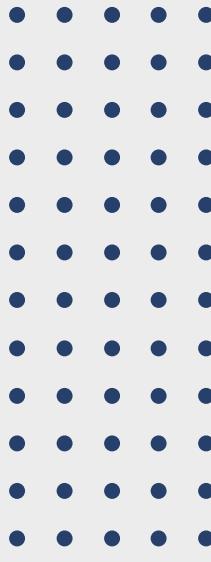


### Step 2 (6 months)

- Product Iteration
- Funding (based on sales data)
- Expand supply & demand (onboard more brands & retailers)
- Continue taking market share from the pet supply, look for more profitable products & brands

### Step 3 (1 year)

- Refine product
- Adopt AI-based suggestion algorithm, recommend brands to retailers
- Start to expand segments

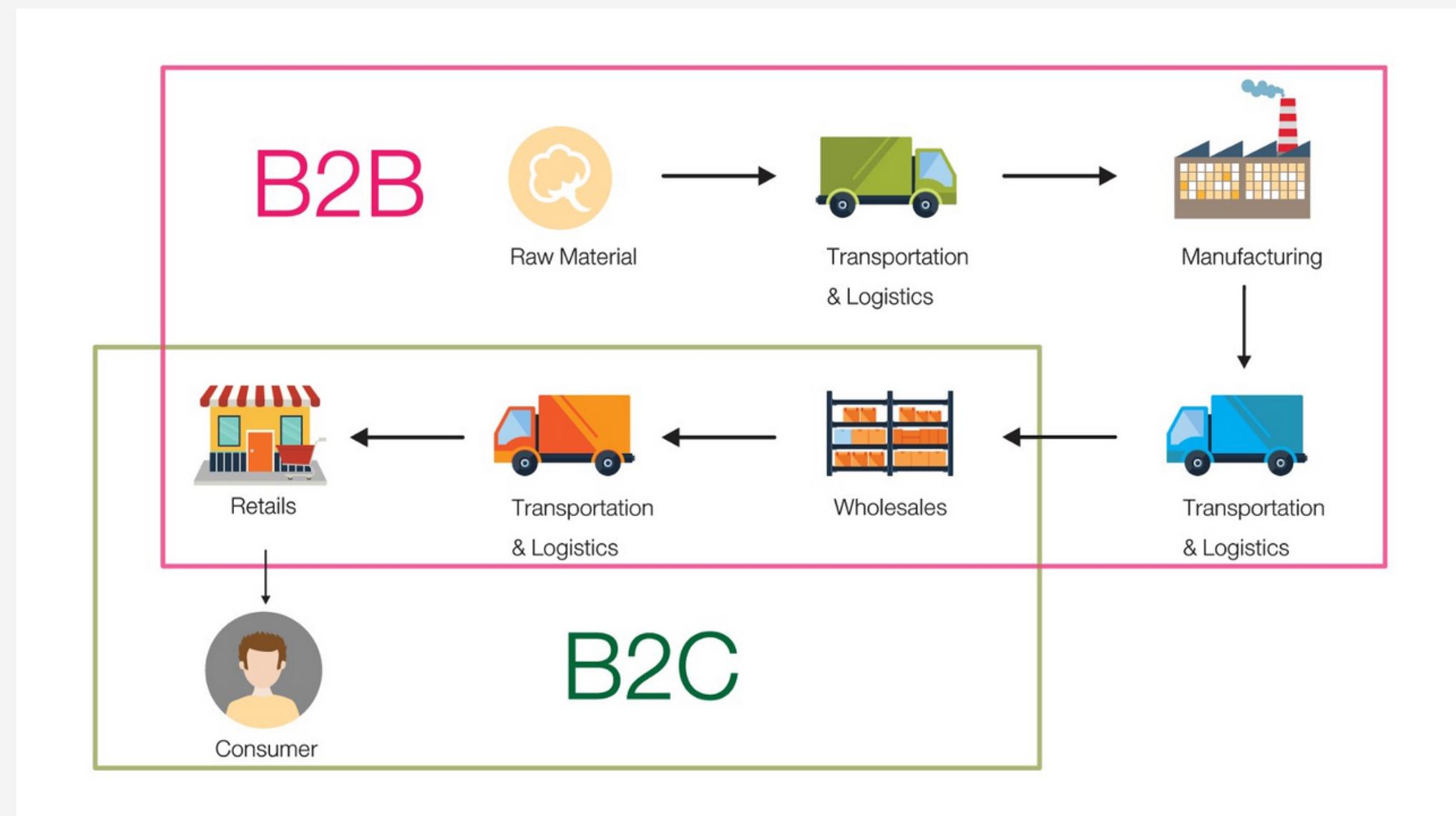




THANK  
YOU

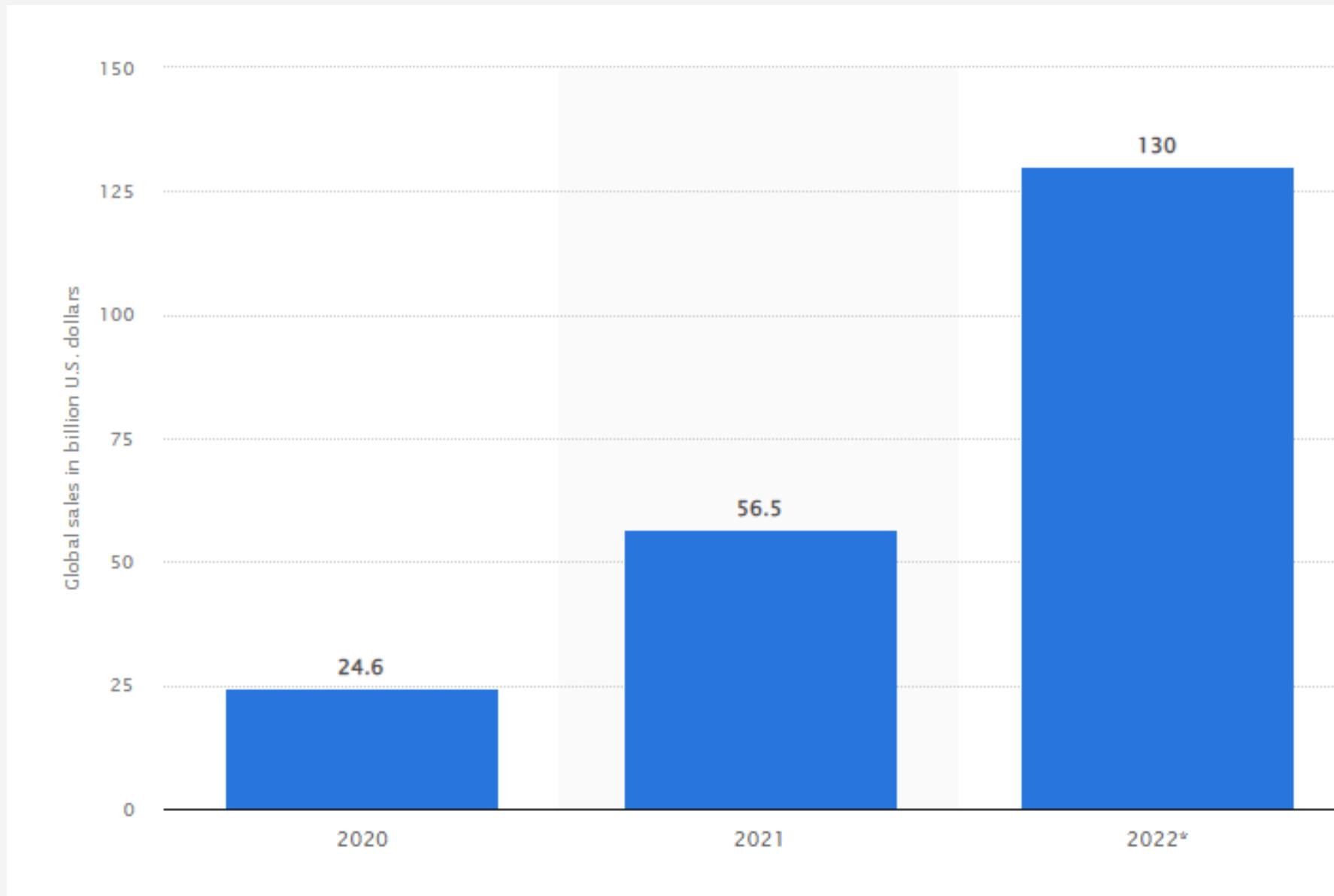


# B2B E-COMMERCE OVERVIEW



- **E-Commerce is the buying and selling of goods and services over the internet**
- **B2B is business-to-business service instead of to business to consumers**
- **Research focuses on the major players in this space, Amazon, Alibaba, MISUMI**

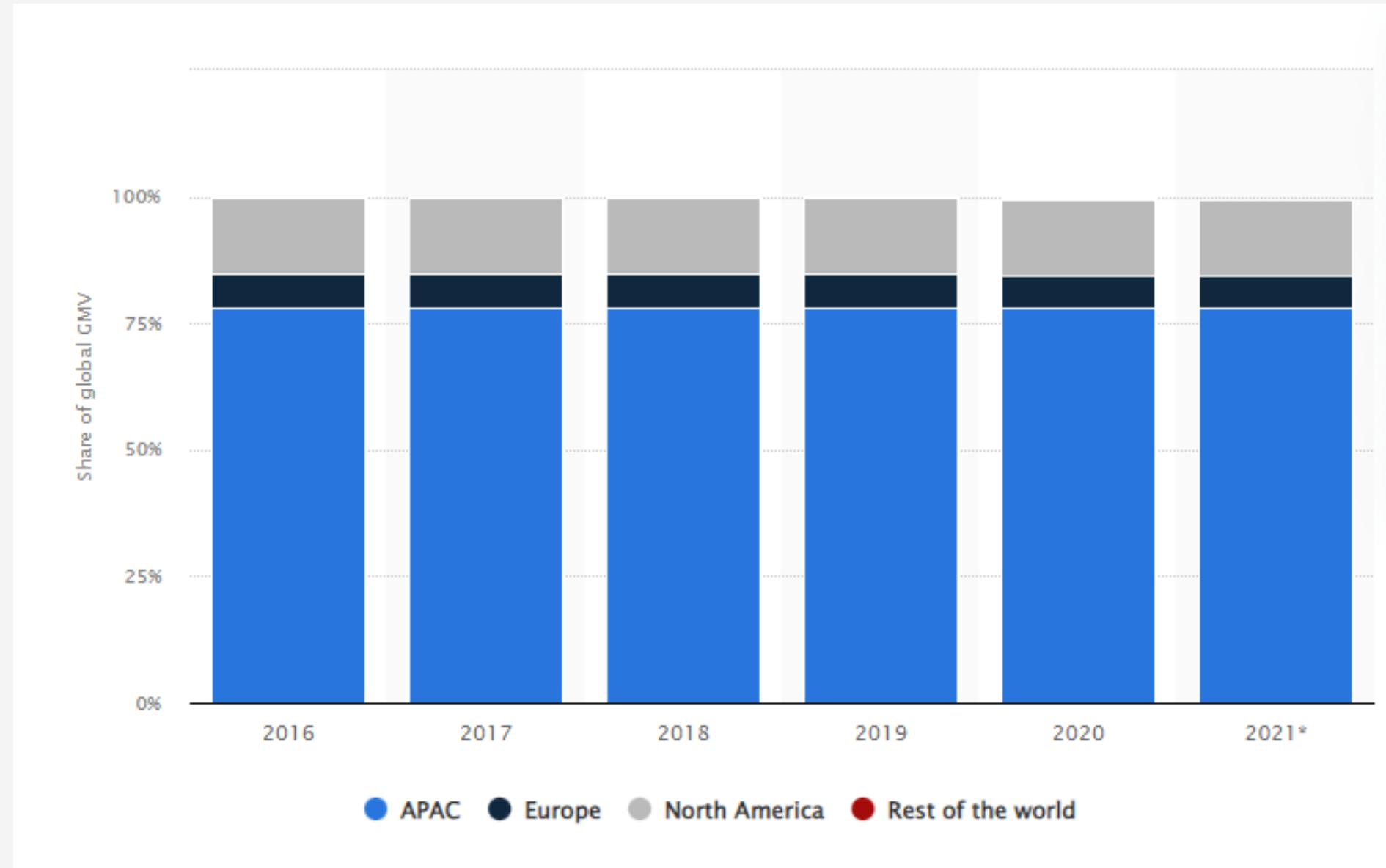
# **ESTIMATED GLOBAL B2B E-COMMERCE SALES ON MARKETPLACES FROM 2020 TO 2022 (IN BILLIONS USD)**



