

# Online-Only Pet Retailers Re-Emerge to Take a Bite out of Traditional Pet Stores

## *How Will Local Pet Stores Compete?*

Way back in 1998, before the dot-com bubble burst, online-only retailer of pet supplies Pets.com raised more than \$100 million. In the months that followed, it spent millions on advertising and marketing its products. If you're old enough, you remember the sock-puppet mascot and the big ad buy at the Super Bowl. The company went public in early 2000, but by the end of that same year, it had cut loose its 250 workers and declared bankruptcy. Owners of local pet stores and chains alike breathed a sigh of relief that the big online competitor had breathed its last breath.

Fast forward nearly 15 years, and those same pet store owners – if they are still in business – must once again be fretting, because at least three strong online-only pet supplies retailers have emerged to try to succeed where Pets.com failed. In a *Wall Street Journal* article entitled [Pets.com 2.0](#), three online-only players are identified: PetFlow.com, Wag.com and MrChewy.com. Their business model differs from the failed Pets.com venture in a few important ways. First, they are outsourcing functions such as storage and shipping, saving millions in operating costs. Second, they are using cloud-based computing power, rather than buying and maintaining their own servers in-house. The world around them is also different from the world in which Pets.com operated. Four times as many people now have access to broadband Internet at home, making it easier to search for and purchase pet food and supplies online.

## **Profile America's Pet Stores Report Provides Industry Insight**

Profile America's [Quick-Learn Report](#) on the retail pet industry revealed that owners of local pet stores are preparing themselves for the increased competition. A recent survey conducted by [Pet Age](#) found that 78% of local pet stores have a website, and many are now using social media to connect with their customers, which a Pet Age article recommends, reporting that connecting with consumers “can help drive higher levels of purchase intent, response rates, online engagement, and advocacy.”

## **Taking a Cue from Book Stores Might Help Local Pet Stores Compete**

Local book stores have taken a well-documented beating from Internet book sellers. The situation that book store owners faced was even more daunting than that faced by pet store owners. As Profile America's [Book Stores Quick-Learn Report](#) reveals, not only were online sales of *printed* books hammering away at their revenue, but storefront book stores also had to compete against *e-books*, as Kindles, Nooks, iPads, tablets, and other “e-readers” burst onto the scene.

Although many storefront book stores have given up the fight and closed their doors (they range from mom-and-pop independents to mega-chains such as Borders), many savvy book store owners have managed to keep their doors open. How are they doing it? Strategies range from Barnes & Noble rolling out a store-within-a-store concept in some of its stores, in conjunction with children's publisher Penguin, to independents' setting up gift and stationary departments, and launching their own e-commerce sites. Many stores offer free wi-fi in their coffee shops, and they hold seminars, host book club meetings, and sponsor author readings. Book store owners who "think outside the book" can survive – even thrive.



Media-worthy book store events (such as superhero drawing contests) help attract kids and their parents.  
Photo from craftingthegalaxy.

## Ideas for Pet Stores

Many pet stores routinely host "adopt a pet" events, in association with local pet-rescue organizations, to attract new customers and engender good will in the community. Building e-commerce functionality into their websites, building a social media presence, establishing loyalty and rewards programs, providing grooming services, and hosting other events in their stores are also common strategies for growth. Why stop there? What is stopping brick-and-mortar retailers from being creative and truly *expansive* in their diversification and outreach efforts?

Hosting seminars for new “pet parents” would help ensure that new pet owners are exposed to the variety of products and services sold at their local stores. And what about seminars and newsletters, announced in e-mail campaigns, addressing topics such as correcting bad behavior in puppies? Or hosting dog-obedience sessions in the parking lot or a local park? A simple “pet photo studio” may be easy enough to set up, and provide a solid opportunity to talk up the new in-store offering on websites, in media releases, print advertising, and social media. Competition from online-only retailers will be intense, for everything from pet food and leashes and collars to shampoos and silly toys. Savvy brick-and-mortar retailers who establish a presence in their communities and on their websites will be well positioned to attract followers and drive traffic to their stores.



Do something creative and quirky to attract attention!