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BUSINESS STRATEGY

# SURVIVING TOUGH TIMES

BY AUDREY PAVIA



During lean times, providing reasonably priced fun events like dog parties can provide some needed revenue.

When a recession hits, few industries go unscathed. As many facility owners have seen over the past six months, the pet care business is no exception.

As consumers struggle to find ways to cut costs during one of the worst recessions in American history, pet care services are often one of the first areas to go. Considered a luxury by many, certain pet-related activities are slashed from the family budget.

Though the economic news remains gloomy and will probably stay that way for months to come, professionals in the pet services industry can do a lot to keep their businesses healthy.

#### **Consumers Cutting Back**

In any recession, two of the most affected areas of the pet service industry are boarding and grooming, and with good reason: When people are out of work or worried about money, they stop taking vacations. They also don't have as much need—or available funds—for daycare. They also start bathing their pets themselves.

"The current economy has affected our business," says Susan Briggs, owner of Urban Tails, a dog and cat care and training facility in Houston, Texas. "We have seen some clients be more conservative in their pet care choices. Some have cut-back on number of days per week their dog attends daycare or they select fewer optional activities for their dog during their stay."

Grace Woodward, owner of the Dog House Kennel & Grooming in Newnan, Georgia, describes a similar experience.

"In Georgia, the unemployment rate is higher than the national average," she says. "Our area is currently at 8.9 percent and has been for a while. Unfortunately, one of the first things some people put to the side is the care of their pets. Or they start doing some things for themselves, such as bathing and forgoing the stylist clip and just stripping their pets."

Business owners like Briggs and Woodward have had to be creative to find ways to keep customers interested in using their services despite the economy.

Briggs is combating lagging business by being proactive and not being afraid to spend some money to get the edge over the competition.

"We have engaged the services of a sales consulting firm to assist in our sales and marketing efforts," she says. "We have also focused on-staff training, ensuring high quality care and providing excellent customer service."

Cost cutting has also been a priority. Briggs has delayed some purchases and held off replacing staff members that resign.

Briggs has found that developing a service mix that includes daycare, grooming, training and day boarding helps generate revenue when boarding is down. She has also started promoting special events and parties that are fun for dogs.

Although expanding services may seem counter-intuitive when business is slow, this method of attracting new business works, as Briggs can attest. Woodward has also had a similar experience. "We have expanded our services to include packages for pet boarding, offering discounts for certain sectors of the public," she says.

Woodward has also avoided the pitfall of cutting advertising out of the budget, a tactic taken by many businesses during hard times.

"We do our best to maintain our presence via advertising," she says. "We are also doing lots of community service, assisting the humane societies and shelter rescue organizations, and promoting partnerships with those organizations that do the same. This is a lowcost way of keeping your name in peoples' minds."

### **Specialized Businesses**

Differentiating your business from the competition is another important way to stay healthy during lean times. Interior designer Laurel Brown, of Brownhouse Designs in Madison, Wisconsin, specializing in designing boarding kennels and recommends giving facilities a face lift to attract customers.

"With a population that is more mobile and transient, the need for pet lodging is high, and owners want to provide them with as stress-free experience as possible," she says. "Plus, in a difficult economy, it is even more important to find ways for owners to differentiate their facility. Good design is a very powerful way to communicate an emotional response from customers and to communicate this differentiation of one doggie hotel and daycare over another."

The competition is becoming increasingly high, notes Brown, who points out that just a few years ago, large cities had only a handful of high-end lodging facilities to choose from, while today, smaller cities are springing onto the luxury boarding scene.

"In our city of 250,000, we have seen four new high-end facilities open in the last three years, and several of the older facilities are scrambling to remodel and update," she says.

Brown says that with all the competition out there, lodging owners need to find ways to set themselves apart. Luxury surroundings are the key.

"Facility owners must ask themselves why a customer would choose their facility over the competition," she says. "If they cannot effectively answer this question, they are most



Specialized businesses can gain an advantage during recessions because they provide services not found elsewhere. Brownhouse Design specializes in providing modern designs like this one to pet care facilities.

likely going to be left behind."

Updating interiors can help facility owners stay competitive and be more profitable, even in a slow economy. Boarding facilities need to offer pet owners options, as well as reasons to pay for lodging.

An example of a unique business that stands out among the competition is Stay-N-Play Pet Ranch, a boarding facility in Austin, Texas. Coowner and PCSA CGO Charlotte Biggs has created an environmentally friendly facility that provides a healthy setting for pets.

"Our business is unique in our area," she says. "We have a market niche that draws this client type to our business. So it helps from a marketing perspective. It also positions the business well from a community leader perspective; we are well known and respected within our community."

Biggs designed the facility with this approach in mind, placing the building on a site that allows fresh airflow, thus reducing the need for mechanical exhaust systems and the risk of airborne spread of disease. The building was designed to provide as much natural lighting as possible.

Briggs' facility also utilizes a rainwater collection system, which captures rain on the roof and directs it to three 10,000-gallon holding tanks. The water is then treated and pumped into the facility for use.

"This provides the pets in our care the highest quality water to drink and be bathed in, since it doesn't have all the chemicals in it that city water has once it's treated at a water treatment plant," she says. "Also, rainwater is very soft, which allows us to reduce the amount of cleaning soap, laundry soap and grooming shampoos we use."

Biggs' clients appreciate these and other environmentally friendly innovations at Stay-N-Play, faithfully choosing to keep their pets at the facility because of its unique approach. Indeed, the popularity of such "green facilities" is on the rise throughout the industry.