***Rapid rise in sales during  
2021 and 2022***

***Consumers are becoming  
more used to shopping  
online and B2B  
marketplaces had to  
adapt***

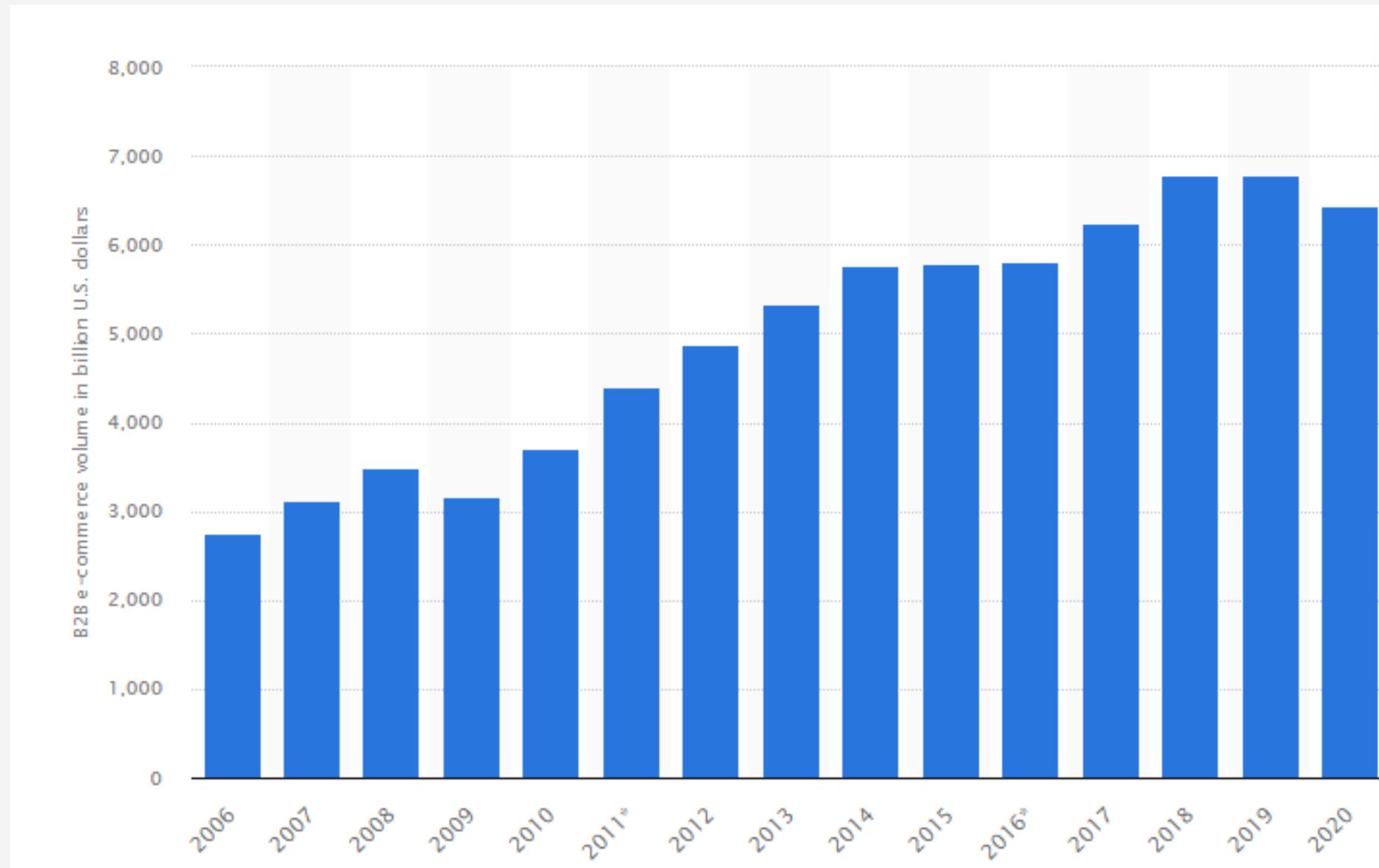
# DISTRIBUTION OF GLOBAL B2B E-COMMERCE GROSS MERCHANDISE VOLUME (GMV) FROM 2016 TO 2021, BY REGION



***APAC countries take up  
the majority of GMV in this  
space***

***APAC countries are where  
the products are being  
made***

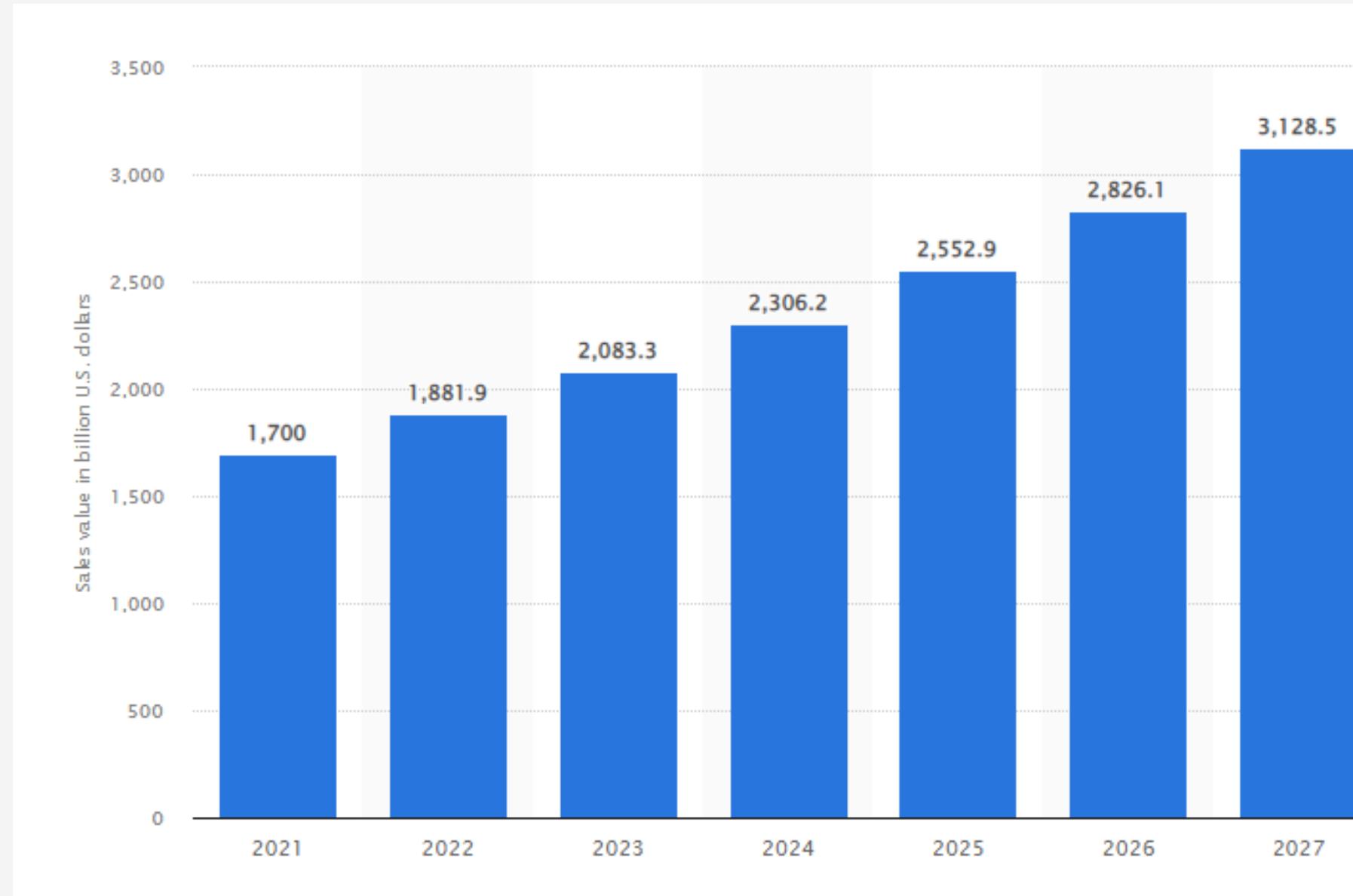
# **B2B E-COMMERCE VOLUME IN THE UNITED STATES FROM 2006 TO 2020 (IN BILLION U.S. DOLLARS)**



**General B2B E-commerce  
market size  
reaches \$6,795B in the US**

**Around 17% of B2B E-  
commerce sales by 2023**

# **ESTIMATED SALES OF BUSINESS-TO-BUSINESS (B2B) E-COMMERCE IN THE UNITED STATES FROM 2021 TO 2027 (IN BILLIONS USD)**



**Steady growth in sales  
from prediction**

**Current CAGR of 18.5% in  
the US and expected to  
keep growing**

# **MAJOR PLAYERS IN B2B MARKET**

Amazon, Alibaba



**AMAZON**

# **WHAT IS AMAZON?**

Amazon is one of the largest companies in the world. Based in America, it has many different wings ranging from e-commerce to cloud computing to digital streaming. It is considered one of the Big Four tech companies in the US. Amazon's B2B department is called Amazon business and was formally start in this form in 2015.

# **AMAZON B2B**

- B2B would technically include AWS and Amazon Business
- We are only concerned about Amazon Business which makes getting exact financials difficult



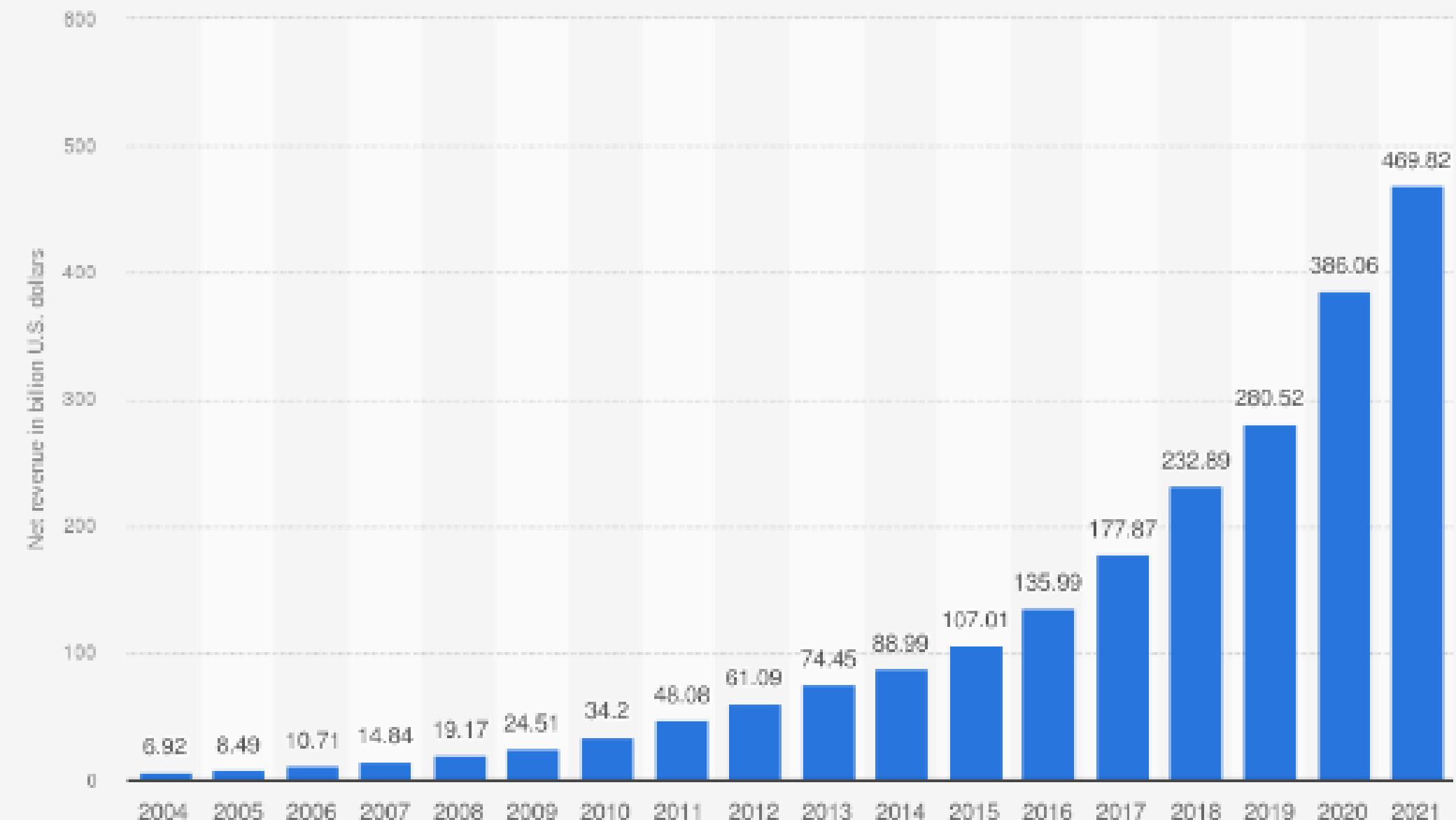
The Amazon Business logo, featuring the word "amazon" in lowercase with a curved arrow underneath, followed by "business" in a bold, lowercase sans-serif font.

# **KEY FINANCIALS**

Amazon

# AMAZON - REVENUE

Annual net sales revenue of Amazon from 2004 to 2021 (in billion U.S. dollars)

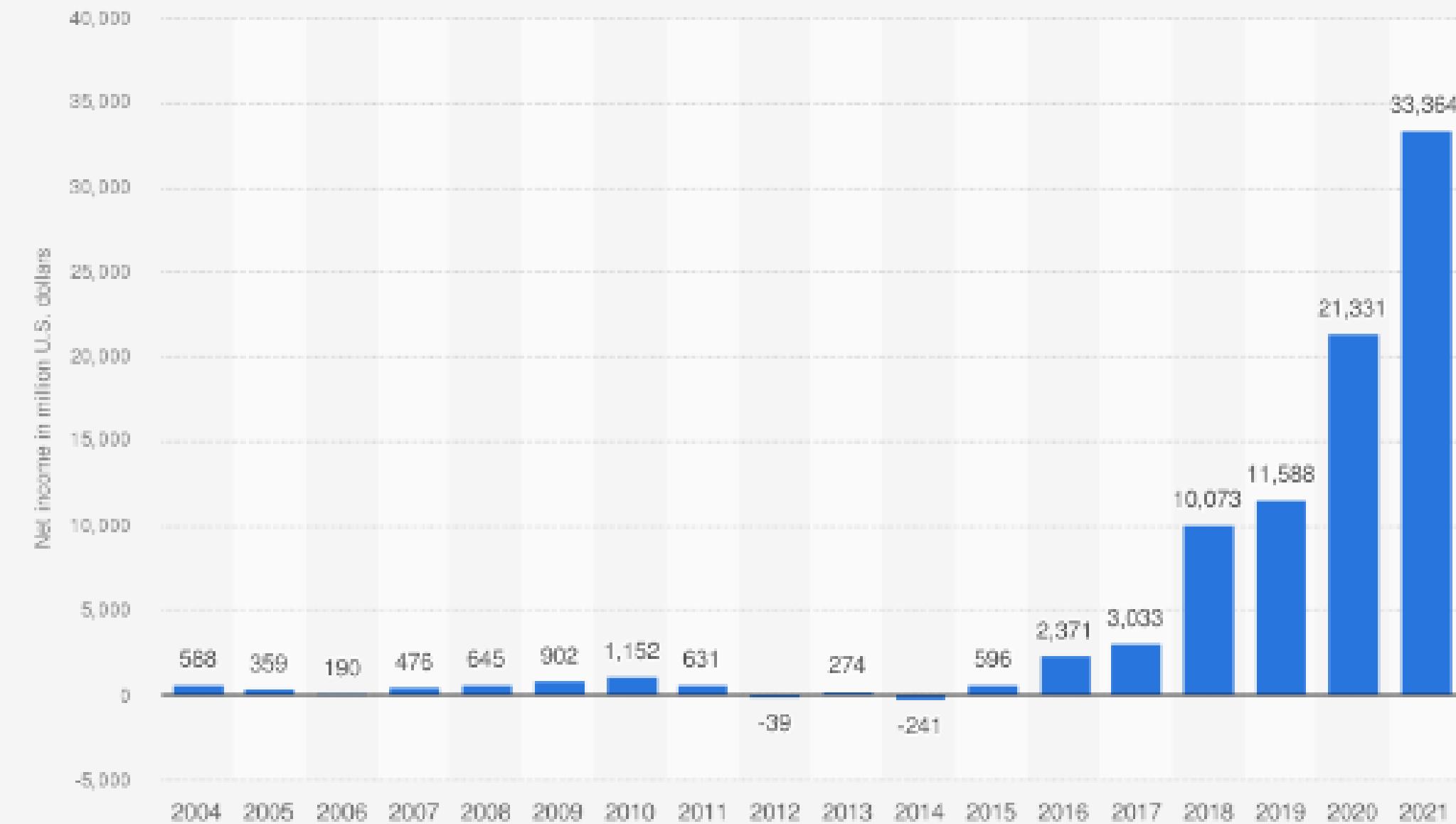


Source  
Amazon  
© Statista 2022

Additional Information:  
Worldwide; Amazon; 2004 to 2021

# AMAZON - PROFIT

Annual net income of Amazon.com from 2004 to 2021 (in million U.S. dollars)



