

Businesses profit from the popularity of pets

By Bruce A. Love

The Westminster Kennel Club broadcast its 129th annual dog show this week. Audiences were treated to a spectacle that served to remind us common folk about how our dogs should look and behave. In addition to showcasing these quintessential canines, the event also entertained us with the antics of both dogs and handlers. Many handlers applied varying techniques they hoped would launch their pooch into fame and fortune. In the end, one judge selected one dog as "Best in Show," and the rest of us remain clueless about how it is possible to compare poodles with pugs.

Many breeds that competed this week probably spent more time in the hair salon than their owners or handlers (that's just not right). However, this is not surprising when we consider that Americans spend over \$30 billion per year on their pets. The pet industry has become one of the largest industries in the U.S., eclipsing even the candy industry. Americans love their pets, and that means opportunity for many businesses.

Nearly half of all revenues generated in the pet industry come from pet foods. Businesses that produce pet food are usually very large, however some boutique businesses catering to the high-end (wealthy) pet markets have been able to emerge and thrive. When I ran the Bucks County Small Business Development Center in eastern PA, one company started a dog biscuit business in their home, which quickly grew to become a very reputable manufacturer of gourmet pet foods. As with any industry, the Internet allows these businesses to expand into lucrative markets outside of local markets. This gives local businesses opportunities that may not otherwise exist in economically challenged areas. Pet owners in cities and other affluent regions are much more willing and able to pay top prices for pet products and pampering. By targeting these niche markets businesses often can build successful enterprises.

Supplies, medications and veterinarian care also generate a lot of revenue in the pet industry. Together, these services and products cost Americans over \$16 billion in 2004. Healthcare costs have soared in recent years for humans and pets alike. This has launched a

new interest in insurance to cover routine and catastrophic pet medical costs. VPI Pet, for instance, offers insurance policies for pets, and advertises in many veterinary offices. Their services range in coverage and cost, and do not require pet owners to use insurance company approved vets. I found their web site very interesting. Type in your dog's name, age and breed, and get an instant quote for monthly insurance premiums. My six year old retriever would cost about \$25/month. When she is 9, fees increase to about \$40/month. Check them out at www.petinsurance.com.

Linda Burley, of Shadyrock School for Dogs in Altoona, offers a variety of services, including breeding, grooming, and training. Since the holidays, much of her business has involved obedience training for dogs. Instruction is provided on an individual basis, or in classes of ten or twelve people (with their dogs). Dogs, like people, can benefit from a good education.

The pet industry parallels industries that cater to humans. In addition to the essentials of food, toys, and healthcare, pet businesses now offer daycare, massage therapy, and even resorts for your pampered pet. In the autumn of your pet's life, you may be comforted to learn that pet cemeteries are an option, but most owners become more practical at this point, and choose crematory services. The ashes can then be kept in a decorative urn or buried. As a final tribute to beloved pets, my nephew has recently started to produce pet markers to commemorate lives of departed furry friends.

Linda Blackie is a local, famed, breeder of champion Poodles. She is also the owner of the Doggie Depot in Altoona, which offers grooming and canine breeding services. Linda has advice for anyone considering launching a service-oriented pet-based business. First, be very familiar with the type of business you are planning to launch. Try to work for someone else who already offers these services before jumping into the business yourself. Be mindful of current local demands and potential cash flows from the business. Finally, make sure that you realize that working with pets should be a labor of love, and that it is not always fun and games

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