

CHAPTER II

DETAILED PLAN

Industry Analysis

Macro - environment analysis

Industry Life Cycle:

From the market research, there is currently no service which offers mobile pet grooming in Bangkok area. However, there is one service provider in Pattaya which operates under the name “You Stinky Dog mobile pet grooming”. As a result, mobile dog grooming can be considered as ‘new to the market’. Under the industry life cycle, Aussie Dog Mobile is in the Introduction stage because there are only a few entrants to this industry. Moreover, the power of buyers will be low compares to the traditional dog grooming service which requires the owner to commute to the groomer. Moreover, in most of the clinic/service providers, dogs will be put in the cage and wait for their turn. As a result, dog can become stress and increase anxiety. Due to the fact that Aussie Dog Mobile is new to Thailand, this business plans will start with overseas benchmarking in relation to how this business has become successful in Australia. Next section outlines the details and then macro-environment for Thailand dog-keeping activity will be outlined.

Overseas Benchmarking – Australia

Australian Companion Animal Council Inc. has conducted a research called “Contribution of the Pet Care Industry to the Australian Economy 2006”. The research outlines population trend and increasing expenditure of pet care consumption. In general, Dog care accounts for the largest segment in Australia. The second largest expenditure is for cats. In terms of employment in pet care industry, pet service provider is the second largest sector while the biggest sector is for veterinary service. In Australia, the dog and cat According to Euro monitor International, pet food and pet - care products show good value growth in 2008. A new trend towards pet service is also sweeping the nation.

In 2005, there are 3.75 Million dog populations in Australia. Queensland has the highest dog population per 100 people. According to Pet worldwide magazine August 2009, it show that one strong future trend in Australian spending towards pet care service, with a rising in the number of single people, childless couples and retirees, many consumers can afford to pamper their pet which has allowed various pet services to start up. Australian is beginning to see pet services such as dog training and pet grooming grow rapidly. Relatively new pet service such as pet day - care, home holiday care, dog waking and pet cremation are beginning to pick up as well.

There are many franchising companies in Australia which offer pet service such as Aussie Pet Mobile, Hydro Dog. The latter one has been successful as it claims to wash and groom 30,000 dogs per month, with 150 franchisees nationwide.

PEST Analysis

Political:

In the past few years, there are many government enforcements and regulations that especially relates to controlling of dogs, especially in Bangkok. According to the Bangkok Metropolitan Administration (BMA) it was estimated that there are more than 823,000 dogs population. This figure is mixture between stray dog and dog with ownership. As a result, BMA has started a campaign to promote microchip registration for dogs. From the information on the numbers of registration, it was found that there are currently 86,583 dogs that have been registered with Microchip with BMA within 2007 to 2008 (for more details figure, please refer to Appendix A).

Additionally, there are totally 389,097 dogs that have been registered with BMA from all 50 districts in Bangkok, more detail of this figure is included in Appendix B. Another effort from the government to boost the spending in dog keeping activity as well as raise awareness of dog - keepers is the promotion of tourism campaign which encourages the set up of hotel and restaurant directory that provide access for dogs. Moreover, the web - site of www.thailanddogtour.com also provides a touring activity as well as set up various promotion campaign which enable dog and the owner to travel together in different places around Thailand.

Last year, BMA also organized many dog - related events such as Dog Mini - marathon. This is also supporting factor that impact in the increasing number of dog-ownership in Bangkok area.

Economic:

According to Euro monitor International Research, there was growing urbanization during the past few years in Thailand. Increasing number of single - person households and childless couples. Many people put off marriage and children preferring to focus on their careers. This result in an increasing sense of loneliness for many Thais which they address by acquiring for pets. There is a rising level of pet ownership among young urban Thais, one of the most popular is dog - keeping activity. Additionally, there is a reduction in car registration in Bangkok area. Which indicates that oil-price fluctuation to the consumer's decision to get around with cars (for more details, please refer to Appendix C: Statistics of Car registration in 1995 to 2007).

Social:

There is statistics produced by Manager Magazine in 2008 which states that out of 7.6 million dog's population in Thailand, 2.6 million dogs are given high attention for the well - being (Manager Magazine, November 2008, p.84). There are two major factors which result in popularity of dog keeping activity. Firstly, media and celebrity that plays significant roles in promoting dog as a man's best friend. In recent years, there are various Thai movies which base on the theme of bondage between human and dog. One of the big hit movies is "Kao - niew Moo Ping" which captures a strong bond between a boy and his dog. Moreover, there are many pocket books on dogs available. They are written by Thai famous stars/celebrity.

