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Marketing Plan for a Pet Shop in Shanghai

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Master in Applied Management

Supervisor:

Professor Luis Martins, Invited Professor,

ISCTE-IUL

January, 2024

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BUSINESS
SCHOOL

Department of Marketing, Operations and General Management

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Abstract

With the improvement of people's living standards, the pet market is developing rapidly in China, especially in big cities like Shanghai. As a first tier city in China as well as a big city internationally, Shanghai has a huge urban population and a high level of consumption, providing broad development space for the pet market. In recent years, more and more people have chosen to keep pets, and the development of the pet industry has become increasingly diversified, including pet food, pet medicine, pet grooming, pet foster care, etc. Opening a pet shop in Shanghai has broad market prospects. It has also important economic and social significance.

The main objective of the thesis is to develop a marketing plan for the launch of a pet shop in Shanghai. We have analyzed the sector trends, key competitors and consumer behavior. Sector trends and consumer competition were analyzed through desk research and data collected by using a questionnaire, field visits, and interviews. This will provide investors with advice and guidance on opening a successful pet shop in Shanghai.

This thesis contributes to study on petshop establishment and management theoretically and practically. By case analysis on various pet shops management, it helps promote research and development in related fields. Meanwhile, it also provides policy makers with some reference opinions to help them better understand the development trends and challenges of the pet market. Our marketing mix for this study emphasizes diversification and high-quality pet products with a focus on health and wellness, addressing varied consumer needs. We employ a competition-driven pricing strategy, incorporating bundle and differential pricing for diverse and attractive pricing options. Our multi-faceted approach to sales channels includes online diversity, collaboration with offline multi-channels, and synergy between online and offline avenues. In promotions, we utilize a comprehensive blend of online and offline channels, diverse strategies, and the establishment of a dedicated pet channel to maximize product and service promotion.

The thesis will help promote the healthy development of the pet market in Shanghai and provide better services for investors and consumers. Meanwhile, the results of this study will also have a positive impact on related industries, such as pet food, healthcare, and beauty. The results of this study will provide a basis to further study the development trends and challenges of the pet market. The technological innovation and policy changes in the pet industry discussed makes investors better adapt to market demand and policy environment.

Keywords: Pet Market in Shanghai, Pet Investors, Pet Shop Establishment

JEL Classification: M13, M31

Resumo

Com a melhoria dos padrões de vida das pessoas, o mercado de animais de estimação está se desenvolvendo rapidamente na China, especialmente em grandes cidades como Xangai. Como uma cidade de primeira linha na China, bem como uma grande cidade internacionalmente, Xangai tem uma enorme população urbana e um alto nível de consumo, proporcionando amplo espaço de desenvolvimento para o mercado de animais de estimação. Nos últimos anos, mais e mais pessoas optaram por manter animais de estimação, e o desenvolvimento da indústria de animais de estimação tornou-se cada vez mais diversificado, incluindo alimentos para animais de estimação, medicamentos para animais de estimação, cuidados para animais de estimação, cuidados adotivos para animais de estimação, etc. A abertura de uma loja de animais de estimação em Xangai tem amplas perspectivas de mercado. Tem também um importante significado econômico e social.

O objetivo principal da tese é desenvolver um plano de marketing para o lançamento de uma pet shop em Xangai. Analisamos as tendências do setor, os principais concorrentes e o comportamento do consumidor. As tendências setoriais e a concorrência do consumidor foram analisadas através de pesquisa documental e os dados do consumidor foram coletados usando um questionário, visitas de campo e entrevistas. Isso fornecerá aos investidores conselho e orientação sobre a abertura de uma loja de animais de estimação bem-sucedida em Xangai.

