

ROUNDFORD PET GROOMING HOSPITAL

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ABSTRACT

According to the "China Pet Industry White Paper 2021", in 2021, there will be 73.35 million pet owners in China, of which 46.1% will be dogs and 30.7% will be cats. With the continued prosperity of the "it economy", the market size of dogs and cats reached 202.4 billion yuan, of which 124.4 billion yuan was consumed by dogs, an increase of 17.8% over last year, and 78 billion yuan was consumed by cats, an increase of 19.6%. In the next few years, the pet market size will have a growth space of tens of billions of dollars per year.

With the impact of consumer upgrading throughout the times, pet grooming is one of the most significant pet service expenditures. Pet grooming hospital, although the single consumption amount is not high, has high-frequency characteristics, especially in winter, and the annual per capita consumption of pet bathing and grooming in 2017 was 2,199 yuan. In addition, the consumption of pet snacks and nutrition is on the rise, with data showing that pet owners spend an average of more than RMB500 per month on pet staple food, snacks and health care products, with the average spend for pet dogs at RMB548.2/month; and for pet cats at RMB572.9/month.

With pet grooming services as the entry point for offline shops, multiple areas such as live pet sales, pet food/supplies and pet medical care can be covered. In the general environment of branding pet shops in China, there is great potential for establishing high-quality offline pet shops!

Keywords: Pet Grooming Hospital

1. Company introduction

The project company - Roundford pet grooming hospital, established in January 2022, registered capital of 100,000, corporate legal person chenchen, is a company focused on pet grooming branding operation, the company currently has advanced professional live pet care technology centre, mature branding operation system, the O2O online and offline combination of a huge pet supplies (services) sales system, business covers pet shop chain management, pet supplies sales, live pet sales, pet grooming services, pet training, pet breeding and other links.

The company's product range includes admission tickets, interactive feeding and classes, live and peripheral retail, and live services.

Product brands: The company's brands "Yuanfu Pet" and "Mengjia".

Vision: O2O model to reshape the future pattern of Yuanfu, to seize the high ground of the industry in the era of big data, and to strengthen the competitive strength of Yuanfu.

Mission: To create a perfect ecological environment for the pet industry and the rise of China's pet industry, creating one miracle after another.

Goal: To build brand power and prove the scientific rationality of the new direct chain system of Yuanfu Pet in a short period of time; to provide entrepreneurs and practitioners with a full range of theoretical systems, technical support and talent reserves including industry knowledge, pet grooming techniques, dog training techniques and pet shop operation and management.

Our company name is "Roundford pet grooming hospital" means to focus on the internal and external health management of pets, to provide a full range of services and technical support for pet families and pets, advocating human care, customer (pet owners) first, to provide a dedicated and perfect service.

2. Industry analysis

First of all, the industry scale, according to the "China Pet Industry Market Foresight and Investment Strategic Planning Analysis Report" statistics released by the Foresight Industry Research Institute, the market scale of China's pet industry in 2021 is 134 billion yuan. The CAGR of the past ten years reached 38.94%. By the end of 2021, the market size of China's pet industry reached 170.8 billion yuan.

Secondly, the growth rate, according to the 2021 China Pet Industry White Paper (hereinafter referred to as "the White Paper"), China's urban pet (dogs and cats) consumption market broke through the 200 billion barrier in 2021, with the overall consumption scale reaching 202.4 billion yuan, an increase of 18.5% over 2020. The number of cats reached 99.15 million, up 7.66 million from 2019. The number of pet dogs is 55.03 million, an increase of 8.2% over 2019; the number of pet cats is 44.12 million, an increase of 8.6% over 2019, with the increase in the number of pet cats exceeding the increase in the number of pet dogs.

Thirdly, the industry is characterised by two categories of pet shops currently on the market, namely community pet shops and mall boutique pet shops. Shopping mall boutique pet shops are a new type of pet shop that has emerged in the last two years. After preliminary research, we have analysed the operational dilemmas and business models of the two types of pet shops, and optimised and innovated the business models of the two types of shops, with significant results in the preliminary practice process.

Its fourth is the industry trend, the market size of China's pet industry reached 191.5 billion yuan in 2019, with an average annual compound growth rate of about 13.78% in the next five years (2019-2023), and predicts that in 2023 the market size of China's pet industry will exceed 300 billion yuan, reaching 321 billion yuan.

3. Market analysis and marketing plan

At present, Yuanfu Pet plans two shop formats - S-store and C-store.

(1) S-store: mall concept shop

The mall concept shop is mainly for mobile customer groups in shopping malls, with exquisite shops, presented in a more brand image and affinity shop format, offering human-pet interaction, live pet and pet peripheral sales, high-end pet cleaning, pet fur care, pet grooming, pet training courses, etc. The mall concept shop relies on the advantages of mall endorsement and wide customer contact, and has a good brand effect, making it the future urban brand image shop of Yuanfu Pet.