Dog - keeping becomes a trendy fashion. Another aspect which creates positive impact and increase in number of dog registration is the urbanization. According to the Euro Monitor, lifestyle of Bangkok people has increase the trend in hobby seeker. In Thailand, dog related industry is still a growing industry because there are more than 14 dog events in each year especially Dog Show and Dog Expo. It can also be concluded that the dog - related business is still continue to grow. Apart from increasing popularity of dog - keeping due to urbanization and media, by looking at a various industries, there are emerging new players which offer variety

service for dog. For instance, Pet Paradise Park which offers variety types of service for dogs namely, swimming pool, dog training, pet mart and grooming. It can be said that dog related industry is not only stopped at dog food supply or veterinary but the growth of dog-related business is now open up for Service Industry as well.

Technology:

In the past few years, there are rapid increase in the IT and mobile technology in Thailand. According to Census in 2008, 28.2 % of Total Thai population has access to internet. This has increased from 2006 by 3 % (Thailand Census 2008). Moreover, in Thailand, people can increase their access to go on line and check the information and related web sites about pet keeping. There is variety of blogs which has forum on dog keeping.

Summary table in the following page indicate the summary of PEST.

Table 1 PEST analysis – Summary sheet

Political	Economic
<ul style="list-style-type: none"> - In 2007 Bangkok Metropolitan Administration began a program of mandatory registration of dogs - Tourism Authority of Thailand launched a campaign “Karavan Pa Tuub Tiew Thai” to promote the tourism in various places around Thailand as well as web site www.thailanddogtour.com in 2008 - Political turmoil in Thailand (rally and red shirt) 	<ul style="list-style-type: none"> - Growing demand for convenience among local consumers with busier life-style - Urbanization and smaller household drive strong demand for pets - Reduction of car registration: Bangkok has a sharp decrease in car registration during 2005 to 2006 which reduced at 11 %
Social	Technology
<ul style="list-style-type: none"> - There are many Thai movies that creates a lot of emphasis on dog and human relationship e.g. “Kao Naew Moo Ping” - Increasing number of dog population led to new business such as Pet paradise park, dog insurance - Impact of urbanization caused increased traffic problem and increase usage of mobile services in various sector such as food and beverage 	<ul style="list-style-type: none"> - Increasing number of Internet users from 11,413,000 in 2006 to 17,616,000 people in 2009 - More people now go on line to purchase and discuss a lot of dog related problems, increasing chat rooms for dog keeping activity - There are many web sites which shares information about dog and become part of the net-working between different dog owners

Porter's Five forces model

Table 2 Analyzing the structure of Industry

Factors	Degree of the forces	Details
Rivalry among existing firms	Low	- Aussie Pet Mobile is a new concept in Bangkok
Potential entrants	Low	- Capital intensive - Economy of scale are a key factor
Threats of Substitutes	Medium	- Mobile dog grooming is a new concept for Thai dog lovers, most family have housekeeper to look after the dog - There are large numbers of service providers at the veterinary clinic
Bargaining power of suppliers	High	- Groomer skill and ability is crucial for the success of business - Service mind is important attribute
Bargaining power of buyers	Moderate	- Switching cost is low for pet owners - Customer base is large compared with supplying industry

From the table above, it can be concluded that, by looking at five - forces model, it appears that mobile dog-grooming can still conducive for making profit because potential new entrants is low while the threat of substitution and bargaining power of buyer are moderate. A crucial factor to be considered in this industry is the bargaining power of the pet groomer because it's a service industry. As a result, strong measurement of balance score card is necessary to eliminate and maintain the service quality. In the second part of this report, Balance Score Card will be introduced in order to show how to ensure quality control and overcome this barrier.

Micro - environment analysis

Aussie Pet Mobile (APM) is a franchising business with high capital requirement, as a result, micro - environment analysis will consist of stakeholder analysis and SWOT analysis of the firms.

Stakeholder Analysis

Table 3 Stakeholder Analysis

Stakeholders	Expectation/objectives	Power and Influence	Commonality and conflict
Bank	Interest payment	Approval of Loan	Business growth
Owner	Share market Job satisfaction Profit and growth	Make most business decision Operation and control	Same alignment with bank, business growth
Staff (Groomer)	Salary, job security, job satisfaction	Customer interaction, turnover, skills of grooming, Service	Possible conflict of bargaining power with owner
Suppliers:	Long - term order,	Pricing, quality	Both parties may seek
Raw material	Payment	product	high price
Franchiser	Payment, growth	Knowledge sharing	
Customers	On - time delivery, Quality of service, Pricing is low.	Revenue generator	Seek low price

This table identifies various stakeholders with different interests to APM business. In the second part of this report, this will be used further to link the concept of Balance Score Card in order to maximize the interests of different parties.

