Pet's Home

Vision

For anyone and any family, especially busy working professionals and retired elderly living alone who want some soft company from pets with easy access, pet's home is a one-stop E-commerce platform that provides instant access to all varieties of pets with the most transparent transaction process and the safest after-sales guarantee. Unlike traditional pet stores or other E-commerce platforms for pets, Pet's home provides extraordinary convenience, reasonable prices, and comprehensive selection by integration of all the resources from different merchants of pets and a self-built logistics system; transparent transaction process and safe after-sales guarantee by a well-established regulatory policy for qualified merchants.

Motivation

Customer Segments

- Possible pet buyer: Possible pet buyers are people who want to own a cute pet but can not find a way to get the pet matching them and their family. They may live in remote areas and there is no pet breeder near them. Or they cannot find a pet that can satisfy their all needs in the nearby breeders. Most of these people indicate that it is so inconvenient for them to travel to the breeders located in another place that they have to give up the plan. So, our hypothesis is that those pet buyers may be pleased to choose to buy pets online.

- Breeder: There are many small and middle type breeders in the country and are devoted to finding a way to be noticed by target customers. They are not satisfied by the possibility customers who live in their area can go to their home to pick up the pet and want to develop the network market. In the meanwhile, they cannot afford the expensive advertising fee because of their limited resources. Our hypothesis is that these breeders will go to our website if we provide an easy and economical way of the pet trade.

- Shelter: Shelters are organizations that have animals in their care and help them find new families. They always keep more than 100 animals in the meantime, which takes quite a lot of money and effort. If a pet is not adopted at a certain time, it will be euthanized. So, they want to find the adopters as soon as possible. Our hypothesis is that if we make this easy and wide impact, the shelters will be willing to use our platform.

Unmet Needs

I believe potential pet buyers experience difficult transportation and limited choices when they choose ideal pets. According to our research, more than 40% of buyers need to drive at least 1.5 hours to get their dream puppy home. Meanwhile, some buyers are limited to local breeders due to a lack of transportation modes. The ease of Pet's Home's transportation can help them to expand their choices. Similar to potential pet buyers, breeders can expand their potential customers with the ease of transportation Pet's Home offers.

Moreover, the convenient and quick transportation Home's Pet offers can help to improve the pets market flow, which means more pets in the shelter can be paired with households. In this way, the shelters will not experience a huge burden to take care of a great amount of pets at one time.

Existing Solutions

Adoption from shelters: While people search online for a cat or dog, most websites recommend adopting one. People could easily find those websites, like Petfinder, PetSmart, or Petco. When you click the website, you can choose a dog or cat and input your postal code. Lots of pictures of pets could pop up and show their information. If you are interested in one, you could just follow the maps and meet the pet in person. Normally, adopting a pet costs about 300-500 dollars for donation. In this way, the breed of pet is random, which means most of them do not have pure breed and looks. Due to the abandoned history, the pets might have different personalities. Also, the age of the pet is random as well. Most of them are adults, but some of them are young.

Purchasing from locals: For purebred pets, people would choose to buy one, which usually costs 1500 dollars at least. People could just search the Pet store near me on google maps and drive there. Some local pet stores may have several dogs or cats available. If you want a certain breed like a golden retriever, they may not have it. Customers need to go to other stores. Or searching for a specific breed of dogs or cats, customers need to contact the cattery or breeders through the information posted online and make a reservation. Some breeders don't have young aged pets. Customers usually need to pay around $500 for reservations and wait for a few months to get their pets.

Purchasing from online: Customers could search online for online breeders. There is one called Kittens Up for example, which seems very professional. But the price is over 2000 dollars without any registration for the breed. You could pay $500 for reservation or just pay for the full price of the kitten. You could pick up the kitten until a certain date. But lots of pictures shown on the website are not the correct age of the kittens. There are several kittens that were born in October, but the photos of cat size are around at least 3 months on the website. Also, customers could not see the comments from previous buyers, which means people could not know whether the kittens are qualified from the information showing on the websites. Purchasing pets online may face many difficulties, fraud payment, pet transformation, or fraudulent pictures for pets.

Differentiation

Unlike some other existing solutions that are more decentralized, and more like an intermediary website, they just provide some advertising information on the website to connect customers and business suppliers, which causes the inconvenience, no access to after-sale warranty, inadequate information, etc.