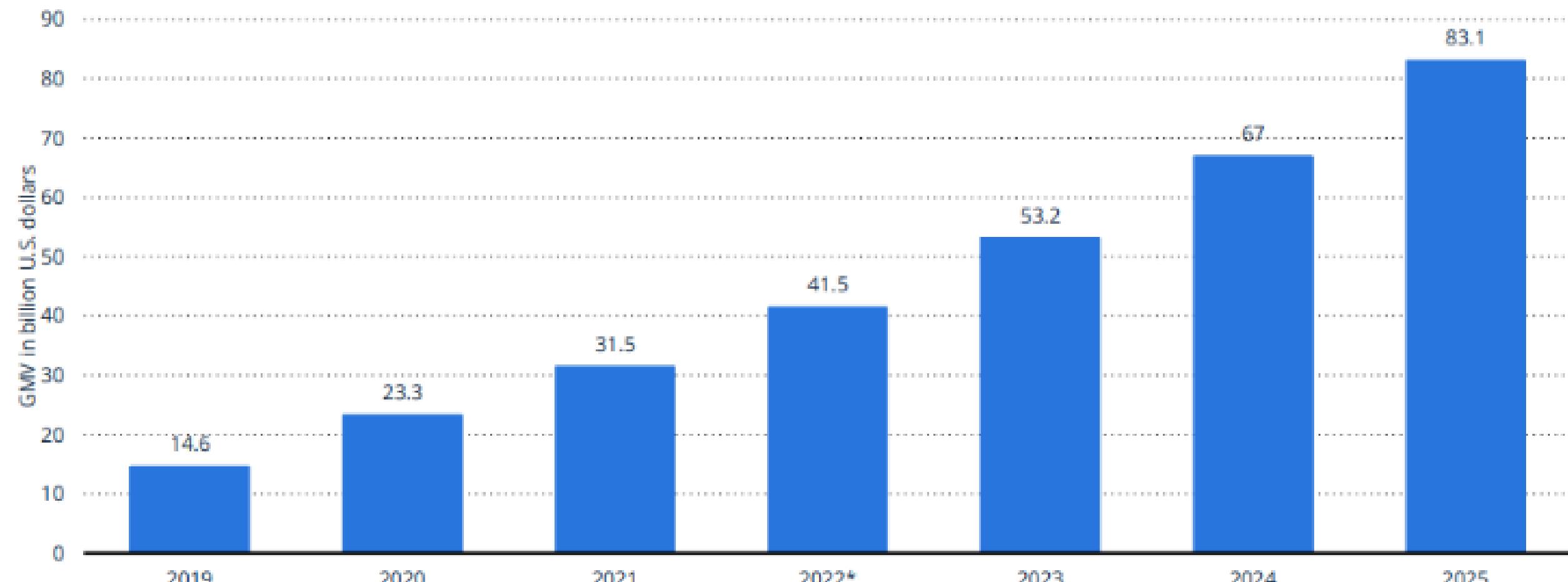
Source  
Amazon  
© Statista 2022

Additional Information:  
Worldwide; 2004 to 2021

# B2B - GMV IN DOLLARS

Gross Merchandise Volume (GMV) of Amazon Business from 2019 to 2025 (in billion U.S. dollars)

GMV of Amazon Business 2019-2025



**Description:** Since its launch, Amazon Business generated increasing sales numbers. The value of its gross merchandise volume (GMV) amounted to 14 billion U.S. dollars in 2019. By 2025, the online marketplace might reach a gross merchandise volume of 83.1 billion U.S. dollars. [Read more](#)

**Notes:** Worldwide; 2021: \* Forecast data. [Read more](#)

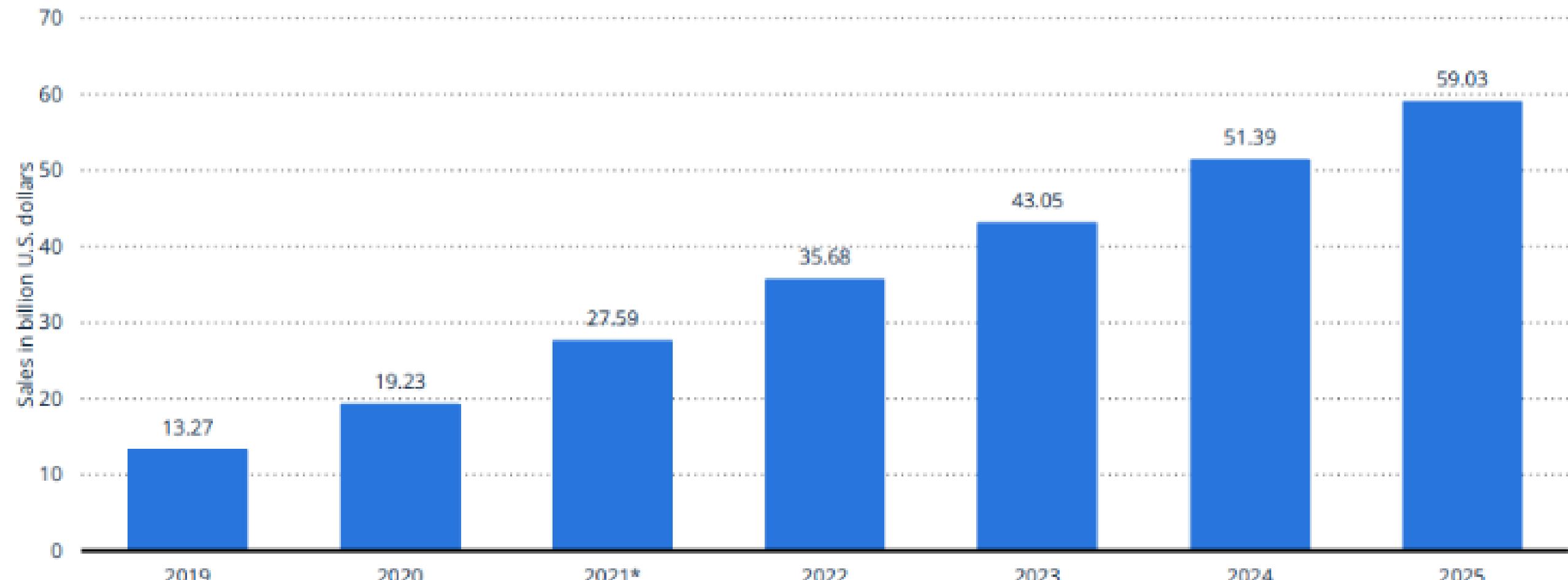
**Sources:** Bank of America; Digital Commerce 360

statista

# B2B - REVENUE

Value of products sold on Amazon Business in the United States from 2019 to 2025 (in billion U.S. dollars)

Products sales value of Amazon Business in the U.S. 2019-2025



Description: Amazon's B2B marketplace, Amazon Business, generated sales for about 19 billion U.S. dollars in the United States in 2020. The value of products purchased on the platform is forecast to reach 59 billion U.S. dollars by 2025. With this increase, Amazon Business is set to double its market share in the U.S. B2B e-commerce segment. [Read more](#)

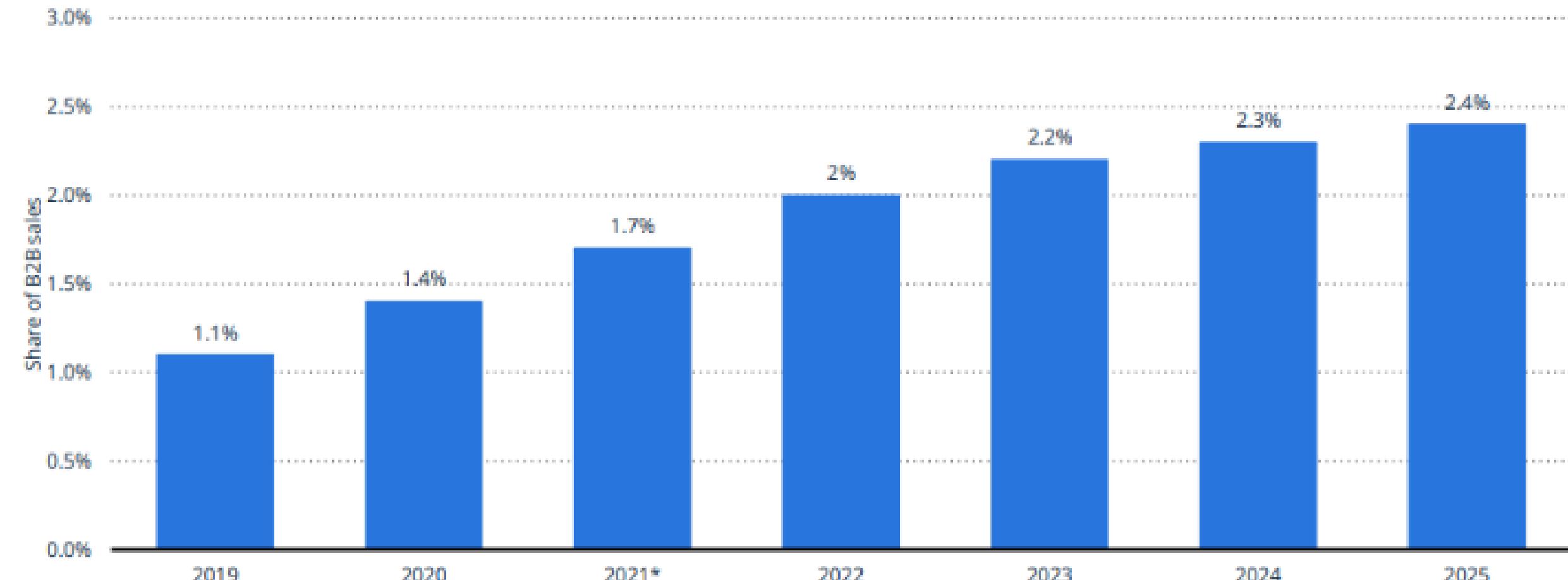
Source: United States, July 2021; \* Data from this year is a forecast. The figures represent the gross value of products sold on browser or app version of Amazon Business; the values exclude travel and event tickets, Amazon Web Services sales, etc. [Read more](#)

statista

# SHARE OF MARKET

## Amazon Business' share of B2B e-commerce site sales in the United States from 2019 to 2025

Amazon Business: B2B e-commerce sales share in the U.S. 2019-2025



**Description:** In 2020, Amazon Business' sales accounted for 1.4 percent of B2B product sales on e-commerce sites in the United States. In the upcoming years, U.S. enterprises will use the Amazon platform even more. By 2025, Amazon Business' market share is forecasted to grow to 2.4 percent. [Read more](#)

**Note:** United States; July 2021; \* Data from this year on is forecast. The figures represent the gross value of products sold on browser or app version of Amazon Business; the values exclude travel and event tickets, Amazon Web Services sales, etc. [Read more](#)

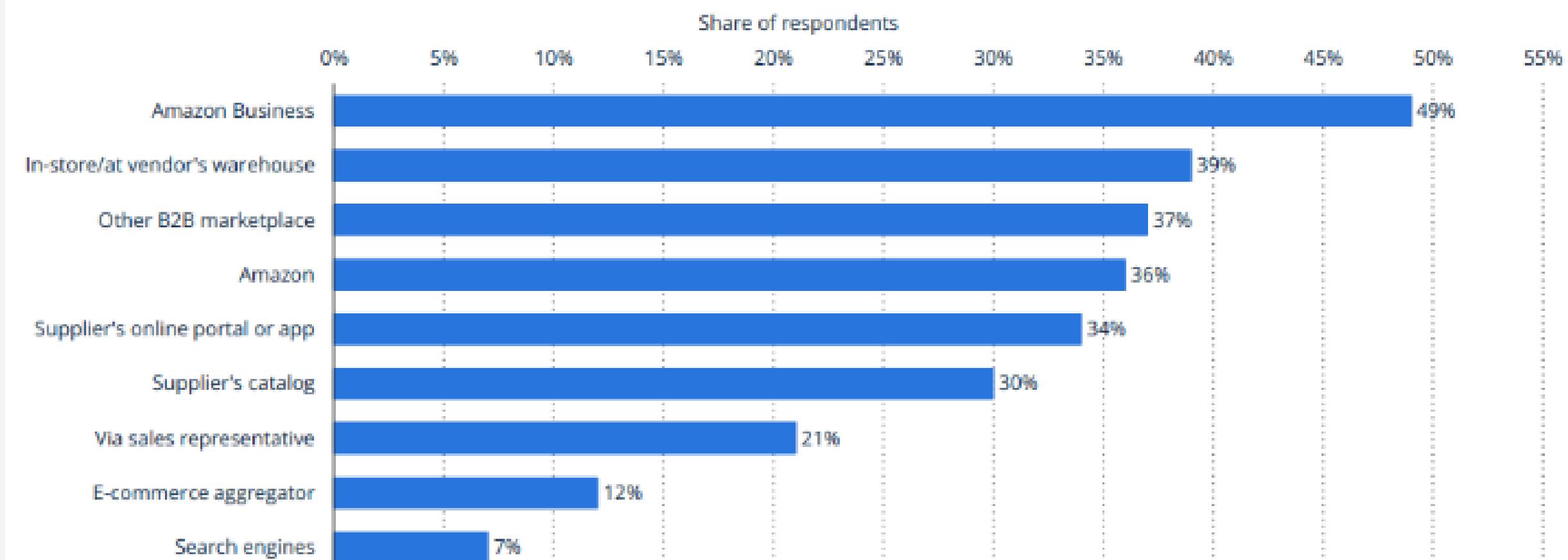
**Source:** eMarketer

statista

# MAIN CHANNELS OF B2B

## Main channels B2B product buyers used to search for items in the United States in 2021

Main channels B2B buyers used to search for item in the U.S. 2021



**Descriptions:** In the United States, one in two B2B buyers would search for items on Amazon Business before the actual purchase, a survey from 2021 revealed. While another 29 percent stated they went to the vendor's store or warehouse, 37 percent of B2B professionals preferred browsing online marketplaces. Lastly, contact with sales representatives preceded the purchase transaction in 21 percent of cases. [\[Read more\]](#)  
**Notes:** United States; April 26 to May 14, 2021; 2021\* among those part of the final product-buying decision-making process for their company; \* Purchase managers, procurement managers, purchasing clerks, agents, purchaser and C-level. [\[Read more\]](#)  
**Sources:** Marketingcharts; Wunderman Thompson



**ALIBABA**

# HISTORY

- Founded by Jack Ma and Josef Tsai in 1999 with \$80,000 from 80 investors.
  - Partnered with Yahoo in 2005 for a 40% stake for \$1 billion
- Went public in 2014 under a valuation of \$168 billion, and raised \$25 billion upon going public. However, in 2015 the Chinese economy began to fall apart and their valuation decreased.