SWOT analysis

Table 4 SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> - Exclusive service to home - Provide convenience to the dog - keepers with mobile concept - Strong brand image from Australia - Offer less stress for both pet and the owners to travel from home. This will benefits especially the dogs that need special care. - Entrepreneurial skills managing service business 	<ul style="list-style-type: none"> - Narrow product line - Different life - style and perception from Australian - customers lack of understanding of the service offerings - Fluctuate cost of oil price - Limited benchmarking with other firms in the same industry because it's new concept for Thailand consumers
Opportunities	Threats
<ul style="list-style-type: none"> - Increasing number of registered dogs in Bangkok - Consumer awareness on dog - grooming - Dog keeping become a more popular trends - On-going protest and political turmoil caused people to travel less on the road 	<ul style="list-style-type: none"> - Possible entrance of new competitors - More competition from other service providers who offers the similar service in different areas in Bangkok - Strong substitution products e.g. using house-keeper to do the grooming work to save money

From the SWOT matrix outlined in the executive summary, it can be concluded that there are many strengths for Aussie Pet Mobile to be a successful business in Thailand. Starting form a unique service which is a new concept for many Thailand dog - keepers, secondly, the mobile grooming is a well equipped with hydro bath and qualified groomer who has been trained on how to handle the dog properly. Thirdly, the service is provided under controlling of Australian standard and last but not least, the strength of this service officer is to provide convenience for both pet and the owner and to eliminate travelling or taking the dog in the car.

There could be weakness which will need to overcome, the product offering could be too narrow, however, once the return on investment is positive, the company

could consider expanding the product lines to be deliver dog food or tick and flea control/consultation service.

There are opportunities exists such as increasing numbers of registered dog with the authority in the past few years (for details please refer to Appendix A). There are many dog and pet shows in one year, this would be a great opportunity for APM to promote and access to the new market. Lastly, threats of substitution could arise base on entrance of the new competitors or lack of understanding of the consumers for the value being offered.

Market and Target Customer Group

Having analyzed all the macro and micro environment factors in the previous two chapters, it will also be critical to evaluate the local climate for investment. As a result, a market survey to obtain Primary Data has already been conducted for 80 samples with the courtesy of the Marketing Manager at Thong-lor Pet Hospital in all 4 branches which are Sri-nakarin, Thong - lor, Lad Phrao and Pin - Klao. The template of the survey can be found in Appendix C at the end of this report. From the survey, it can be concluded as following:

Consumer perception towards necessity of Dog grooming activity

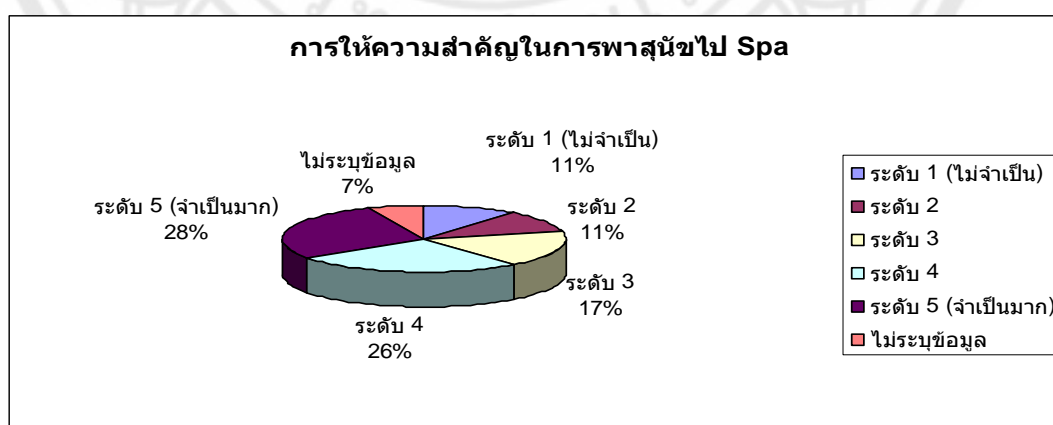


Figure 1 Consumer perception towards necessity of Dog grooming

Majority of the samplings indicated that it's important to have their dog groomed. Moreover, from the observing of grooming, most of the dogs are brought and left in the cage at the grooming section. It would take the owner more than 4 hours to pick up their dogs. Moreover, the dog needs to be in the cage for a long time and it will cause a lot of stress and anxiety.

