

Market Outlook [September 2009]

Pro-Grooming Trends Represent Opportunities at Retail

It may seem counterintuitive that retail sales of pet grooming products should benefit from the increasing availability and usage of professional grooming services, which have been growing by leaps and bounds for some time now. According to Packaged Facts' February 2009 pet owner poll, of the many types of professional pet services, grooming services have the biggest following (excluding veterinary), used by 37 percent of dog owners in 2009. This usage represents well over \$1 billion in sales, with luxury spa services such as botanical treatments and massage helping to drive sales in service channels beyond traditional groomers. According to Charlotte Biggs, President of the Board of Directors of the Pet Care Services Association, "The new watchword in the pet care services industry is 'multiservice,'" with more and more facilities offering boarding, grooming and training under one roof. Nor is the trend restricted to service providers, with both PetSmart and Petco still placing grooming at the vanguard of their services thrust, and with Petco fielding Spa Works specials in two summer "flavors"—Peaches 'n Cream (May) and Orange Dreamsicle (June).

Where does this leave the pet retailer looking to increase its grooming product sales? In a potentially nice spot, for a number of reasons. First, although over one-third of dog owners have their pet professionally groomed, a whopping 73 percent had their dog groomed in the past six months and 68 percent personally groom their dogs at home, according to APPA's 2009-2010 *National Pet Owners Survey*. That's a big market of at-home groomers, who may respond well to any number of "soft sell" strategies smart retailers may choose to employ. Topping the list is reminding shoppers on an ongoing basis of the importance of regular grooming via prominent health-themed displays or (even better) the in-shop presence of a professional groomer making therapeutic and pet pampering recommendations. Especially during the down economy, when pet owners are more likely to cut back in discretionary areas such as professional grooming (as opposed to pet food or veterinary care), having an ample selection of natural and spa-style grooming supplies front and center may help retailers dip into the mega-dollars spent each year on salon grooming, while also capitalizing on the higher-margin ground already broken by professional groomers.