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## **ALIBABA & EBAY**

Ebay failed in China because of the language barrier and insufficient understanding of the Chinese market.

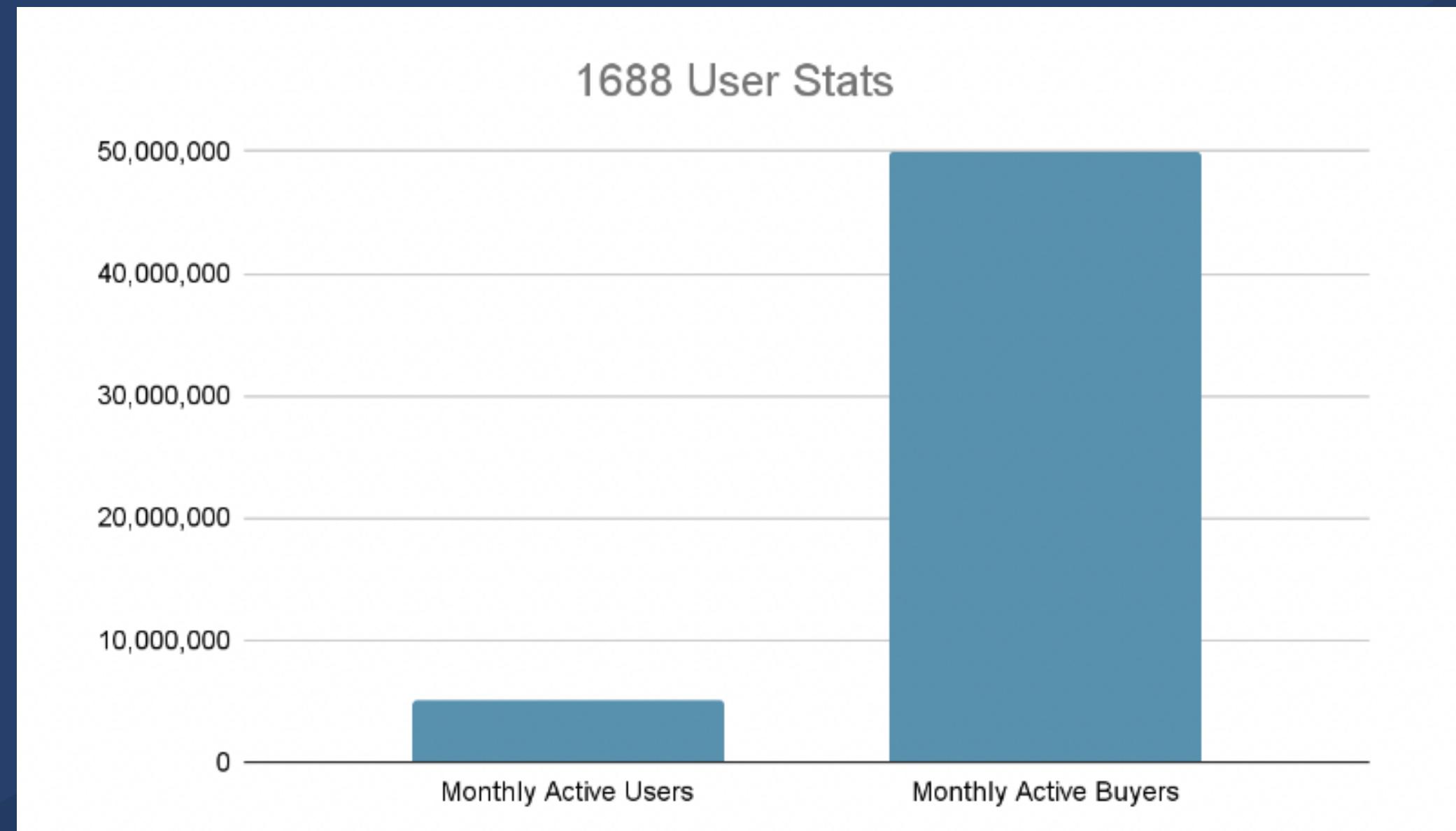
Additionally, Alibaba had a service called Taobao, which was similar to Ebay but had Chinese people working for it that understood the culture and the name was catchier. In order for a company to be successful, the brand must be highly reputable and Ebay has no reputation in China. Taobao also had a more secure payment process.

# 1688.COM



- Founded in 1999
- Started as online distribution platform that connects businesses
  - Focused on serving “Brand” and “Wholesaler”
- Pivot From B2B to B2C
  - Redefine B2B to B2b
  - Since the beginning of 2022, Alibaba begin to include or even shift 1688 to a B2C platform
  - Now consumers are allowed to purchase goods in smaller quantities
  - Focused on combining 2B and 2C together
- Directly connect producers with small retailers/consumers
  - Goods are sold in relatively large quantities
  - Designed to link factory and small businesses
  - Focused on selling “no-brand” consumer goods
- This international B2B marketplace reported a 29% year-over-year increase in fourth-quarter revenue, making cross-border B2B sales a bright spot for the China-based ecommerce company in 2021 .

# MAU: MONTHLY ACTIVE USER



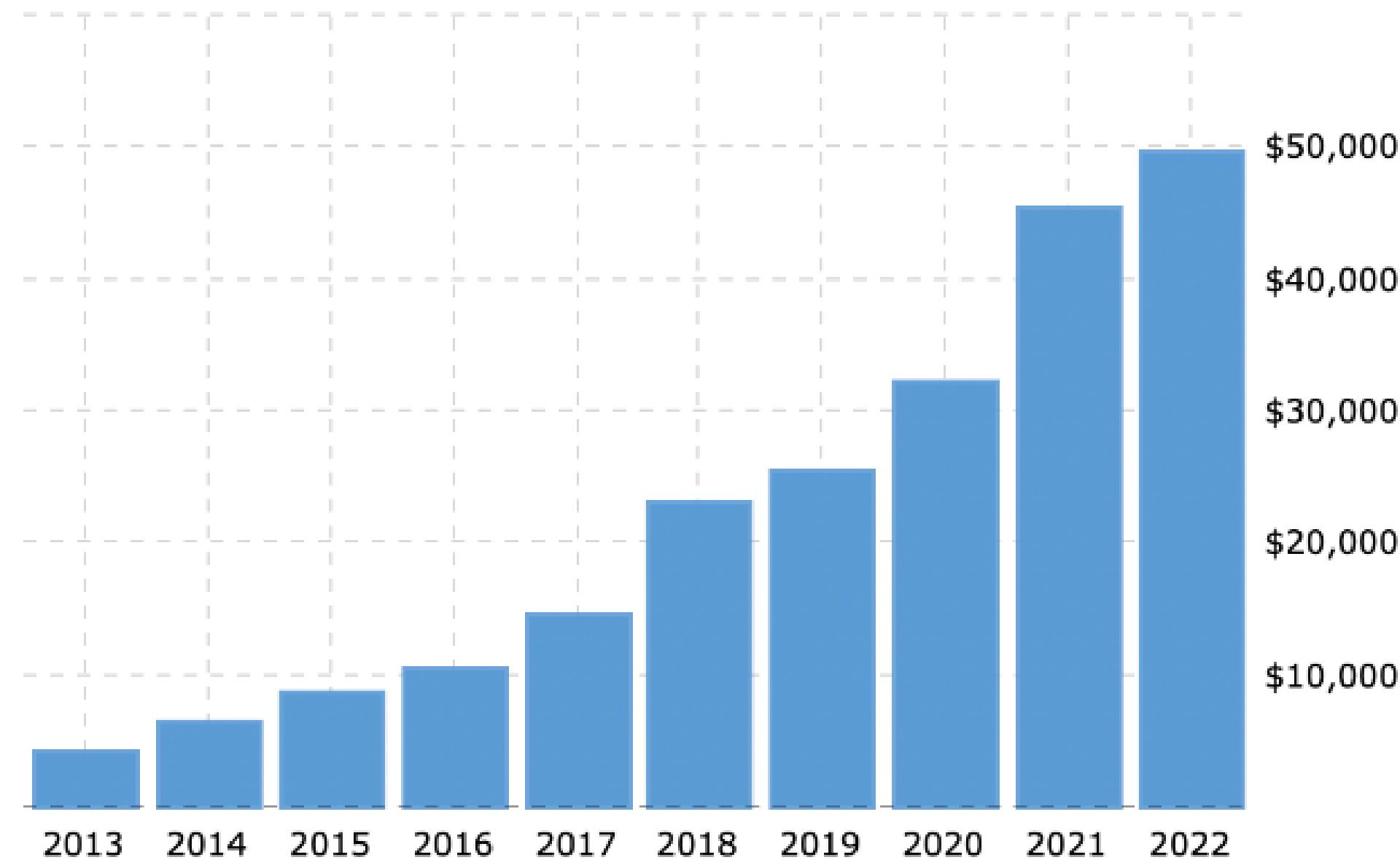
# **KEY FINANCIALS**

Alibaba

# ***PROFIT***

## **BABA - Gross Profit**

**Annual Values (Millions of US \$)**

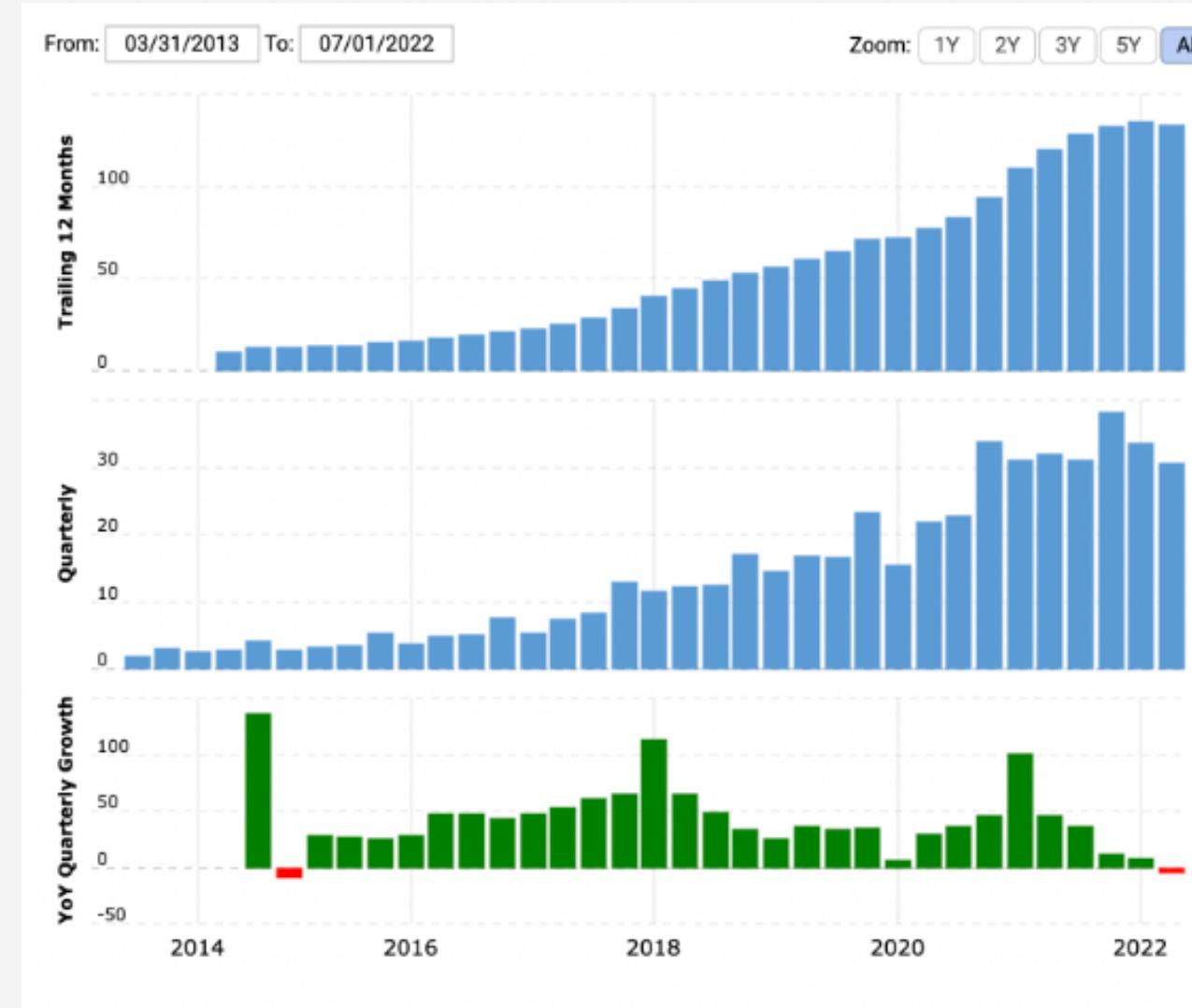


# **GROSS MERCHANDISE VOLUME**

| Year | GMV   |
|------|-------|
| 2022 | 1258B |
| 2021 | 1.2T  |
| 2020 | 1T    |
| 2019 | 38.4B |
| 2018 | 30.8B |
| 2017 | 25.0B |
| 2016 | 20B   |
| 2015 | 14.3B |

Increasing at a positive, linear rate

# GROWTH



Growth is increasing but at a decreasing rate

| Year         | 2014 | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021           | 2022            |
|--------------|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| Total Rev    | NA   | 10.7B           | 14.2B           | 22.2B           | 35.17B          | 52.95B          | 71.62B          | 100.8B         | 119B            |
| B2B % of Rev | NA   | 3.2%<br>(0.35B) | 3.1%<br>(0.43B) | 2.9%<br>(0.63B) | 2.6%<br>(1.05B) | 2.2%<br>(1.22B) | 2.3%<br>(1.65B) | 2.3%<br>(2.4B) | 2.1%<br>(2.69B) |



## ALIBABA'S CHALLENGES

- Alibaba.com could face challenges recruiting small U.S. businesses at a time when the ongoing trade war between the U.S. and China has thus far resulted in tariffs on \$550 billion in Chinese imports, experts say.
- Alibaba's shares have provided a total return of -60.8% over the past year, well below the S&P 500's total return of -5.3%.
- Best Selling FMCGs 2022 (4): Tech accessories, necklaces, makeup brushes, nail art, women's long sleeve shirts.