Relationship between types of housing and dog grooming importance

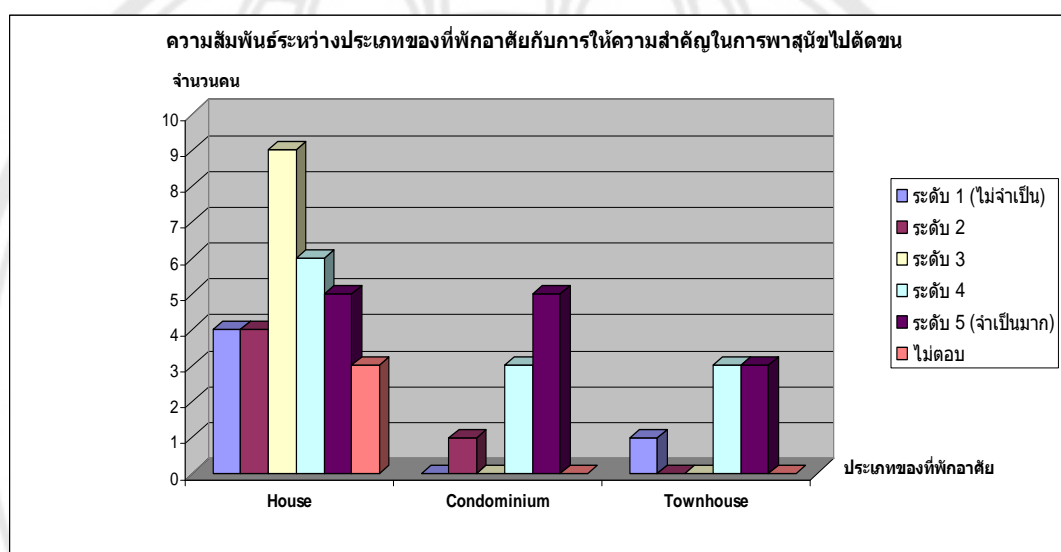


Figure 2 Relationship between housing and importance of grooming

It was indicated from the survey that most of the people who live in all type of residences **Consumer perception towards necessity of Dog grooming** - single house, condominium and townhouse, indicated that grooming dog is important activity as part of the pet ownership. It could also indicate that most of the target consumers for APM can be in all type of housing. This is a positive indication.

Relationship between income range and dog grooming activity

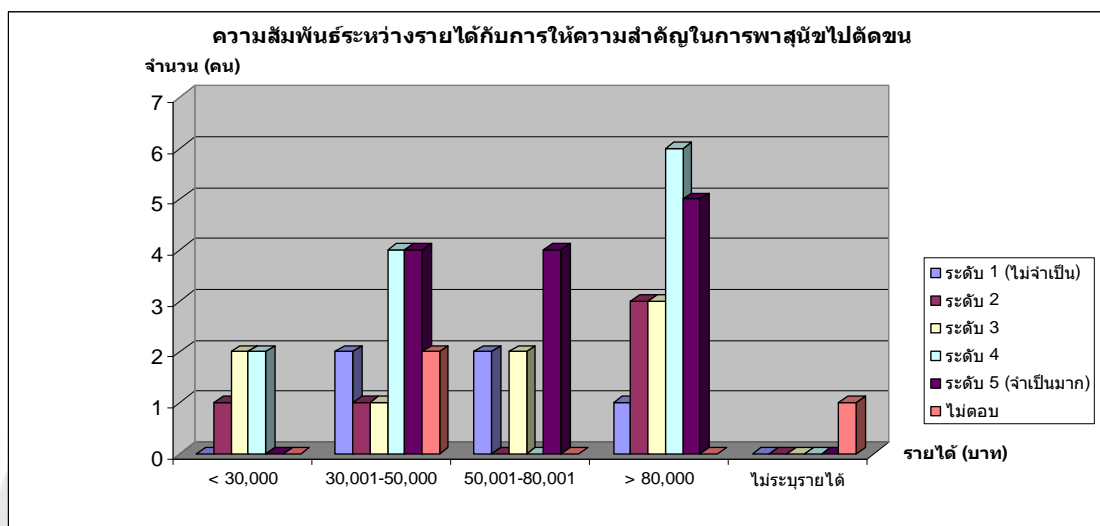


Figure 3 Relationship between income and grooming activity

This information will be crucial for the target market as well as demographic. It was found that majority of pet owner at Thonglor Pet hospital feel that dog grooming is a critical for their pet; these people are the family who have household income between 50,000 – 80,000 baht per month. It can also be useful information for target market which will be outlined in the second part of this report.