Esta tese contribui para o estudo do estabelecimento e gestão de pet stop teórica e prática. Através da análise de caso sobre vários pet stops gestão, ajuda a promover a investigação e desenvolvimento em áreas afins. Enquanto isso, também fornece aos formuladores de políticas algumas opiniões de referência para ajudá-los a entender melhor as tendências de desenvolvimento e os desafios do mercado de animais de estimação. Nosso mix de marketing para este estudo enfatiza a diversificação e produtos para animais de estimação de alta qualidade com foco em saúde e bem-estar, atendendo às variadas necessidades do consumidor. Empregamos uma estratégia de preços orientada para a

concorrência, incorporando pacotes e preços diferenciais para diversas e atraentes opções de preços. Nossa abordagem multifacetada aos canais de vendas inclui diversidade online, colaboração com multicanais offline e sinergia entre caminhos online e offline. Nas promoções, utilizamos uma mistura abrangente de canais online e offline, diversas estratégias e o estabelecimento de um canal pet dedicado para maximizar a promoção de produtos e serviços.

A tese ajudará a promover o desenvolvimento saudável do mercado de animais de estimação em Xangai e fornecer melhores serviços para investidores e consumidores. Enquanto isso, os resultados deste estudo também terão um impacto positivo em indústrias relacionadas, como alimentos para animais de estimação, saúde e beleza. Os resultados deste estudo fornecerão uma base para aprofundar o estudo das tendências de desenvolvimento e desafios do mercado pet. A inovação tecnológica e as mudanças políticas na indústria pet discutidas fazem com que os investidores se adaptem melhor à demanda do mercado e ao ambiente político.

Palavras-chave: Pet Market em Xangai, Pet Investors, Pet Shop Estabelecimento

Classificação JEL: M13, M31

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1. Introduction

With the development of social economy and the continuous improvement of people's living standards, pets have transformed from luxury goods in the past into a necessity for many families in China. As a metropolis in China, Shanghai has a large number of high-income people and a high demand for pets. Establishments of a pet store in Shanghai has deep and profound social and economic significance. In Shanghai, people's demand for pets is increasing, pet shops can provide better pet services and products for pet enthusiast. As a rapidly developing industry with enormous market potential, pet industry and pet shop investors drive local economic development and create more job opportunities for the city. The successful opening of pet shops will help promote the development of the pet industry, improve the standardization and specialization level of the industry.

At the moment, researches on pet shops have achieved certain results, but the existing researches mostly focus on the operation and management of pet shops, and with insufficient attention on the health and welfare of pets. There are many research and studies on running online pet shops but there is relatively little research on practical pet shops' running in international metropolises like Shanghai. Therefore, we need more research to focus on the development and operation of pet shops in cities like Shanghai. Online shop could surely make up for some needs of customer that practical can not meet, such as easy buying, time and cost saving etc. But I believe there are a lot of issues by choosing a pet only through network and live sales. The indirect contact with pets may lead to pets' health issue, transportation issue, after-sales issue, law issue and some mental issues. Practical pet shops makes pet owner to choose pet in person, decreases the risk of non-conformance of pets bought etc. This thesis focus on the operation and management of practical pet shops, including store location selection, law regulations, personnel allocation, sales strategies, SWOT analysis etc. Through such research, we can provide more theoretical and practical support for the successful establishment of pet shops.

The main aim of this study is to devise a marketing plan for a pet shop in Shanghai. It's structured as follows: Chapter 1 introduces the research; Chapter 2 reviews literature on consumer psychology, digital marketing, and more; Chapter 3 outlines the methodology; Chapter 4 presents the marketing plan, including analysis and strategies; and Chapter 5 concludes with findings, limitations, and future research directions.

2. Literature Review

2.1. Consumer Psychology and Decision-Making

2.1.1. Psychological factors influencing pet adoption and purchasing decisions

Pet consumption research has a long history abroad and involves a wide range of fields, including medicine, sociology, psychology, economics etc. The mainstream pet research directions include pet disease prevention and treatment, pet food development, the physical and mental impact of pet consumers, and the development of the pet industry. In recent years, research on the impact of pets over consumers' physical and mental health has been particularly noteworthy. Pets provide social support elements for consumers, making them a companion to pet owner. Companion pets have a direct or conditional impact on the physical and mental health of consumers. (Hussain, S., Melewar, T.C., Priporas, C. V., & Foroudi, P. 2020)

According to the Daily Mail on August 9th 2019, a new study in the UK has found that keeping pets is beneficial for both physical and mental health. It is reported that this study was initiated by British nursing home builder McCarthy&Stone and surveyed 1000 pet owners aged 55 and above. Research has found that these people exercise more, have a stronger sense of achievement and happiness. Scientific evidence has shown that taking a walk with a pet can help with cardiovascular exercise, and easy household chores such as feeding and cleaning can also help with exercise. Research has shown that elderly people with companion animals live happier lives, have longer lifespans, and are more likely to survive heart attacks. Petting can lower blood pressure and aid in the treatment of chronic diseases and the rehabilitation of people with disabilities.