<https://leelinesourcing.com/best-selling-products-on-alibaba/>



# WHAT'S AHEAD?

- Statista projects B2B e-commerce sales to reach \$1.2 trillion in the U.S. by 2021, up from \$889 billion in 2017.
- According to John Caplan, Alibaba.com's president for North America and Europe, Alibaba.com's continuing B2B growth is independent of the pandemic.
- In the last 30 years, pet ownership has gone from 56% to 68% of all households, as of 2018.
- According to Grand View Research, the global pet e-commerce market size is expected to grow at a compound annual growth rate (CAGR) of 11.3% from 2020 to 2027.
- Despite the constant struggles of supply chain disruptions, worker shortages, and shutdowns, 71% of SMBs (small to midsize businesses) are expecting sales to increase over the next six months, with 58% predicting an increase in profits, according to PNC's semi-annual Economic Outlook Survey (2022).

1. <https://leelinesourcing.com/best-selling-products-on-alibaba/>  
[https://www.americanpetproducts.org/press\\_industrytrends.asp](https://www.americanpetproducts.org/press_industrytrends.asp)
2. <https://channelx.world/2022/02/the-u-s-is-the-fastest-growing-seller-region-on-alibaba-com>



**ALIBABA**  
**X**  
**AMAZON**

## **COMMON TRENDS**

- Both have GMVs that experience positive linear growth
- Growth was not hindered by the pandemic, it was in fact boosted.

## **DIFFERENCES**

- Amazon's revenue grows exponentially which Alibaba's fluctuates more
- Alibaba appears to be in a downturn in terms of stock price while Amazon is only going up
- Alibaba owns a much larger market share of e-commerce than Amazon due to their multiple business. Amazon has 2% of market share in the US and Alibaba Group has 25% market share of e-commerce in China.



**FAIRE.COM**

Shop wholesale online from over 85,000 brands.

F A I R E

tech accessories



Sell on Faire Sign In

Sign Up to Shop

Featured New Home Decor Food & Drink Women Beauty & Wellness Jewelry Paper & Novelty Kids & Baby Pets Men

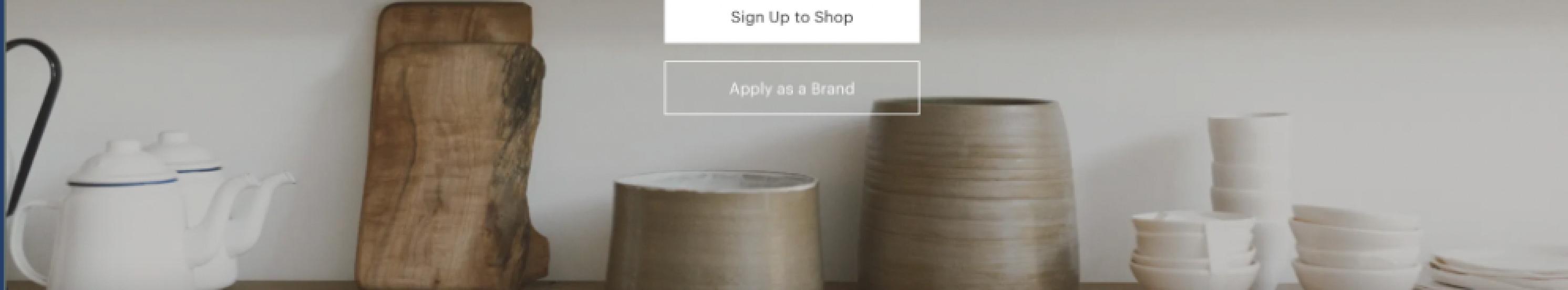


Your one-stop shop for wholesale

Shop over 85,000 independent brands, all in one place.

[Sign Up to Shop](#)

[Apply as a Brand](#)



# **WHAT IS FAIRE.COM?**

It connects wholesalers with up-and-coming businesses across the globe, thus making their target audience small retailers. It allows small merchants to get a hold of these goods and test them on their market place before making them pay anything. Faire.com primarily sells small business' products.

# FOUNDERS

○ ○ ○ ○

- Founded by Max Rhodes, Marcelo Cortes, Jeffrey Kolovson, and Daniele Perito in 2017.
- Everyone worked for the same company prior to founding Faire.com but handled different departments. They each brought different skill sets to the table.
  - Max had a product background. He understood the ins and outs of getting a product from development to consumer.
  - Marcelo was a skilled engineer with over 20 years of experience.
  - Daniela's background was in risk, security, and data science.
  - Jeffery was a successful operator
- Launching a business together only made sense. As Max explained, "We felt like we had all the building blocks in place."

1. <https://www.capitalism.com/faire/>

2. <https://news.faire.com/2021/06/10/independent-retails-resilience/>

## **HISTORY**

Just three months after launching net 60 payment terms where retailers were able to test products, Faire went from doing \$100K to \$1 million per month in gross merchandise value. Covid caused the sales of their retailers to be cut by 70%. They are beginning to turn their attention to apparel and food because that is where they see the most growth occurring.

<https://news.faire.com/2021/06/10/independent-retails-resilience/>



# GENERAL FACTS

- 300,000 retailers
- Sold over 125,000 different products in the last year
- Over \$10 million in sales per day
- YoY growth is more than 3x
- Current Valuation: \$12.6B
- Estimated annual revenue: \$216.8 million
- Charge a 15-25% commission to the producer

1. <https://news.faire.com/2021/11/16/announcing-400-million-in-series-g/>

2. <https://growjo.com/company/Faire>

3. <https://getlatka.com/companies/faire>

4. <https://savvyshopkeeper.com/the-difference-between-faire-vs-tundra-wholesale/>



# FUNDING

Faire.com went through  
12 funding rounds  
totaling \$1.7B

[https://www.crunchbase.com/organization/  
indigo-fair/company\\_financials](https://www.crunchbase.com/organization/indigo-fair/company_financials)

| FUNDING DATE | ROUND | AMOUNT |
|--------------|-------|--------|
| 10/27/2020   |       | \$170M |
| 10/30/2019   |       | \$150M |
| 12/14/2018   |       | \$60M  |
| 12/12/2018   |       | \$40M  |
| 02/22/2018   |       | \$12M  |
| 11/15/2017   |       | \$3.4M |
| 03/21/2017   |       | \$550K |





# KEY SUCCESS FACTORS

Quotes from founder and CEO Max Rhodes:

“With our global reach, Faire is providing an even greater opportunity for the independent retail community to compete against big-box giants. By removing the traditional growth hurdles our customers face, we have enabled more opportunities, more connections, and more possibilities for the entrepreneurs who use the platform. Our ability to deliver local and cross-border demand to brands, and in turn offer retailers access to a more expansive, data-driven selection is how Faire will define the future of retail” (2).

“We will continue our rapid expansion in categories like food and apparel and in new geographies like Europe, where our sales have topped \$50M annualized mere weeks after our launch there” (3).

“With a record number of businesses starting this year, we are excited to be helping new retailers get off the ground with our Open with Faire program, where retailers can apply to get up to \$20,000 of inventory interest-free to stock their entire store with Faire” (3).

1. <https://news.faire.com/2021/11/16/announcing-400-million-in-series-g/>

2. <https://news.faire.com/2021/06/10/independent-retails-resilience/>

## ***SHIPPING ON FAIRE.COM***

The retailer is responsible for paying the shipping cost on orders.

With Ship with Faire, you pay zero shipping costs upfront. Faire covers the initial cost, which is then added to the retailer's invoice.

With Ship on your Own, you cover the shipping cost and are refunded for this amount in full in your total order payout. This cost is then added to the retailer's invoice.

<https://www.faire.com/support/articles/4406542396443#:~:text=With%20Ship%20with%20Faire%2C%20you,added%20to%20the%20retailer's%20invoice>.



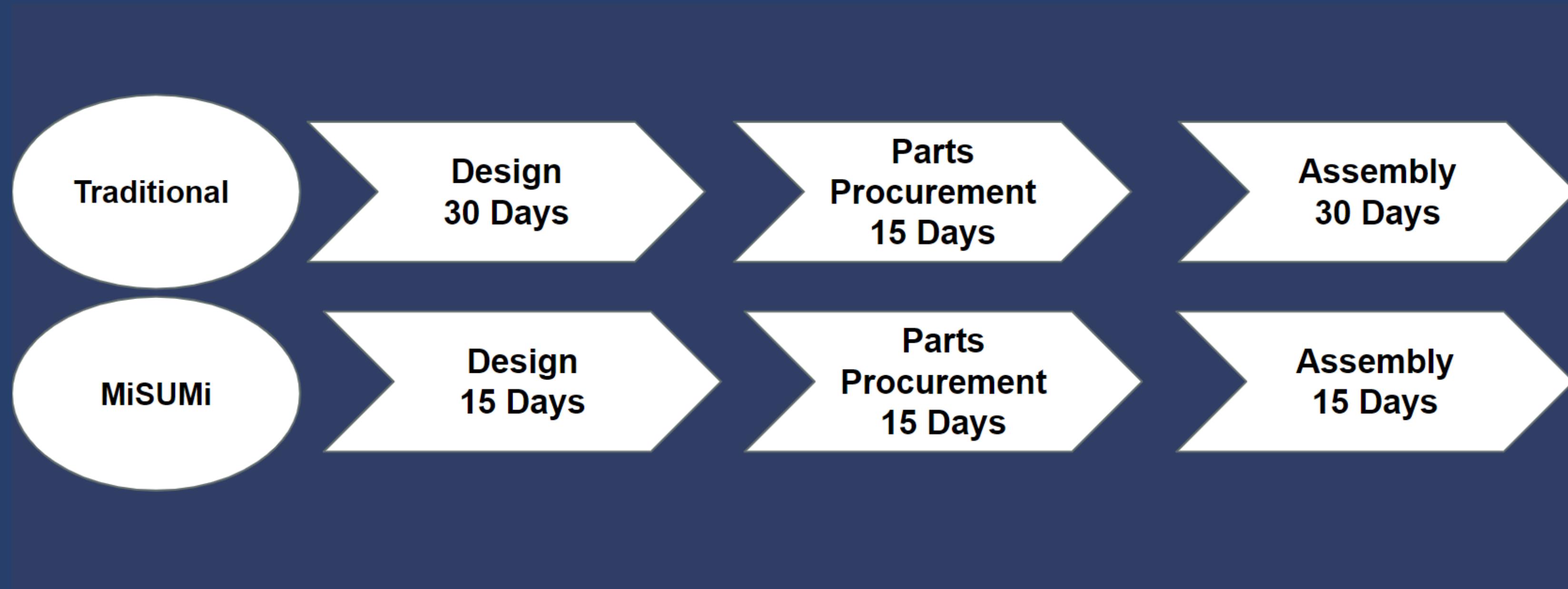
**MISUMI**

# MISUMI INTRO

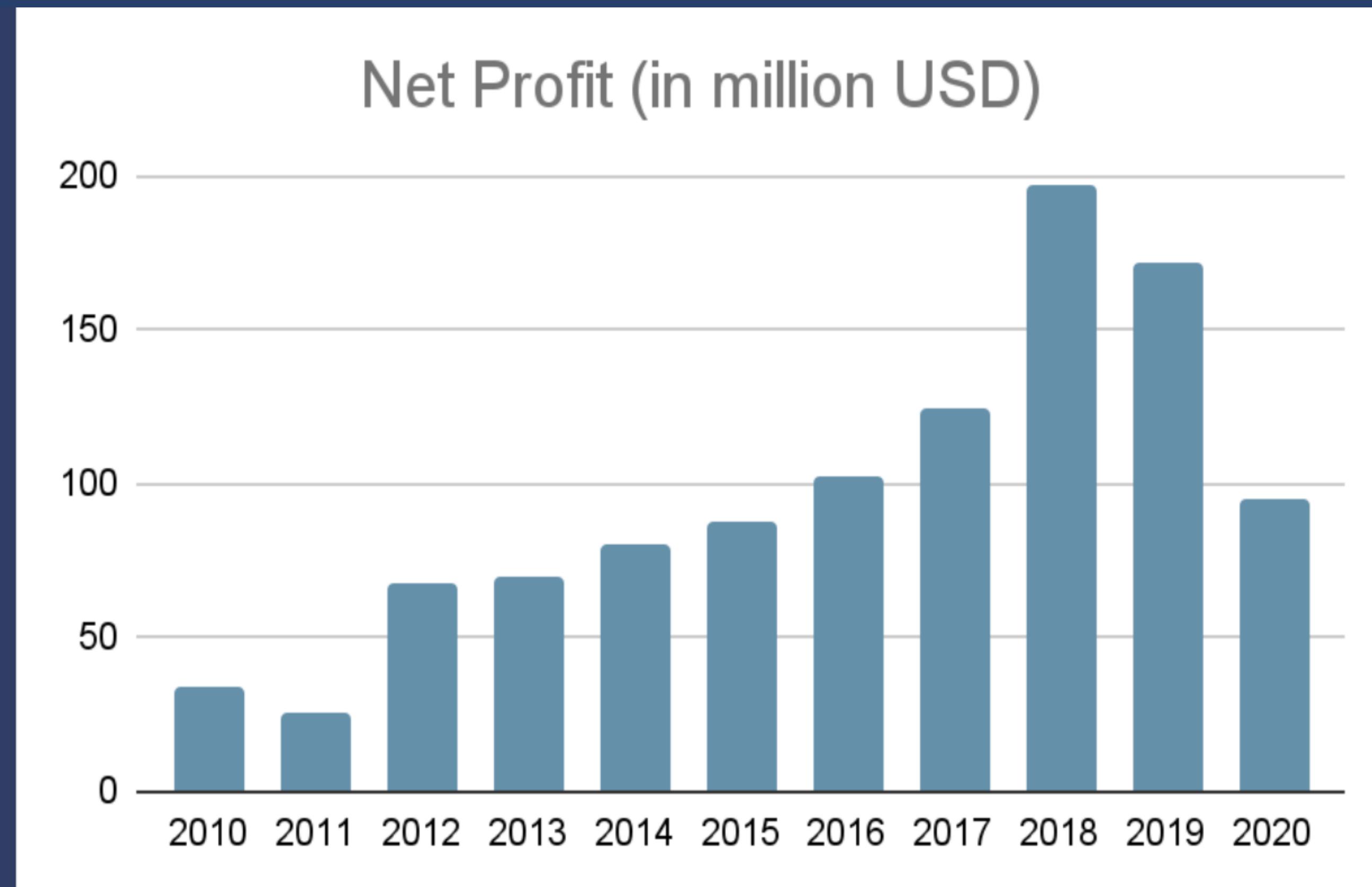


- Established in 1963 in Japan
- Mainly focused on machinery parts
- In 2003, MiSUMi China started an vertical E-commerce business focused on machinery parts selling its own products and other machinery producers' product
- MiSUMi E-commerce made most of their revenue through their own products
- Features of MiSUMi's E-commerce
  - Similar to Pinduoduo and 1688, products could be bought in small quantities
  - Verified supplier only
  - Credit system