We will not only provide a service similar to existing solutions, but also integrate the best of these solutions in one place. The benefits of using a centralized system are significant in many aspects, for example, the customers can search in a more detailed way to find their desired pets, they can also talk and interact with their suppliers on the platform immediately, the pets would be cosigned with a self-built logistic system with 100 percent safety and speed. What's more, they can also get the back up from the platform, which will make sure the merchants on the platform are qualified, verified and responsible, nothing to worry about.
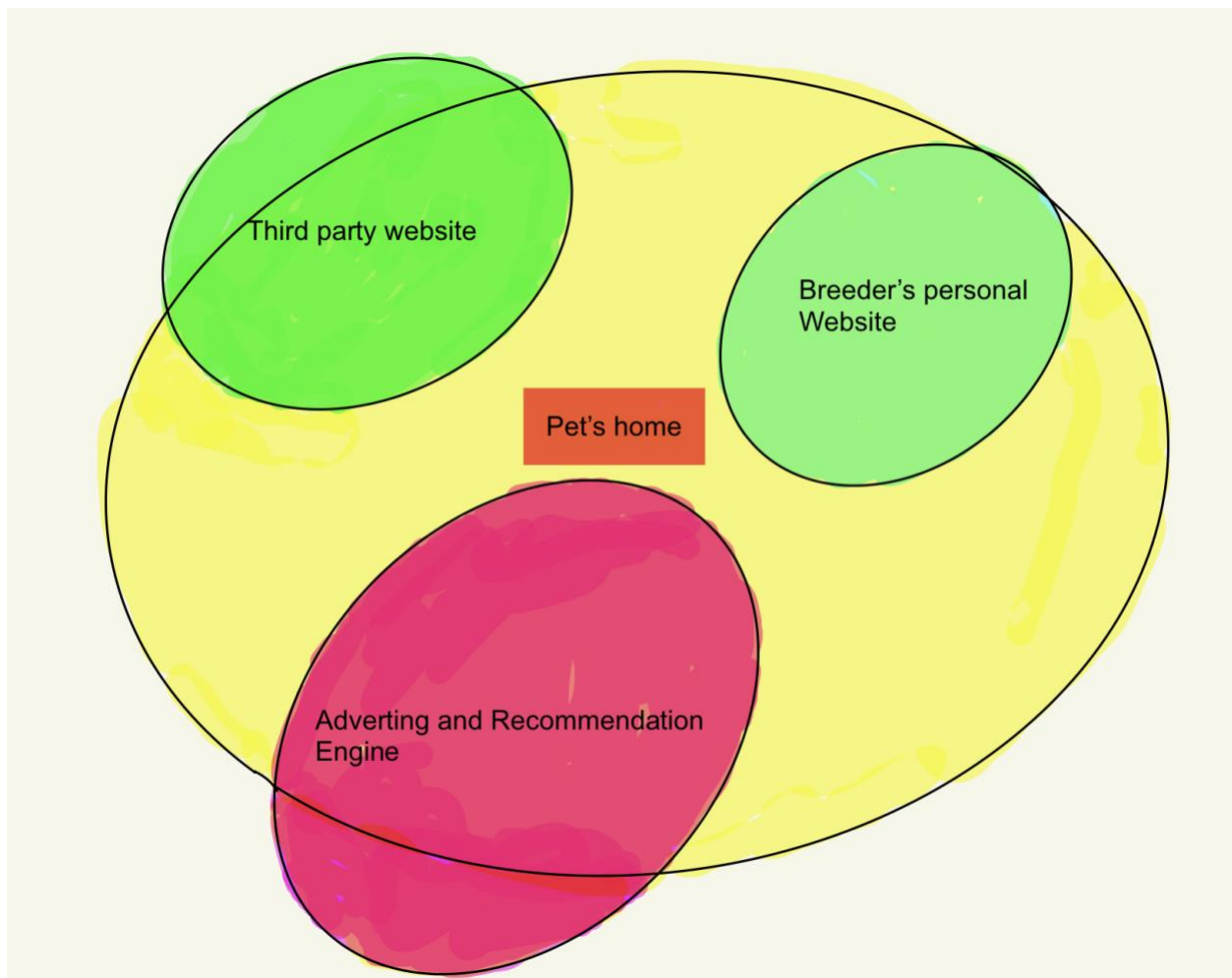
Why Now?