2.1.2. The role of emotions and attachment in pet choice

Pets can replace husbands, wives, or children who are not at home or disappointing, making empty houses warm and long nights less frightening. To some extent, pets are not only symbols of living standards, but also faithful companions to escape loneliness. Therefore, some people are affectionately referring to them as "animal companions". On the other hand, in a materialistic society characterized by utilitarianism and human emotions, people are encountering things like being betrayed by colleagues or lover, friends turning against each other, and family estrangement etc. Although pets also have wisdom, they are much simpler and more innocent than humans. Instead of relying on someone for the emotions that must be entrusted, it is more reliable to place them on animals. Only pets can achieve consistency and never give up. Only the intimacy and friendliness of pets are the most genuine and intimate, and a disappointed and depressed heart can be comforted by them. (A.Kaz im Kirti,Filiz Karahan, 2011) The increasingly heavy work pressure, interpersonal relationships, and principles of interests make people more willing to get close to nature and animals in their leisure time, obtain primitive relaxation, and thus find a healthy lifestyle and balanced psychological state. Human nature itself gives people a sense of compassion while facing weak pets, which makes people naturally develop feelings of love and pity for pets.(Xiao Yuehua, 2020)

2.1.3. Decision-making models in consumer behavior studies related to pet ownership

In Browsing Pet Therapy in Communication and Marketing, the authors systematically examine the use of pet therapy in a variety of social and medical settings and its potential benefits to individual mental health. By synthesizing and analyzing multiple studies from recent years, the literature shows that pet therapy significantly reduces participants' stress levels and anxiety symptoms while enhancing quality of life. In particular, the article emphasizes the non-judgmental interactive nature of animals as a core strength of the therapeutic intervention. Additionally, the study reveals the differential effects of pet therapy in pediatric and geriatric populations, pointing to its unique value in promoting social interaction and emotional support across age groups. (Relations E, 2024)

At present, research of China in the field of pet raising consumer behavior is still in its early stages, and further in-depth exploration of the application and validation of different decision models, as well as research in cross-cultural contexts, is needed. In contrast, research on consumer behavior in pet ownership is more mature and abundant in foreign countries. The research on consumer behavior of pet owners abroad involves the intersection of multiple disciplines such as psychology, economics, and marketing. This interdisciplinary research perspective provides support for constructing more comprehensive and detailed decision-making models. (By The Author, 2023)

Dan Gillmore proposed multiple decision models and continuously innovated and improved them. They not only focus on traditional utility and emotion based decision-making models, but also introduce new variables and theories, such as environmental awareness, social responsibility, etc., to more comprehensively explain consumer decision-making behavior. (Figuiet, L., Gillmore P, 2003) Nowadays, big data and artificial intelligence technology has developed rapidly, which have been widely applied in the study of consumer behavior in pet ownership. Through methods such as data mining, machine learning, and deep learning, researchers are able to process large-scale datasets and more accurately locate on consumer decision patterns and preferences. (Chris Wills, Shayne Bowman, 2003)

