

## What Happened?

My dad, Jim Hughes, continues to ask me for another article. It seems he loves being editor of The Kennel Spotlight and saying what's on his mind. He wants new material so I told him I was recently asked by Kansas Pet Professional (KPP) to speak at one of their meetings. Usually I ride in "with guns a blaz'in" and motivate you right out of your seat. Or I come in with facts to prove to you that one company is better than another. Only this time was different. Wilma and Betty Westoff wanted a financial impact study on the Pet Industry and a 5 Year game plan on how to stay in business. WOW! I thought to myself, this is a lot of time in studying and searching. This was not an "off the cuff" kind of speech.

Here is how my speech went. I developed a (FFT) program "FOOD FOR THOUGHT". I use this in many events when I speak. It allows me to "hit home" with a topic, without making it so personal. All people need to think for themselves. FFT allows it to be informational; not me accusing someone because they differ from my personal opinion. Just try telling someone what they're going to do over the age of 21!

The first thing we must know is the market we are targeting. My research made a HUGE change in the way I viewed our market. The average age, 10 years ago, of a person who controlled the flow of money was 41. Now he/she is 55. No big deal you say, I thought the same thing. But look at these studies. 62% of pet owners do not have children living with them. At 41, a dad or mom had Timmy or Sally saying, "I want a puppy and there is the one I want"! Ahhh!! Spontaneous buying, don't you just love it! Now at 55, this is a very educated, well thought out consumer. He or she has been placed by society, into making decisions for their mothers and fathers. Where will they stay now that they're older, how will their health care be provided, do they have enough money in case of emergency? Plus, they themselves must still continue to work, vacation, budget, and set back money to be able to retire. And now they are making decisions for their children who are in their mid 20's because WE spoiled them and didn't make them grow up. NO Timmy, you can't afford that truck at \$800 a month because your house payment is \$650 a month and you only make ??? a month. So at age 41 you thought for one family; at 55 you budget for **3 families!**

Next, we need to look at the Pet Industry as a whole. The people of this Great Nation ("yes, we still *are* a Great Nation"), spend 40 billion dollars a year on furry little pets. This is more than the combined spending of the other 64 countries of this world. We're in a Recession??? These numbers do not include reptiles, birds, or fish. Ten years ago, it was 20 billion dollars. Next year is already projected at 51 billion dollars. With over 300 million people living in the United States, 63% of households own pets. We own 93.6 million cats and 77.5 million dogs in studies shown for 2009/2010. **The Pet Industry is the fastest growing market in the USA.**

What does all this data mean to the Professional Pet Provider/Breeder? How come our industry is growing while our prices continue to go down? Now enters the (FFT)! I took time to think and try to realize what was so different about the Pet Business. Two things came to light, The Designer Pup and Internet Sales. We have already proven, yet

again, that the pet industry is as close to recession proof as it comes. So you may ask why these 2 items?

The designer pup now claims anywhere from 16 to 24% of the retail sales market. One company I work with now show inventories of approximately 18% mix breed pups on their forecast. Years past, we sold registered purebred puppies. We had a great defense. Our pets had a standard to go by, a pedigree, same personality traits of their breed, color, confirmation, size, etc. An educated buyer would go to the breeder or knowledgeable retail pet store to buy a purebred puppy or kitten. If you went to an animal shelter you may or may not get the puppy or dog you desired. You almost always left with a mix breed with no knowledge of how the animal had been treated. Now, some animal shelters buy puppies direct from the breeder. The humane shelters directly compete with retail stores and their sales with the exact same puppy, Designer Puppies! Next, think about this. Almost every purebred breed that has a designer puppy cross using part of its name (Morki, for example) has dropped in price. I don't see Rottweiler or Husky prices falling. But put a poo on the end of that name and **BOOM** another purebred breed hits an all time low!

I may be reaching a little here, but bear with me. I promise this could make sense. We know that everything we do is watched by Humane Societies. They have teachers placed in schools, film producers in Hollywood, veterinarians teaching in College to new veterinarians, and politicians, just to mention a few. It has been tough but we, The Pet Industry, has always made it. What if someone said "let's help them put their own selves out of business". We will start by a new marketing strategy with mix breeds, and then we will sell it to the breeders. Statistics show our citizens like something new, different, fresh. Prices will start out high for these pets but in the end we, the Humane Society, will now be able to compete.

I just read my first article on MUTT FARMS and the people who raise them. Well that almost makes PUPPY MILL sound like a better class of breeder, doesn't it? The article went on to say the breeders who raise unregistered mutts obviously could not stand up to the protocol of a registered puppy. And guess what? According to the article, they are cheaper and easier to raise. Do you remember that age 55 person who has all the financial responsibilities? Well it turns out he/she likes 'Quality'. That is why he or she buys a \$10.00 chew toy from Petland instead of a 99 cent chew toy that Fido will eat and pass tomorrow night. The \$10.00 toy has value; it will be around for months. Quality, service, and value this consumer understands. He or she makes more money now than ever before. You want **proof**: PetSmart, in 2002, had no service for dogs in stores. Now 7 years later, they groom, baby sit, board, train, you name it. Service projects for PetSmart will give them 400 million dollars worth of income on a chain of stores that will do 5 billion dollars in sales this year.

My final (FFT) is Internet selling. This 58 year old consumer is going to research before he or she buys. When they can go online and see a Yorkshire Terrier selling for \$500 dollars, you have set the **Expected Retail Value** of this breed of puppy. If a breeder sells direct to the consumer, you must sell quality, service, and education.

**Quality:** A puppy that will meet all the standards of their breed. Hopefully from parents that have Championship pedigrees, CERF testing, OFA hips, elbows, patellas etc.

**Service:** Warranties, guarantees, family placement, transportation of pet etc.

**Education:** Taking time to educate new pet owner on responsibilities, proper veterinarian care, what food and exercise programs should be looked at, how to handle new puppy over the next few weeks, what the size and temperament of parents are, etc.

**Value:** The price of worth for the above mentioned.

Please take time to think about these things I have mentioned. I have a lot more information in my seminars, but if I give you all of it no one would continue to hire me to speak at their conventions anymore. HaHaHa!

And finally, "Hey Dad" it only took me 2 years to write again! Hope you agree with some of it! I want to personally thank my mom and dad for showing me that you can live together happily for 50 years. Happy Anniversary! I love you both.

Sincerely

Doug Hughes  
Pres. NoEasyWayOut  
Ministries