# MISUMI PROCUREMENT MODEL



# MISUMI NET PROFIT





# B2B MARKET SUMMARY

Show the market analysis of  
your company's competitors



**DIVE INTO  
PET INDUSTRY**

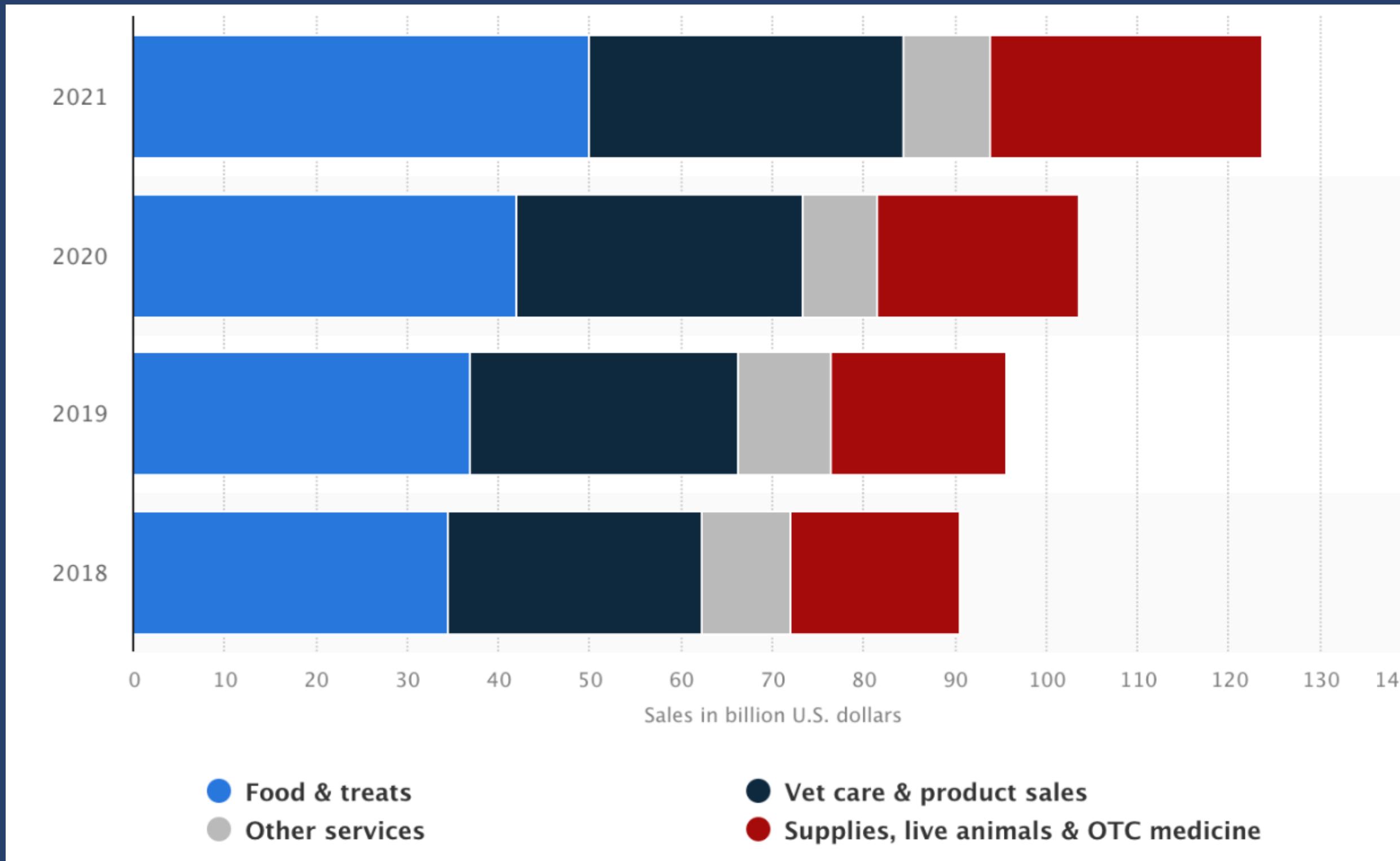
# **MARKET OVERVIEW**

# STATISTICS

- Global Pet Care Market Size: \$150.67B in 2021
- Compound Annual Growth Rate: 5.1%
- Pet Products (not food): 54% of market share
- North America has largest revenue share of 43%
- Asian Pacific market is expected to expand the fastest with a CAGR of 5.6%

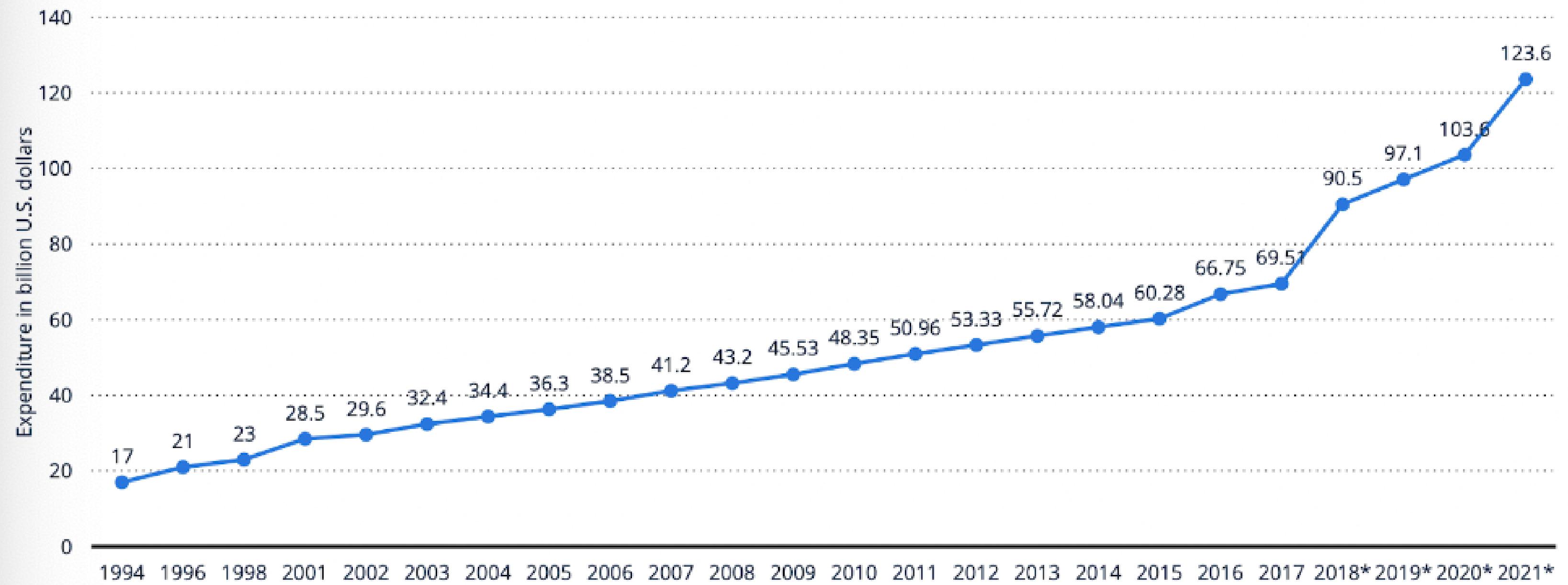
<https://www.grandviewresearch.com/industry-analysis/pet-care-market>

# SEGMENTS



# Pet industry expenditure in the United States from 1994 to 2021 (in billion U.S. dollars)

U.S. pet industry expenditure 1994-2021

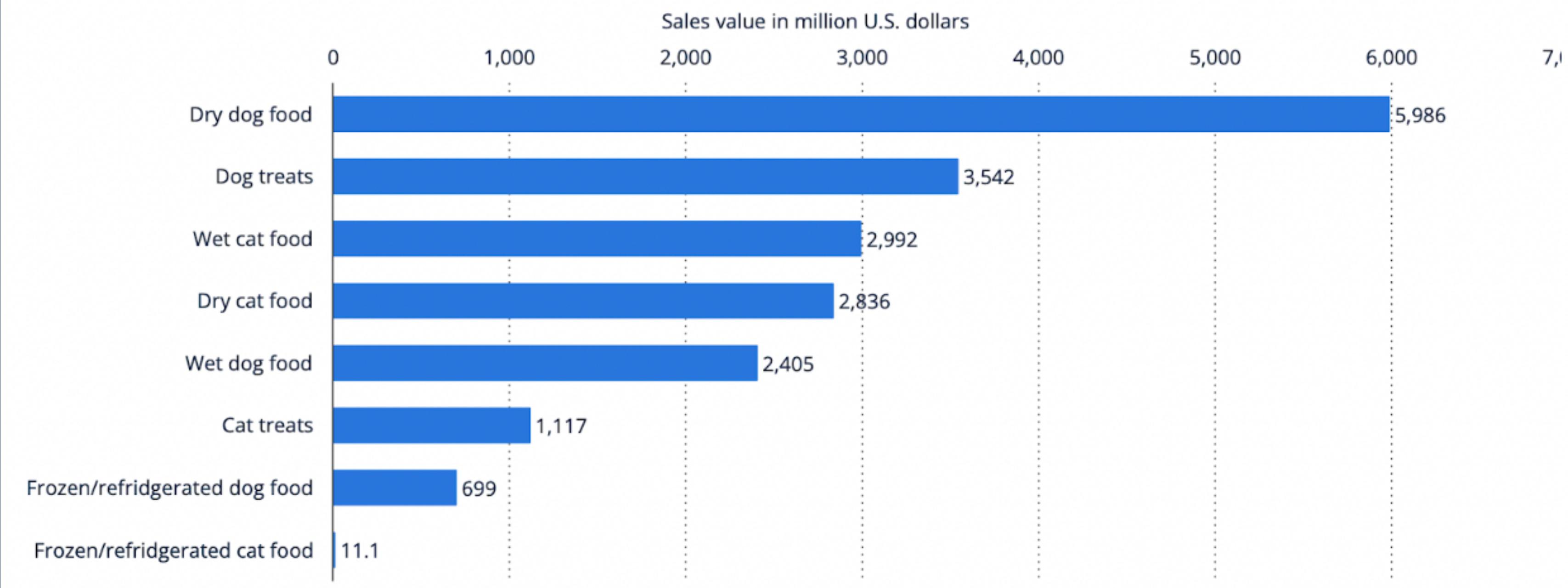




**PET FOOD**

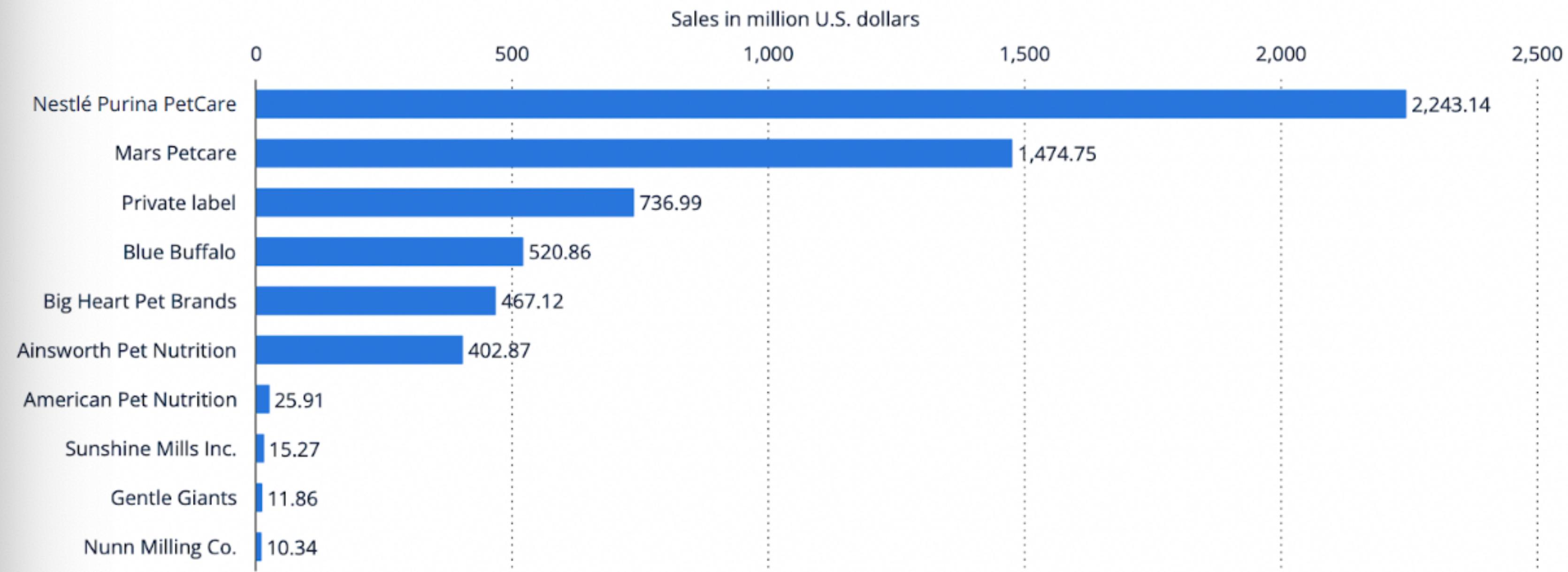
# Sales value of cat and dog food in the United States in 2022, by category (in million U.S. dollars)