Has anything changed externally or internally that makes this opportunity available to us now? Since the outbreak of covid 19 in 2019, people nowadays have much less in-person social

activities than before, but it doesn't mean people don't need any company anymore. However, people definitely need more companionship than ever after this horrible chaos. Pets are the perfect role that accompany humans, with us. There is much data to prove that the number of purchases of pets are increasing rapidly year over year, especially after the outbreak of covid[1], Pet's home would be the ideal solution to improve the overall experience of those people who need a soft companion with the easiest and safest one-stop service.

Use Cases

A possible pet buyer in seek of a cute pet as his/her new family member but doesn't know where to find a satisfying one:

He creates an account on website;

He types in the type/breeder/color/gender and other bioinformatics of pet he is interested in;

Browses the pets' detailed information, photos, and videos which are filtered according to his interest and decides which pet he wants to bring home;

Chooses the deliver method and pays the deposit to hold the pet;

Waiting for the new member to come back.

A breeder who has several kittens in her home and doesn't know how to find the target customers:

She creates an account on website;

She builds a profile and fills out information of herself, such like location, certification, size of her cattery;

She builds profiles for every kitten in her cattery for sale and enters all the detail information of them;

Answers possible customers' questions if they have;

Accepts the deposit and gets ready to deliver the kitten.

While shelters having many unadopted pets, they need more people to come over and adopting one:

The shelter creates an account on website;

The shelter needs to fill out the information of their location, contact information, running time;

The shelter also needs to create profile of their unadopted pets from age, color, breed, photos, videos, personalities, experience before;

Answer the questions from customers if they have;

The shelter could be visited by possible customers;

The shelter also can pack the pets' stuff after receiving the deposit money;

The shelter could receive donations under the unadopted pets page, even though people might not adopt them.

Market Size

Pet's Home's major market is people who want to adopt a pet in an easy and efficient way along with breeders and shelters who have many pets but are worried about finding buyers. According to the APPA 2021-2022 Survey, the percentage of households owning dogs and cats are 45% and 29% separately[2], accounting for more than half of those who own pets. Therefore, we use dogs, cats and other pets as our pet categories. To develop our product step by step, we first set Seattle as our initial market and then expanded to the whole country, using the United States as our larger market afterwards.

First, the number of pet owners of each category increases every year in Seattle. According to Scarborough Research, from 2019 to 2020, the number of dog owners increased by 4.2%, the number of cat owners increased by 18.2% and other pet owners increased by 15.9%[3]. Therefore, assuming the increase rate doesn't change next year, we predict that the increased number for dog owners, cat owners and other pet owners are about 44.7K,155.4K and 54.1K individually. Among all the pet obtained sources, pets obtained from breeders, hatchery and animal farms occupied about 25%[4]. According to this, we predict that there will be about 61K individuals in this market in Seattle this year. Second, according to the APPA National Pet Owners' Survey, the number of households with pets increased during the past six years in the United States[4], and we predict that there will be 2.65M more families getting new pets from 2021-2023. Based on the percentage of pet owners, we anticipate that there will be 1.19M new dog owning families, 0.77M new cat owning families and 0.69M new other pet owning families in the United States.

To get a pet from a breeder, a hatchery or an animal farm in Seattle, the average price for a cat is about $2K, the average price for a dog is about $1K and the average price for other pets are about $200. We plan not to charge fees for the shelter adoption and charge 15% service fees for others, the total market price will be about $13.7M.

There are great amounts of shelters and breeders providing pets to potential pet owners. Approximately 6.3 million companion animals enter the U.S.. animal shelters nationwide, 4.1 million shelter animals are adopted[5]. There are about 2000 federally licensed dog breeders in the U.S.[6] There are about 167,388 breeding dogs in facilities licensed by the USDA, and over a million puppies are produced yearly by licensed facilities[7]. They all need an easy platform to connect with future pet owners and the large number of pets provided by them can make sure of the supply of pets.

