

# [Pet industry pest analysis](https://assignbuster.com/pet-industry-pest-analysis/)

PEST analysis is the macro-environmental factors that will influence the companies like groomers capability to provide the products and services it offers to its customers (Jobber 2007).

These external environmental factors are difficult to control or influence whereas the elements explained by SWOT analysis are controllable as it affect the firm alone (Blythe 2006).

The internal controllable factors are the strength and weakness whereas the external factors such as the threats and opportunities are uncontrollable events that occur outside the business. Groomers should focus on converting weakness to strengths and threats into opportunities (Jobber 2007).

## Groomers Potential Changes/Trends In The Animal Grooming Market

Factors

Explanation

Negative Impact

Positive Impact

Taxation

The Government often imposes taxation on specific products. Also changes in respect of VAT had some effects on the firms (Blythe 2006)

The products profit margin will be less if there is more tax

The profit margin will be high if the tax is reduced as sales will increase

Animal safety regulations

Products need to confirm the national safety regulations whether its home or overseas

(Blythe 2006)

Lose the existing market for the products and there will be drop in the product sales

Gives a positive attitude towards the product and will draw more customers as the products are being up to standards

Government Legislations

Governments legislations on pet insurance and consumer protection etc

Decrease in the pet ownerships as result will be downfall in the product sales if there is an increase in the pet insurance

Increase in the pet ownerships as a result there will be an increase in the products sales if there is decrease in the pet insurance

Trade barriers

Governments restriction on exchange of goods, services such as tariffs on imports, exports, customs practices and agreements made between countries etc

When tariffs increases the cost of goods increases so there will be a decrease in the product sales.

Agreements made with EU member groups help expand the products market to all EU members. The sales of products will be more as it is offered at reasonable price if the tariffs on exports and imports in less

Lifestyle

The census reveals that one quarter of the population in UK is single parent

(census published by BBC)

Aged and single households buy pets (Mintel 2008)

The people being busy with there lifestyles find less time for pets.

The single parent tends to buy pets for companionship. As the rate goes on increasing there will be an increase in the product sales

Innovation of new products

A new product in the market creates the difference between the competitor’s products and makes the work easier.

Less attraction of people towards the product as it is same as other companies

People prefer brands that have wide range of products (Mintel 2008). Will draw more customers

Summary

The external environment factors that the groomers should focus upon are the political regulations such as trade barriers, animal safety regulations, taxation and lifestyle and the weakness are lack of sufficient infrastructure, technical sources, proper advertisements, brand identity, sales force and selling channel is limited. The importance of brand awareness, lifestyle and developing new products tends to create potential changes in grooming industry.

## Profile of the typical buyers of groomers products

Consumers are the individuals who buy the products for their needs. The most intractable aspects of the buyer behaviour are who, how and what (Blythe 2006)

B2B Customers – Professional groomers, Retail

B2C Customers – Domestic (Pet Owners)

## Customers

## Profile of customers

## Customer preferences

## Concerning Factors

## Buying Locations

## Professional

## Groomers

\*New/Experienced groomers

\* Groomers for all breeds

Products for all breeds

Wide range of products

Low noise level equipments

Innovative Products that make the work easier

Quality

Price, regular supply from the supplier, product efficiency

Retails shops, Suppliers

## Retail

Consumers looking for wide range of brands

\*Educated people

\*Middle class and upper middle class people

\*Single households and aged people

Products for all

Wide range of brands

Exclusive range of products

Reasonable price and offers

Quality, brand awareness regular supply of products,

Price, customer feedback/satisfaction

Suppliers

## Domestic

(Pet Owners)

\*Pet owners/high income group

Quality products at reasonable price that gives good hygiene and enhanced performances

Quality

Price, efficiency of products

Retails shops

Internet shopping

## Purchase Decision Process

## Summary

The difference between the typical buyers such as professional groomers, retail and domestic are concerned about the brand awareness, quality, range of products and price.

## Competitor Analysis

It is important for companies like groomers since their corporate performance depends on both the competitors and customers. They need to understand both the competitors and customers. Better understanding of competitors helps the groomers to predict the competitor’s responses to the marketing initiatives that groomers may take (Jobber 2007, p . 774)

## Porter’s 5-force competitor analysis for pet grooming market

## Forces

## Major barriers

## Pet Grooming Market

The threats of new entrants

-Well established products (Brand identity)

-Access to distribution channels

-Experience in the pet business market

-Switching costs

-Capital requirements

(Jobber 2007)

-New/foreign competitors entering the market

-Companies in pet health are extending the business to accessories such as clothing and toys

The bargaining power of suppliers

-Concentration of suppliers

-Switching costs of suppliers

-Power of the supplier is high when the brand is powerful

(Jobber 2007)

The power of suppliers is high as there are some suppliers with premium brand Eg. Wahl, Andis and the cost of switching the suppliers is low

The bargaining power of buyers

-Buyer switching costs

-Standardized products

-Industry not being key supplier of products

-Presence of substitutes costs

(Jobber 2007)

The bargaining power of buyers is more as there are many suppliers with different brands such as pets at home, Christies direct etc who sells range of products at reasonable price

The threats of substitute products and services

-Buyers willingness to substitutes

-Switching costs to substitutes

– Performance of substitutes and its price

-Price Sensitivity

(Jobber 2007)

The threat of substitute products is very high since the normal shampoo and scissors can be used and the cost involved in switching to substitute product is low

Competitive rivalry

-Brand identity

-Product differences

-Diversity of competitors

(Jobber 2007)

There likely to be intense competition as there are diverse competitors in the pet grooming industry

## Key competitors in the pet grooming

## Competitors

## Strength

## Weakness

## Target Customers

Pets at home

-Everything for your pets all under one roof

-Shops available at various locations

-Wide range of products for pets such as food, toys and accessories

-Products of different brands

-The shops being well stocked and pet friendly

-Will be expensive if you don’t buy the products in bulk

-Some issues in customer services

Professional groomers

Pet owners

Dezynadog

-Good customer service

-Helps in salon set-ups

-Fast, cost effective and efficient repairs

-Poor online shopping experience as the website is not that interactive to say about the products.