(2) Store C: Community Service Store

Community service shops are aimed at the people of the community, with a precise and stable community customer base, and are small shops that focus on pet bathing and grooming, pet fur care and pet peripheral sales, while community service shops also provide pet daycare, boarding, training and bonding activities for community pet owners.

Estimated annual sales and market share.

The profit of this project mainly comes from four parts: sales revenue from mall S-store, franchise revenue from C-store, C-store supply revenue, online mall sales revenue, and fan big data realisation revenue.

(1) Mall S-store sales revenue: mainly from four components: tickets, interactive feeding, courses, pet goods and pet services.

(2) C-store franchise income: calculated at 150,000 yuan per shop, it is expected that 5 new franchises will be added in the first year, 20 in the second year, 70 in the third year, 100 in the fourth year and 200 in the fifth year.

(3) C-store supply income: including live pets, pet food, pet goods, pet service consumables, etc., is expected to account for 30% of the C-store sales income.

(4) Online shopping mall sales revenue: the main source of APP, comprehensive e-commerce platform of pet products sales revenue, the first two years of operation of the project is mainly agent products, the third year of operation began part of the self-owned products.

(5) Big data realisation income from fans: mainly from the amount of fans attracted by the online APP/small program/public number, it is expected that 27,000 fans will be registered in the first year of operation, and in the next five years, with the increase of shops, it is expected that fan registration will exceed 5 million people.

The two types of shops planned are S-stores (mall concept shops) and C-stores (community service shops), both of which have their own focus on business models and are innovative in terms of customer segments, consumption types and buying habits.

4. Management team and corporate structure

The company has now formed a relatively well-established management team and marketing team. There are currently four core team members.

Board members: As our company, Hangzhou Yuanfu Pet Services Limited Liability Company, was initially small in size, according to Article 50 of the Company Law, a limited liability company, with a small number of

shareholders or a small scale, may have an executive director and no board of directors. The executive director of the company is thus the founder.

Advisory Board: The company employs a team of professional pet owners with professional qualifications, such as a medical practitioner's license, a professional veterinarian's license, etc., who have years of experience in treating small animals, and they are the advisory board of the company, responsible for the specific docking business and carrying out operations.

5. Operational plan, production design and development plan (pages 17-18)

Business model and procedures: The project implementation cycle is 1 year, from 01/2022 - 12/2022, and is divided into three phases for project implementation planning.

(1) Start-up period: a period of 3 months, during which work will be completed including mall shop site selection, mall shop design planning, mall shop decoration, supply chain improvement, shop management system development, etc.

(2) Development period: for a period of 3 months, the mall shop will start shop trial operation, online and offline comprehensive promotion, to achieve offline flow of offline traffic; online flow of offline consumption. In addition, the layout of community C-stores began, in this process to form a perfect whole shop output system, to prepare for the subsequent franchise.

(3) Brand period: a period of 6 months, the mall shop began to fully realize business, the formation of brand influence. Start a comprehensive layout of community C-store investment to join the work, through the network, the Chamber of Commerce, exhibitions and other forms, recruit partners.

Production design and development plan: pre-opening promotion programme - (1) Targeted key publicity: carry out continuous activities in the mall in phases, including pet festivals and parent-child activity festivals, target potential target customers, collect customer information data and distribute cash vouchers and pet grooming cards.

(2) Continuous promotion and pre-heating: will be distributed in the surrounding communities through DMs and promoted through public number activities to receive pet gifts to achieve short-term rapid traffic and establish an internet community for the Zhipu Department Store.

Post-opening promotion plan - (1) Development of cooperation channels: We will carry out a plan to expand cooperation channels with other industries, cooperate with parent-child groups, photography agencies, public numbers of large V in the region, community management committees, etc., and continuously expand cooperation channels that have interactions with the target customer groups to jointly carry out activities and establish cooperation promotion.

(2) Internet community model: establish a community of pets in Yuanfu, regularly explain pet knowledge, exchange pet anecdotes, and answer pet questions to establish a high-quality and active community and enhance profitability.

(3) Promotion by WeChat V: Form joint promotion with WeChat V public number, using the form of explosive articles or mutual promotion, to divert fans of V public number to their own public number/small program.

(4) Give away shopping coupons, customers can get shopping coupons by doing tasks or games online, and the coupons can be shared with friends, who can receive coupons directly by clicking into the app, thus achieving spontaneous diversion of ordinary users.

6. Financial projections (pages 19-20)

Operating income budget table

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Mall S-store sales revenue	1116.00	1339.20	2604.00	4836.00	7068.00
Shop C franchise income	75.00	300.00	1050.00	3000.00	3000.00
C-store supply income	115.20	345.60	1152.00	3456.00	5760.00
Online shop sales revenue	20.00	900.00	6500.00	23000.00	65000.00
Fans' big data realisation income	0.00	36.00	180.00	720.00	1800.00
Total	1326.20	2920.80	11486.00	35012.00	82628.00

The above analysis shows that the project is advantageous in terms of company profitability, growth and development, and this project is acceptable from the financial evaluation point of view.

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