U.S. value cat and dog food sales value 2022, by category



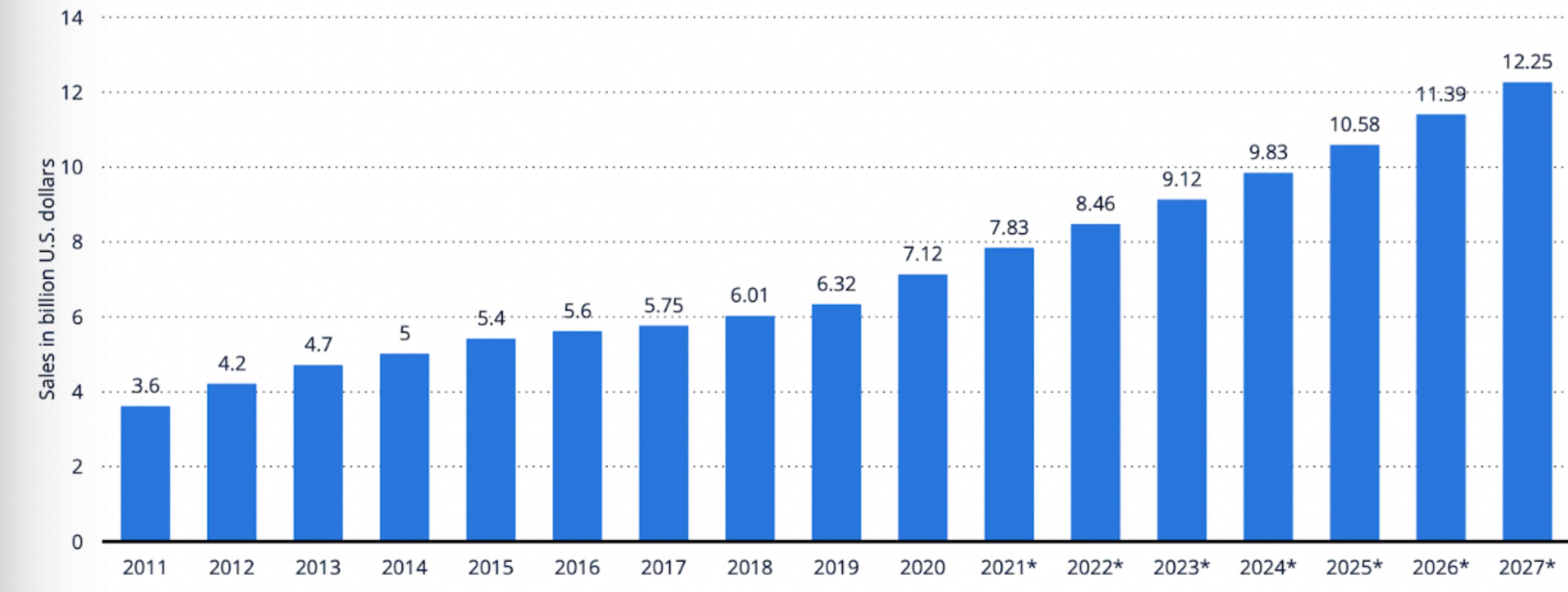
# Sales of the leading dry dog food vendors in the United States in 2022 (in million U.S. dollars)

Dry dog food: sales of leading vendors in the U.S. 2022



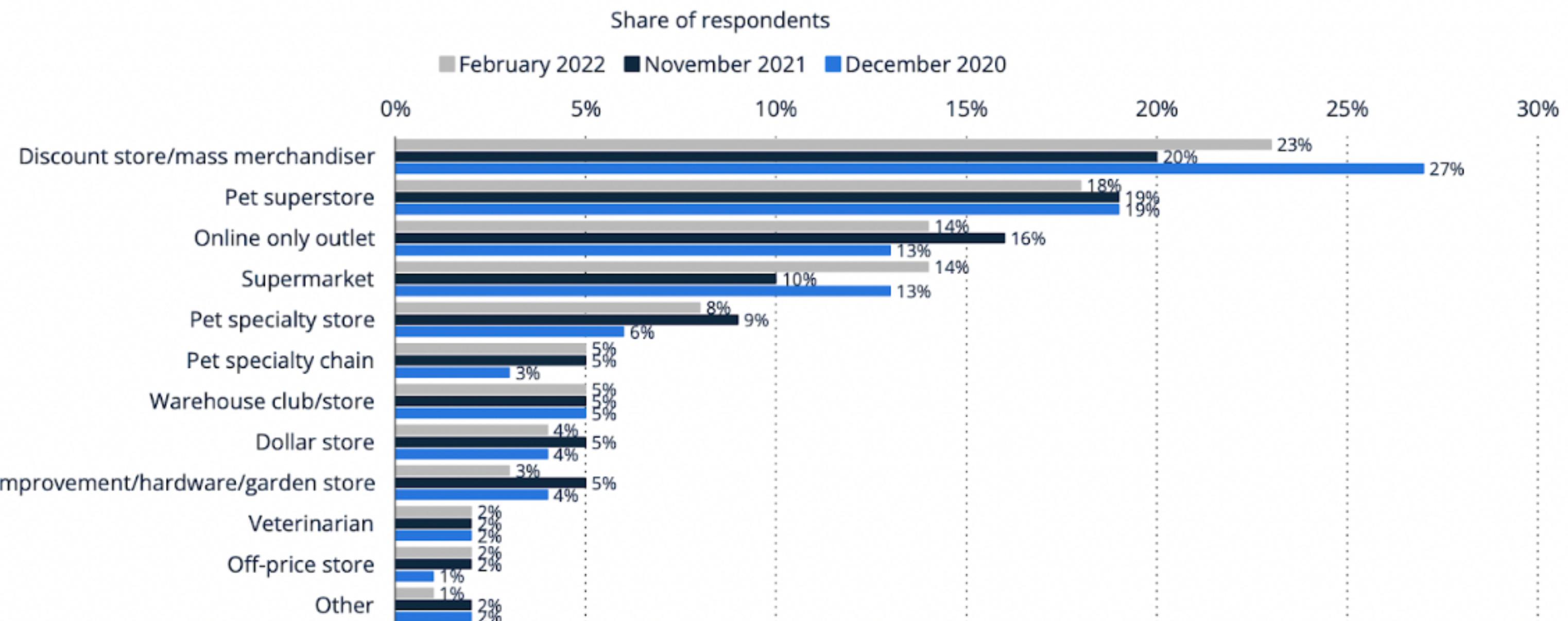
# Estimated revenue of the natural pet food market in the United States from 2011 to 2027 (in billion U.S. dollars)

Natural pet food market sales United States 2011-2027



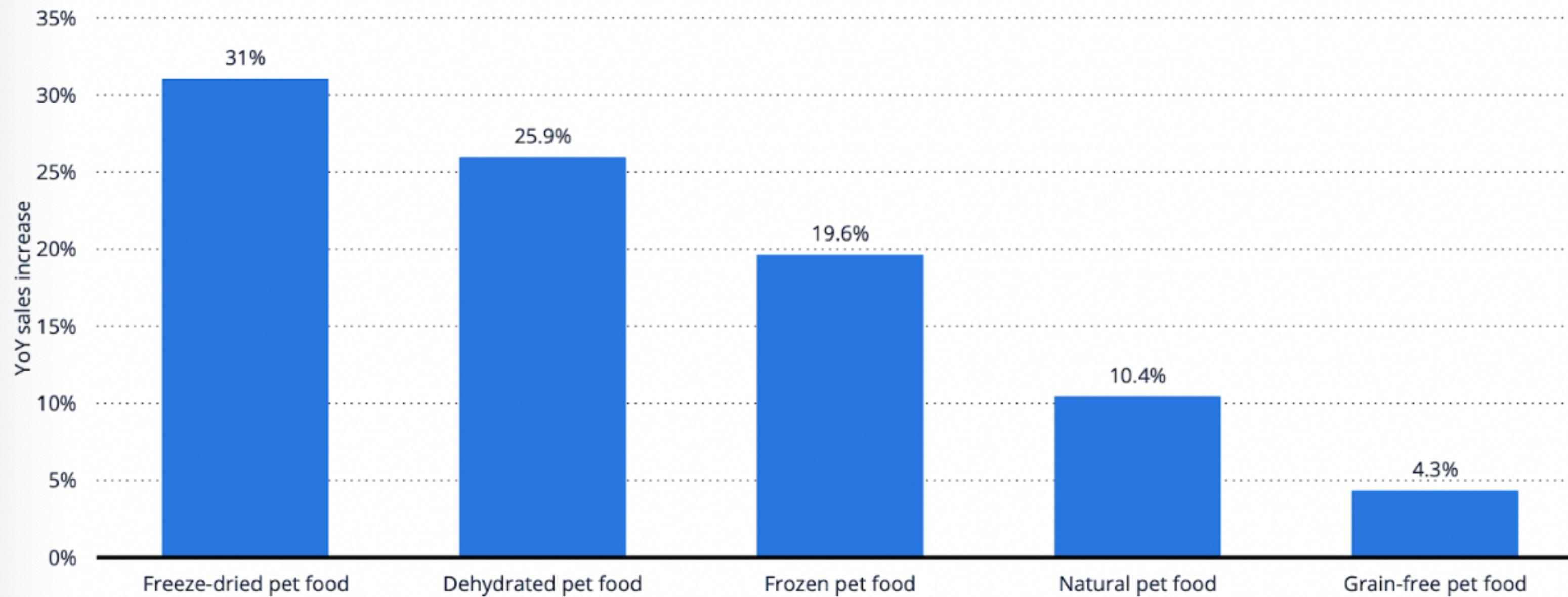
# Where did you purchase pet food for your pet most recently?

Outlets visited to buy pet food during coronavirus (COVID-19) in the U.S. 2021/22



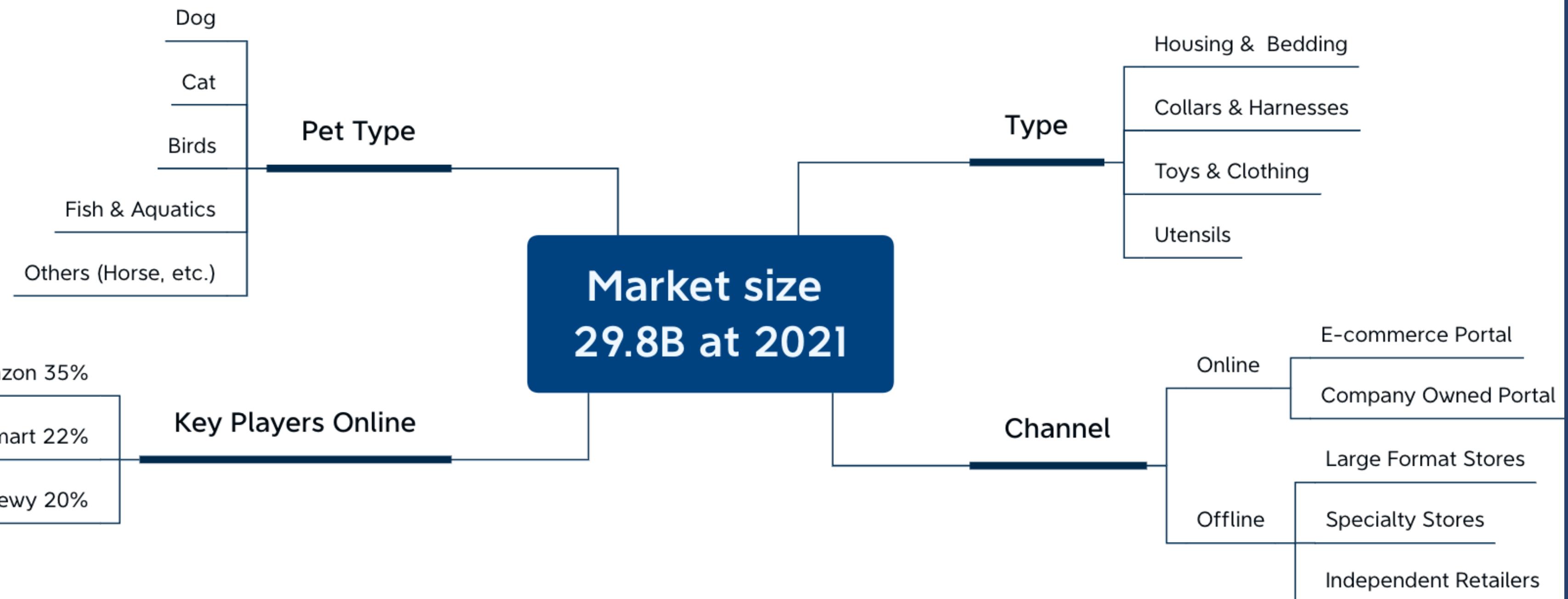
# Year-over-year sales growth of specialized pet food in the United States from 2020 to 2021, by product type