Caveats / Risks / Key Dependencies

What are possible failure modes? For example:
- Privacy concerns?
  This platform gathers customer information, including email account, physical address, payment methods, qualified ID, etc. we will need to ensure a secure system that does not

reveal customer privacy, both seller and buyers.
- Legal risks?
  We want to make sure we are not violating any laws regarding selling live animals, managing the animals, etc. Also, we want to make sure we are not violating any laws regarding collection of personal information of users.
- Cost?
  We are unsure about the cost of implementing a Pet's home, there are many places that could be money-consuming, including the self-built logistics, advertising in the early stage, partnership with other breeders and the middle stream of the industry.
- Dependency?
  Our platform requires a strong connection with pet's suppliers, and relies on the favorable policy for supporting pet ownership.

Consider presenting risks in table format with columns providing detailed description and possible mitigants for each risk.

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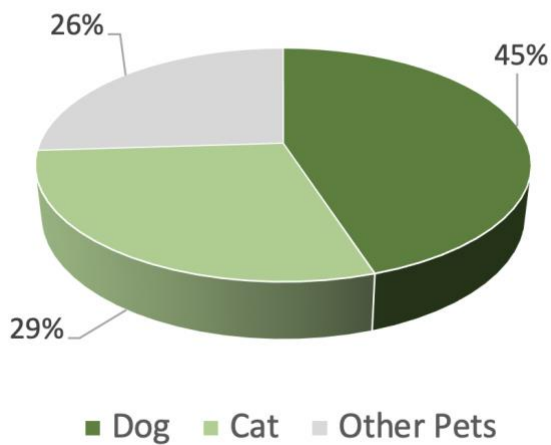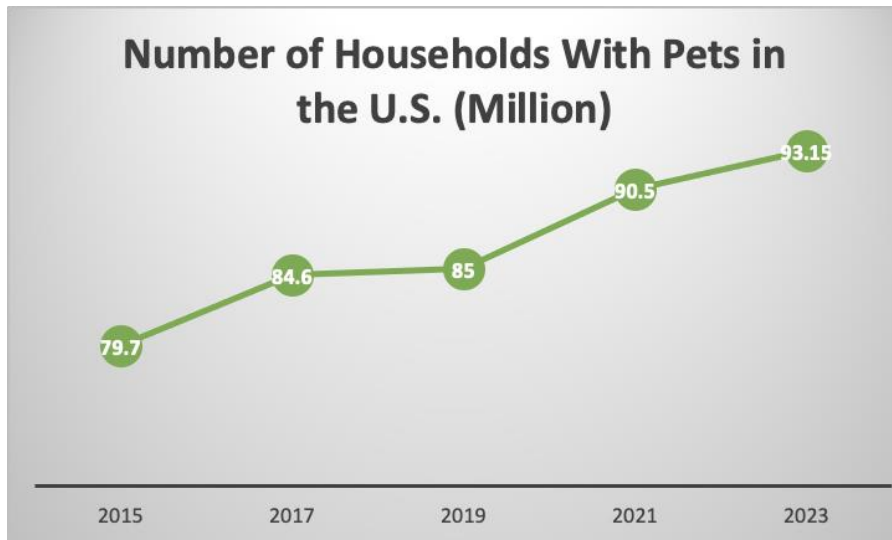hu.xiaod@northeastern.edu

Go Recommendation

Market size and all the unmet needs of the current solutions are promising enough to move to the next stage. At this moment, our team is moving forward with our plans to further test market interest and work closely with potential customers to fulfill their needs.

Appendix 1: Ownership of pets in Seattle and the U.S.

Seattle Area	2020	2021	Year Increase	
Adults	3,158,678	3,221,852	63,174	2.0%
Cat Owners	853,908	1,009,319	155,411	18.2%
Dog Owners	1,063,414	1,108,077	44,663	4.2%
Other Pet Owners	340,418	394,544	54,126	15.9%

Pet Ownership by species in the U.S.

- Dog 45%
- Cat 29%
- Other Pets 26%

Appendix 2: References
[1]https://todaysveterinarybusiness.com/pets-appa-survey-covid/
[2]https://www.americanpetproducts.org/press_industrytrends.asp
[3]https://www.seattletimes.com/seattle-news/data/cats-big-winners-in-seattle-pandemic-pet-adoption-surge/
[4]https://www.americanpetproducts.org/pubs_survey.asp
[5]https://www.aspca.org/helping-people-pets/shelter-intake-and-surrender/pet-statistics
[6]https://www.aspca.org/barred-from-love/laws-rules/federal-licensing-usda-standards
[7]https://petpedia.co/puppy-mill-statistics/