Open question for other services that consumers look for

At the end of the survey template, sample size was asked if they can comment what are the other service(s) they think would be useful for them as a dog keeper.

Table 5 Other services for dog in Thailand sample size

Dog Services	Percent
1. Mobile Grooming Service at Home	9 (30 %)
2. Vet at Home (Cure and Treatment)	7 (23 %)
3. Dog Resort and Hotel (Temporary Leave and Short Stay)	5 (17 %)
4. Food and Dogs Product Delivery (Food, Dog products and Equipments)	5 (17 %)
5. Clinic and Pet Hospital 24 hours (Including pets shop 24 hours open)	4 (13 %)
Total	30 (100 %)

It can be concluded in the following table that, out of 80 survey samples, there are 30 persons who responded to this question. Out of this 30 people, 30 % of them indicated that mobile grooming service at home is the number one most interesting and should be available. The second most interesting service that can be offered is the 'Vet at Home' service. While the third rank is dog resort and dog-hotel. This is a positive indication for Mobile Pet Grooming business.

By reviewing the Primary Data, there is a positive indicator that mobile dog-grooming business is possible for Thailand market, especially in Bangkok area.

Company and Product Description



Table 6 Product Strategy

Company Description	Aussie Pet Mobile is a franchise business from Australia, specialized in dog - grooming at the client's location.
Product Descriptions	<ul style="list-style-type: none"> - Pet care consultation - Nails trimmed and filed - Ears cleaned and deodorized - Breath freshened - Warm bubble bath - Warm air fluff drying - Quality breed trim - Written report of any health problems observed
Competitive Advantage	<ul style="list-style-type: none"> - We come to your home/office so you save time - Evening and weekend appointments available - Sanitary, safe and healthy environment - Owners are welcome to stay with your pet, eliminating separation anxiety - Perfect for senior pets - Less stress for both you and your pet - Personal, one on one professional pet care - No car sickness - No cages - Warm air fluff drying - NO CAGE DRYING - Bonded and Insured - we can service your pet even while your away - The same groomer for each appointment! Your pet will be happier with a familiar face.

Table 7 Pricing Strategy

Price Lists are separated into three types of price bundling:		
Type 1:	Service Includes	Baht
Standard grooming:		
	Bath/ Shampoo / Blow-dry/Brush/Nail clip/Teeth Brushing	
	Minimum charge	500
	*Service Charge- depends on location	150
	Total Price	650
Type 2: Dog Spa	Warm bath/ Hypo Allergenic Shampoo/ Medicated Bath Soak with Tea Tree Oil/ brush/blow dry/ Enzyme Treatment /Flea Treatment /Frontline /Odor Treatment	
	Written report on health problem observed	800
	*Service Charge - depends on location	150
	Total Price	950
	Handling and Behavior **	200
Type 3: Spa package	Yearly membership fee*	1,000
	12 times SPA grooming (used within 6 months)	5,000
	Fix Service charge (83 baht *12 times)	1,000
	Total package	7,000
Benefits of being member:		
As a Premiere customer, your current pricing will never be increased. Because you scheduled your pet grooming appointments on a regular basis, we would like to reward you by offering:		
- Pet Sitting offered only to you! We will take last minute appointments if the schedule allows.		

Table 7 (Cont.)

Price Lists are separated into three types of price bundling:		
Type 1:	Service Includes	Baht
Standard grooming:	<ul style="list-style-type: none"> - Yearly Vaccination for rabies - Your dog is our “Priority” if any appointment is clashes with other during peak period 20 % off coupon for yearly health check up at Thong - lor Pet hospital 	
*Terms and conditions	<ul style="list-style-type: none"> - Regular appointments will be scheduled on a rotation of 8 weeks or more often. - Provide us with a 48 hour cancellation prior to your scheduled appointment should you need to change or cancel your regular appointment. - You are allowed to skip 2 appointments within one year. (this does not include when you have to change a day within the same week, but rather skipping an entire appointment altogether) 	
Payment terms	  Cash available	

Note: Handling and behavior: For those pets that display unsafe behavior during the appointment, an additional charge will be added to the invoice. All customers will be notified at the time of service.