Increase in sales of specialized pet food in the U.S. 2020/21, by type

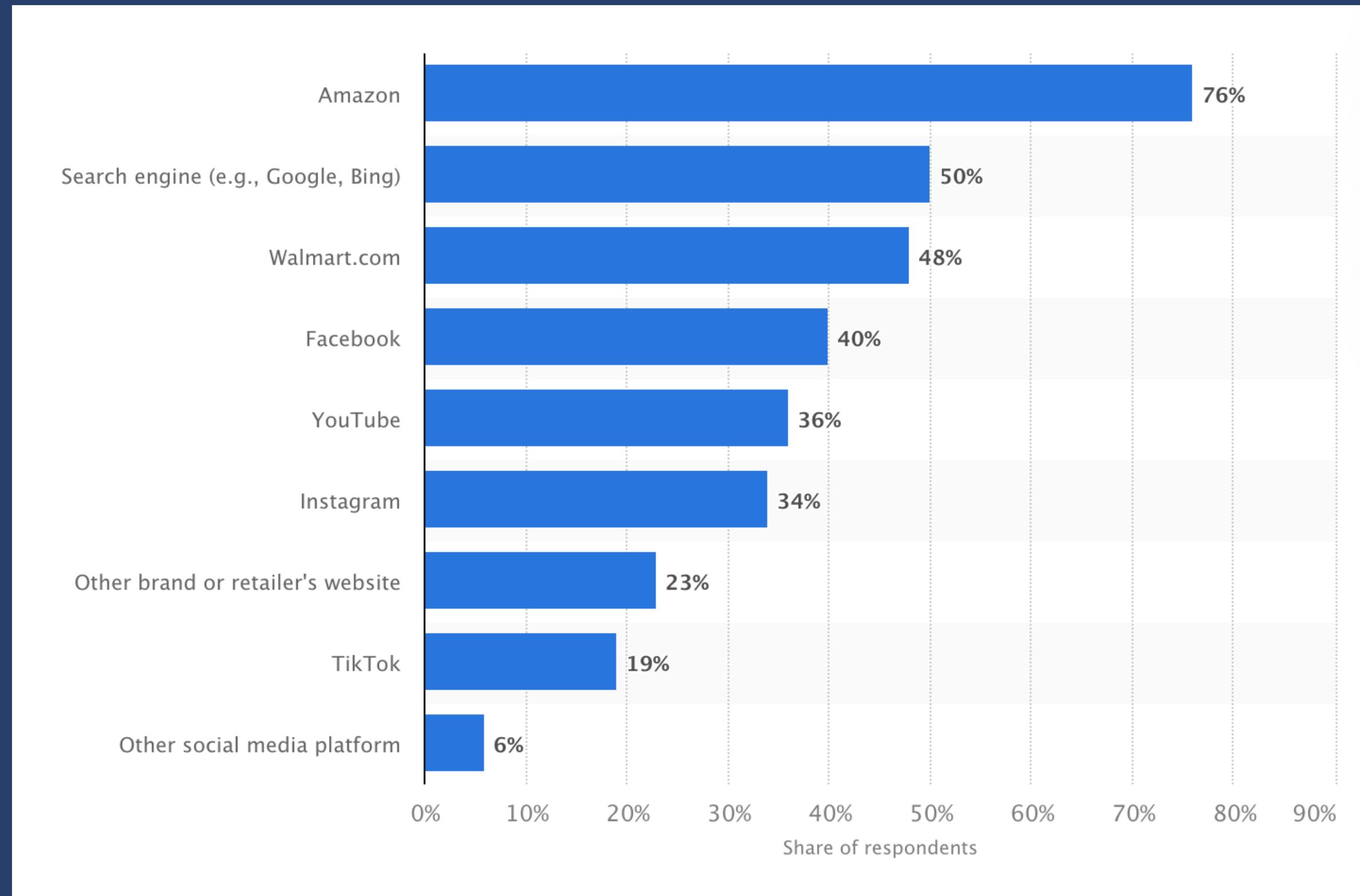




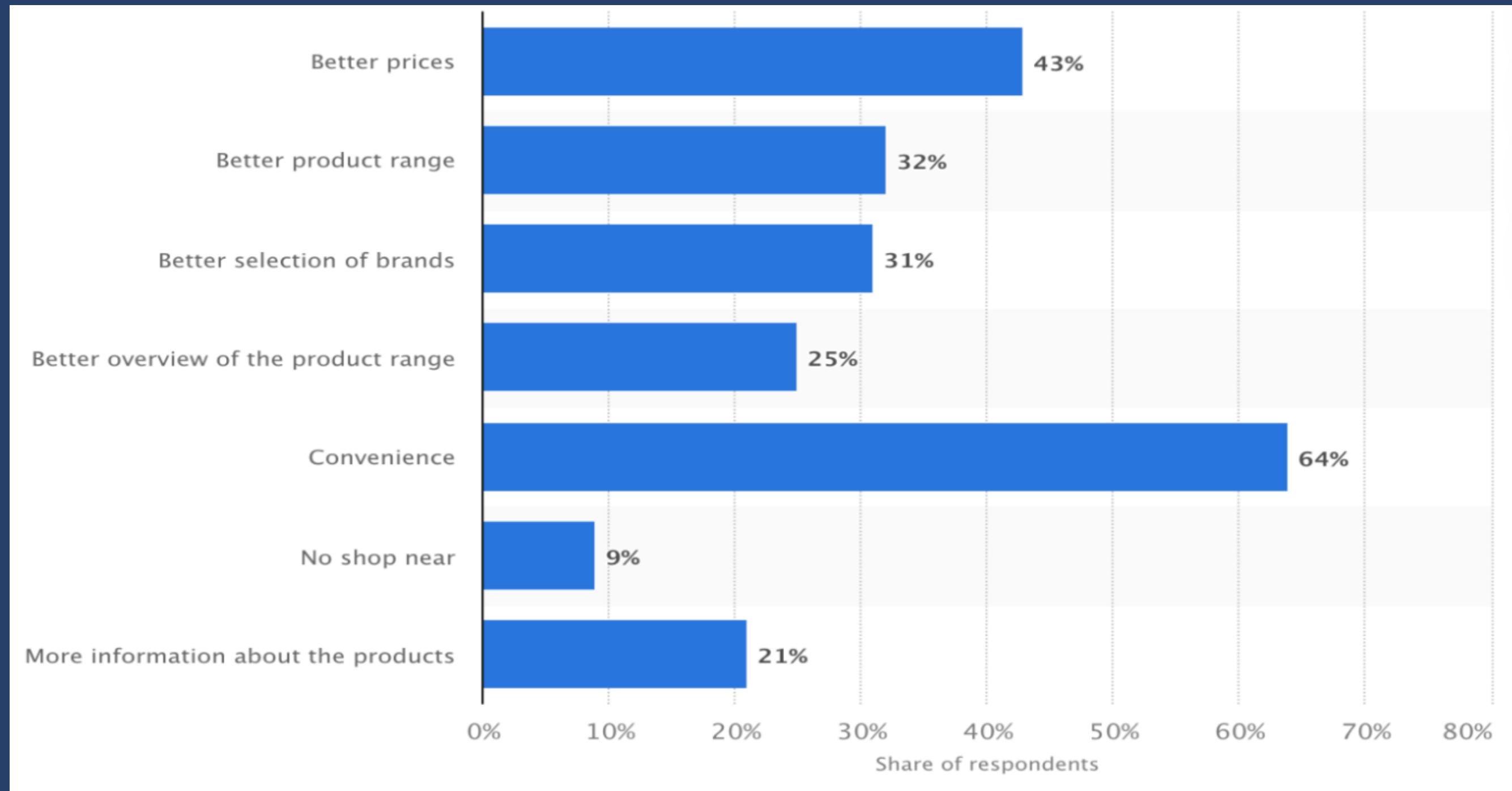
**PET SUPPLIES**



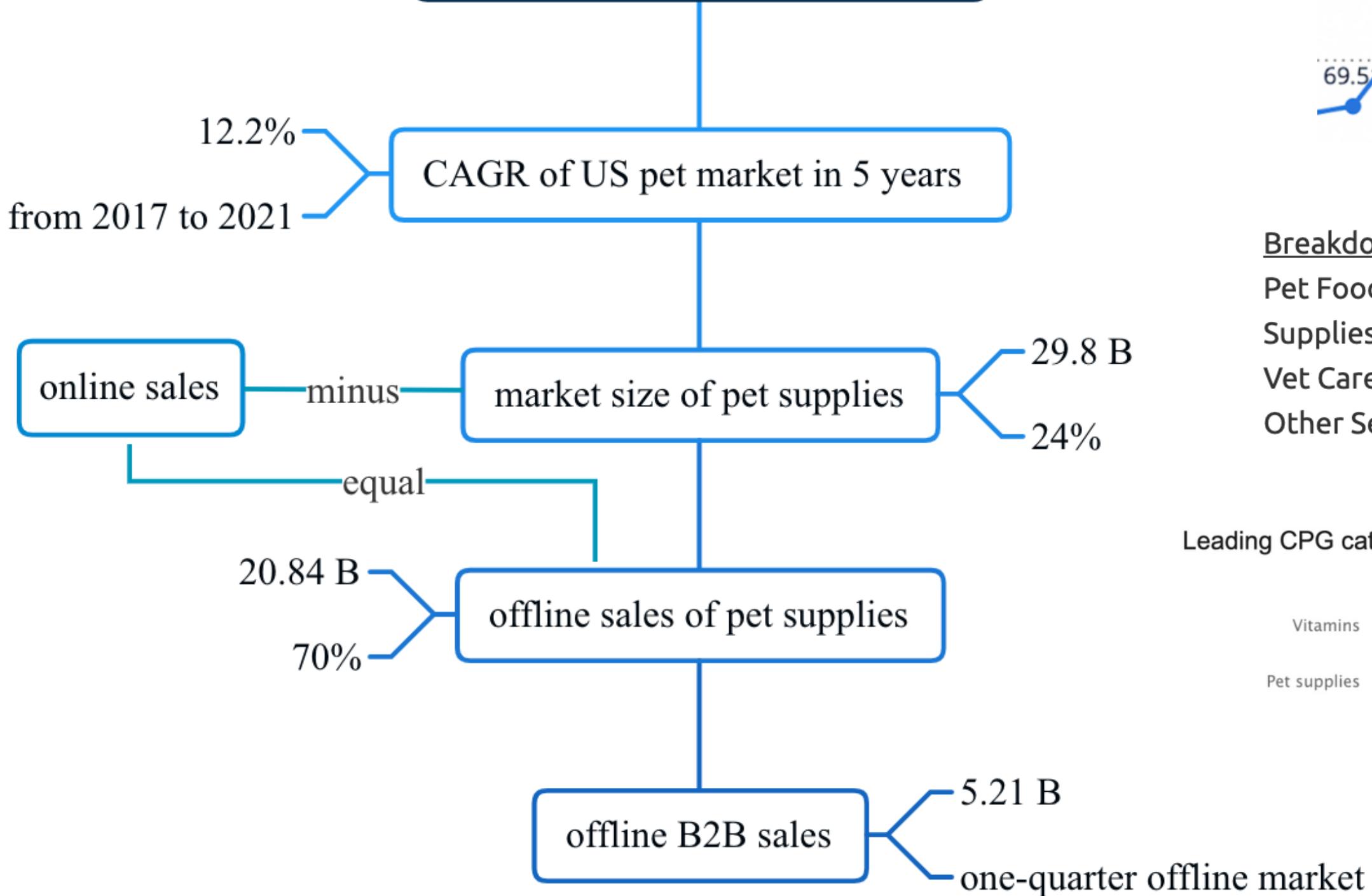
# Leading platforms pet owners use to search for products online in the United States in 2021



# Reasons for consumers to buy pet supplies online



## Estimating the market of offline B2B



| Category                              | Value (\$ billion) |
|---------------------------------------|--------------------|
| Pet Food & Treats                     | \$50.0 billion     |
| Supplies, Live Animals & OTC Medicine | \$29.8 billion     |
| Vet Care & Product Sales              | \$34.3 billion     |
| Other Services                        | \$9.5 billion      |

Leading CPG categories based on e-commerce sales in the United States in 2018





**WHOLESALEPET.COM**

# HISTORY

- Founded in 2000 by Bo Nelson
- Based out of Richmond, Virginia
- Wholesalepet.com is one of the primary wholesale vendors for pet products in the United States
- The company was acquired by EMERGE Commerce in 2021 for \$25 million



**CHEWY.COM**

# HISTORY

- Founded in June 2011 by Ryan Cohen and Michael Day
- Started in Dania Beach, Florida
- By 2017 they captured over 51% of the online pet food sales with about 2 billion dollars in revenue
- Chewy had offers from both Petco and PetSmart for mergers
- Petco offered to purchase them using stock while PetSmart offered all cash and let them be a separate business
- Chewy was acquired by PetSmart in May 2017 for 3.35 billion USD

# CHEWY FINANCIALS (IN MILLIONS USD)

| <b>Year</b>                         | <b>2021</b>     | <b>2020</b>     | <b>2019</b>     | <b>2018</b>     | <b>2017</b>     | <b>2016</b>    |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| <b>Revenue</b>                      | <b>8,890.77</b> | <b>7,146.26</b> | <b>4,846.74</b> | <b>3,532.84</b> | <b>2,104.29</b> | <b>900.57</b>  |
| <b>Revenue Growth (YoY)</b>         | <b>24.41%</b>   | <b>47.44%</b>   | <b>37.19%</b>   | <b>67.89%</b>   | <b>133.66%</b>  | <b>-</b>       |
| <b>Cost of Revenue</b>              | <b>6,517.19</b> | <b>5,325.46</b> | <b>3,702.68</b> | <b>2,818.03</b> | <b>1,736.74</b> | <b>750.74</b>  |
| <b>Gross Profit</b>                 | <b>2,373.58</b> | <b>1,820.81</b> | <b>1,144.06</b> | <b>714.81</b>   | <b>367.55</b>   | <b>149.83</b>  |
| <b>Selling, General &amp; Admin</b> | <b>2,445.76</b> | <b>1,911.27</b> | <b>1,396.79</b> | <b>982.57</b>   | <b>705.4</b>    | <b>257.26</b>  |
| <b>Operating Expenses</b>           | <b>2,445.76</b> | <b>1,911.27</b> | <b>1,396.79</b> | <b>982.57</b>   | <b>705.4</b>    | <b>257.26</b>  |
| <b>Operating Income</b>             | <b>-72.18</b>   | <b>-90.46</b>   | <b>-252.73</b>  | <b>-267.77</b>  | <b>-337.85</b>  | <b>-107.43</b> |
| <b>Interest Expense / Income</b>    | <b>1.64</b>     | <b>2.02</b>     | <b>-0.36</b>    | <b>0.12</b>     | <b>0.21</b>     | <b>-0.22</b>   |
| <b>Other Expense / Income</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-0.04</b>   |
| <b>Pretax Income</b>                | <b>-73.82</b>   | <b>-92.49</b>   | <b>-252.37</b>  | <b>-267.89</b>  | <b>-338.06</b>  | <b>-107.16</b> |
| <b>Net Income</b>                   | <b>-73.82</b>   | <b>-92.49</b>   | <b>-252.37</b>  | <b>-267.89</b>  | <b>-338.06</b>  | <b>-107.16</b> |

## **WHY THEY SUCCEEDED**

- Came in at the right time during the internet age
- Unlike the previous failure of Pets.com where they were ahead of the times
- People are more open to shopping online than ever and they were founded at the start of the explosion
- Focused heavily on providing dedicated customer services with the service representatives being actual pet owners
- Examples are writing cards and drawing oil paintings of random customer's pets during the holiday season
- Cultivated a loyal customer base with customer service
- Invested heavily in logistics to compete with the best (ex. Amazon, PetSmart, Petco)



THANK  
YOU

