

➤ Pet stores in NSW were permitted to once again trade these cold-blooded animals just a few years ago and this change in regulation has driven the growth of the industry significantly, he added.

In fact, the spike in popularity in reptiles as pets has created opportunities for many retailers to build more personal connections with customers through education workshops.

For instance, Kellyville Pets runs a series of reptile workshops/ courses as a way of educating first time reptile keepers and people who had no idea about reptile care.

“The courses are quite comprehensive, covering the basics including housing, maintenance, feeding, caring, handling and health. Most people complete the workshops saying they now know more about reptile care than they ever wanted too,” said Mr Grima.

WHAT DOES THE FUTURE HOLD?

Animal Medicines Australia’s predicts the overall pet population will increase marginally over the next five years, indicating a longer-term stabilisation in pet numbers. Forecasts also suggest that overall expenditure on pet care will be stagnant in the medium term. However, overall sales of pet foods will decline in the next five years, driven by a relatively stable pet population and a growing preference for smaller pets that require lower calorific intake.

Meanwhile, sales of pet products are predicted to experience stable growth, particularly as a result of premiumisation and humanisation, which will also drive pet pampering services (ie pet spas, pet bakeries, baked treats) and pet sitting.

This is all good news for the pet retail sector, but it doesn’t mean ‘good health’ will last forever. There is an elephant in the room. The U.S. online retail giant Amazon announced early August plans to open its first major Australian warehouse in suburban Melbourne and employing hundreds of people. What will be the impact of Amazon on the Australian pet market?

“If I had \$1 every time someone asked us that question over the past 18 months,” laughed Mr Young. “Amazon will also face similar challenges to what Australian pet



businesses face today, including but not limited to size of marketplace, remote areas within our marketplace, ever-growing rents, wage increases, penalty rates, Australian industrial laws and regulations, and shrinkage and other forms of theft. In saying that, yes Amazon will have an impact, but how big only time will tell.”

Also concerned about the impact of Amazon on traditional pet retailing, Mr Grima said “retailers will have to continue to enhance their proposition to make them unique and worth the drive to their stores!”

Mr Urquhart reminds the pet industry that Amazon has already been trading for a long time with more than 30,000 different products on offer, also supplied by Australian retailers. “We need to re-think about Amazon – its impact will not be as deep but broader,” he said.

When consumers experience Amazon, the ground rules will change significantly - the standards and promptness of service will go up, challenging the pet industry, said Mr Urquhart.

“When Amazon arrives, same day delivery arrives. Pet retailers need to be more responsive and more creative, and do it now or consumer tolerance will fall away,” he said.

WHAT IS THE SECRET TO SUCCESS IN PET RETAIL?

Despite the challenges ahead, the pet industry has a viable, attractive future for those who pursue the ideas, the ideals and aspirations, said Mr Urquhart.

Mr Urquhart said the success of a pet store all comes down to the shopping experience they provide. He isn’t talking about the ambiance setting or backdrop – he means customers’ emotions and theatre.

“You can win the hearts and minds of people by being more theatrical,” he said.

“Given 70% of customers are women, she will buy based on emotion.”

Mr Grima said pet stores can provide theatre by offering a greater range of products, being modern from a retail prospective and providing much better than average customer service from staff who truly love pets.

“Stores who truly have a focus on genuine animal welfare will be the future of pet retailers, especially stores that sell pets,” he said. Single category retailers, such as an aquarium-only store, must have a different offering and create a lot of theatre in a modern retail layout if they are to succeed in the future, said Mr Grima.

“It is my opinion that many aquariums businesses are closing down or not in growth because they run their stores like they did in the ‘80s and ‘90s and are resisting change,” he said.

Mr Grima also encouraged all retailers, irrespective of what category they are in, to assist local shelters and adoption. Kellyville Pets, which sells a variety of animals such as puppies, birds, reptiles and fish, has been adopting out kittens and adult cats in partnership with Animal Welfare League of NSW for many years, and also runs fundraising events and Adoption Days for various rescues, such as Greyhounds as Pets (GAP).

Although it is well known that pet retailers are not responsible for the majority of dogs that end up in shelters, pet loving retailers would want to assist where possible, he said.

“Any pet business in any category should be constantly learning about new ways of doing business,” said Mr Grima. “You must keep up with the changes or you simply won’t survive.” ■

**Animal Medicines Australia, Pet Ownership in Australia 2016 Report.*