Promotion Strategy

Due to the nature of a service which target high income family and city apartments the following is a marketing strategy:

- Pet Expo and Dog - show: list of yearly event is listed in the Appendix C.
- Pet Magazine

- Make connection with various dog breeders in Bangkok area
- Web - site

Table 8 Advertising Plan in Year 1 – repeat until year 3 (subject to response rate from each type of medium)

Activity	Frequency	Budget per year (baht)
Pet Expo	2 times a year (July and October)	20,000
Dog Show	3 times a year (January, May, December)	4500
Pet magazine	Monthly	3,000
Web - site	On - going	2,500
Total		30,000 per year

Distribution Strategy

In the beginning of our business, we expect to concentrate on the city such as Sukhumvit, Silom as well as high-income village e.g. Lad - phrao, Nitchada Thani because these residences has high purchasing power.

Distribution map is enclosed in the next page. Overall, the office is concentrated in Thong - Lor and Sukhumvit area; there are 5 surrounded areas that APM would like to expand in the first 3 years namely: Rang-sit, Lad - phrao, Bang-na, Pin - Klao and Prachachuen areas.

Distribution Map for Aussie pet Mobile Year 2010 - 2013

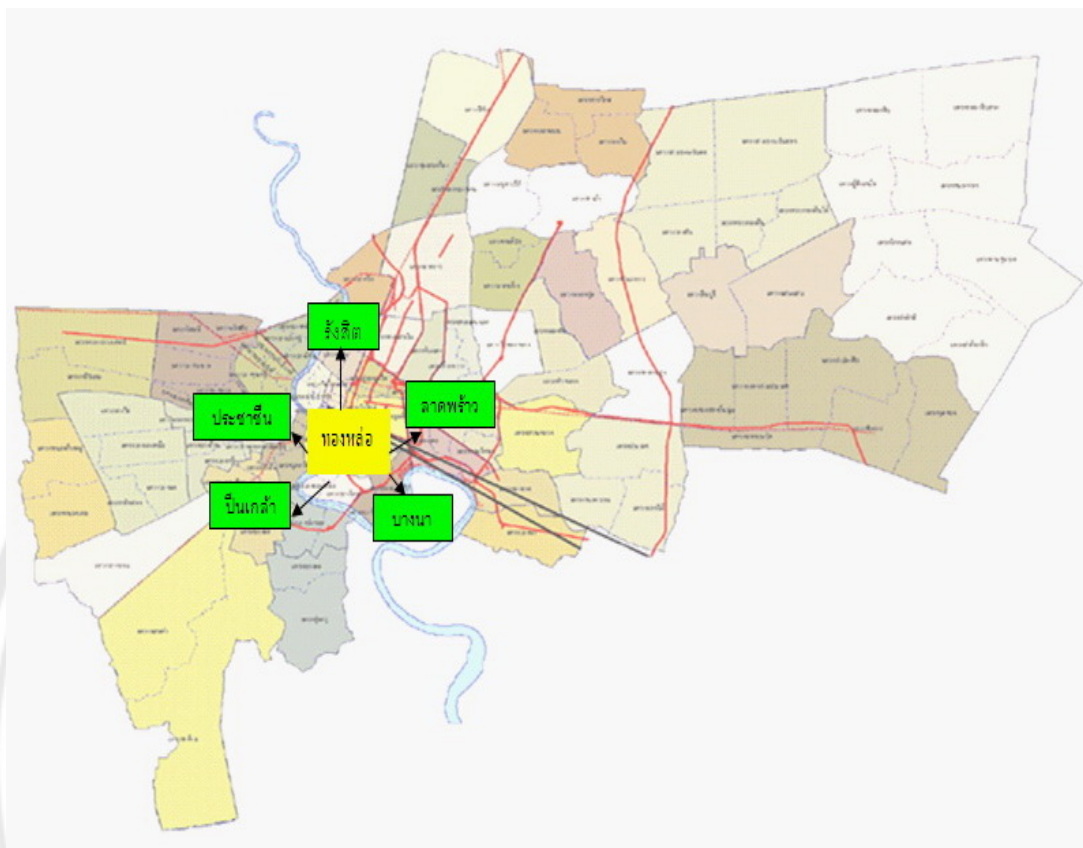


Figure 4 Distribution Map for Aussie pet Mobile Year 2010 - 2013