-They are not into the pet food market

-E-Marketing

-Brand awareness

Professional dog groomers

Pet owners

Christies direct

-Livestock grooming

-Wide range of products

-No delay in product delivery

-Best cost deal products by constantly monitoring the products source price

-No innovative Christie products

Professional

Groomers

Pet Owners

Simpson’s & Sons

-Wide range of products

-Products recommended by vets and professionals

-No pet shops

-No innovative products

Professional groomers

Pet Owners

Pet Planet

-Wide range of pet products

-Wide range of different brands pet foods

-Innovative products

-Not focus on particular pet market

Professional groomers

Pet owners

Animal bargains

-24 hours sales over phone

-Exclusive range of products

-More bundle offers

-28 days return policy

-Free advice on pet health

No Retail shop

Shipping charge is high

Pet Owners

Amazon

-Broad range of products with competitive prices

-Fast delivery of products

Delivery charge is high

Pet Owners

Summary:

Groomers face both direct and indirect competitors in the pet grooming market

## RECOMMENDATIONS:

## Product:

Brands tends to have a powerful social force, the product that has strong brand name creates easy product identification, establish the products in markets, product differentiation, creates loyalty, build trust among the consumers, increases the power it has over the retailers. (Frances Brassington 2006).

## Recommendations:

Groomers should identify their market segmentations and should focus on creating a brand identity by offering differentiated pets products and services with good quality that meets the needs of different consumers.

## Short-term plan:

To be a well-established brand in the market it takes time and investment and to gain profit at earlier it is better to have business tie-ups with more partner companies to find a way to get variety of differentiated products attract more customers.

## Long-term plan:

Groomers should also plan accordingly whether to retain their existing product that meets the customer needs by analysing the sales of their products and feedbacks from customer and develop a new innovative product that offers solution to the customer problem and make use of the opportunities in the market. The continuous development of new products always keeps the brand name close to its customers.

Groomers should focus more on the international markets such as India and other countries where they have limited competitors.

## Price:

Pricing determines the quality of the products and sometime it controls the benefits and features of the products. It also helps to determine the position of the product against the competitor’s product in the market. (Blythe 2006)

External influences on pricing decision – Adapted from Frances and Brassington

There are some factors that have an impact on the pricing such as government regulations on import duties, taxes, price control on products to prevent inflation.

The distribution channels also have an impact on the price (Blythe 2006)

## Recommendations:

Groomers should focus on delivering quality products at reasonable price. Groomers should negotiate the dealings with the distributors and suppliers and find other substitutes to reduce the cost added to the product so as all the customers could afford the product. Groomers should concentrate more on value pricing such as different bundle offers that gives the customer a choice to choose their product.

## Place:

The distribution of products is always important, getting the right quantities of products at right place and at right time is an important prerequisite for customers to buy the products (Blythe 2006).

Channel structures of goods- Adapted from Frances Brassington and Stephen Pettit

## Recommendations:

Groomers should focus on how good to make the products and services available to the target consumers.

## Short-term plan:

Groomers should increase the distribution channels by having tie-ups with the more retail shops throught UK to have more market penetration and to avoid out of stock situations, the time delay the product takes to reaches its customers and to reduce the shipping costs involved in delivering the products to its customers.

## Long-term plan:

Groomers should set up their own specific outlets at various places to reduce the costs being added to the product as the product exchange hands on hands.

They should analyse the customer-buying pattern at each places, performance of intermediaries in delivering the products and services to its customers and replace the poor performing intermediaries.

## Promotion:

The promotion is a communication link between buyers and sellers and there are certain factors such as advertising, personal selling, sales promotion and direct marketing that will influence the buyers purchase decision process (Frances Brassignton 2006).

Elements of Promotional Mix- Adapted from Frances Brassington and Stephen Pettit

Advertising helps Groomers to build brand awareness in the market. Brand awareness creates a desire for the product among the consumers. Though groomers are using online catalogues they should focus on communicating via media such as TV and magazine that reaches a wide range of customers.

## Short-term plan:

Groomers should modify their website – make the online shopping experience more attractive by displaying the offers much visible and categorising products on brands to the customers.

Groomers should have tie-ups with more retail shops such as tesco, sainsbury etc

Should concentrate more on the customer service such as adding more benefits on customer loyalty and should have promotional offers on new products to attract more retailers and customers.

Groomers should actively participate in trade fairs, dog shows.

## Long-term plan:

Groomers should focus more on advertising their products through TV, magazine and participating in certain events such as dog shows and trade fairs to create brand awareness.

They should also employ sales force to provide extended customer service.

Summary