2.2. Digital Marketing and Social Media in Pet Retail

2.2.1. Effectiveness of social media marketing

The case study conducted by Ginger Killian and Kristy McManus (2015) mainly focused on managers and relevant personnel responsible for making social media decisions. The results showed that relationship management, news collection, creativity, and entertainment were the four main types of social platforms that managers classified. The four major social platforms each have their own goals, and each platform follows the integration principle of 4C, forming unique brand characteristics. Mihaela O O E, Mihaela B V (2015) conducted

an in-depth study of relevant literature, emphasizing that consumer purchasing behavior is deeply influenced by integrated marketing communication. Nowadays, consumers have more and more sources and channels to obtain information, which means that the dissemination value of integrated pyramid schemes has been improved to a certain extent. Based on the advanced modern technology and relatively simple information intake, the behavior of the target audience will be significantly influenced by highly targeted integrated marketing and dissemination. Key T M , Keel A L(2021) specifically studied the relevant strategies of integrated marketing communication (IMC) upstream enterprises and proposed a five stage process and conceptual application model. Social marketing strategies define the audience as influential external audiences and upstream decision-makers in order to achieve advertising effectiveness, which is also a significant feature of this model. The selected information has high authority and attractiveness, and can be loved by the target user group. To maximize its influence, accurate channel dissemination is necessary. The synergistic effect arises from the information dissemination and channel choice way of multiple channels corresponding to multiple audience groups, which will also deeply influence decision or policy makers.

Seinauskiene B , Mascinskiene J , Jucaityte I (2015) found that people in modern society are using social media more and more frequently. The innovation of social media lies in its high-intensity adsorption, which allows people to freely communicate and boldly express their inner thoughts in a virtual environment. People can share information timely, accurate, and effectively in the community, and use this method for marketing communication. Kim, Fernandez. (2015) conducted in-depth research and found that in the online social networks of social media, most people communicate here, and their views on products are influenced by subtle stories and experiences, which in turn deeply affect purchasing decisions.

2.2.2. Online customer engagement strategies in the pet industry

Chinese pet industry actively utilizes social media platforms like WeChat and Weiboto interact with potential customers. By publishing interesting and practical pet related content, attract customer attention and participation, enhance brand awareness and customer stickiness. The pet industry has begun to build online communities, providing a platform for pet enthusiasts to communicate and share with each other. These communities typically include forums, blogs, groups, etc., allowing customers to freely participate in discussions, share experiences, and interact with other pet owners. There are still some challenges in online customer engagement strategies in China, such as fierce competition on social media platforms and information overload. Further exploration of effective customer engagement strategies and improvement of customer experience is needed. (By Author)

The foreign pet industry fully utilizes various online platforms, including social media, blogs, video sharing websites, etc., to attract customer participation. They focus on providing valuable content on different platforms to meet the diverse needs of customers. Pet enterprises emphasize on personalized customer experience, provide customized product and service recommendations to customers through data analysis and user behavior research. They utilize advanced technology and algorithms to achieve precision marketing and personalized recommendations, thus to improve customer satisfaction and loyalty. (Tuten T L , Solomon M R 2013)

Pet industry emphasized the integration of online and offline, combining online customer engagement strategies with the service experience of offline physical stores. Through online reservations,offline experiences, and other means, enterprises aim to create a comprehensive pet service ecosystem and provide a more convenient and comprehensive customer experience. (Alalwan,A.A, Rana NP, Dwivedi, YK, et al, 2017)

2.2.3. Influence of online reviews and user-generated content on pet purchasing decisions.

Consumers often refer to user reviews on online platforms while purchasing pets or related products. Positive reviews can enhance consumer confidence in purchasing, while negative reviews may lead to consumers' doubts and reconsideration of purchasing decisions. Users generate content, such as sharing user experience, recommendation lists, etc., provide consumers with more authentic and comprehensive product information. The user generated content have certain reference value for consumer purchasing decisions, especially when consumers lack product knowledge or experience. (Burcin Tatar, irem Ere n-Erdogmus, 2017)

Research not only focus on online comments and user generated content itself, but also further explores other possible influencing factors, such as consumer personal traits, cultural background, social networks, etc., in order to gain a more comprehensive understanding of the impact mechanism for online content on purchase decisions. Based on rich research results, some pet companies and e-commerce platforms abroad have begun to use online comments and user generated content to optimize product design and marketing strategies, in order to improve consumer purchase rates and satisfaction. (Tatar S B , Eren-Erdogmus I . 2016)

2.3. E-commerce and Omnichannel Retailing

2.3.1. Integration of online and offline channels in the pet retail business

Domestic offline pet physical stores mainly operate under the "couple store" model, with pet hospitals and pet foster care services coexisting. Pet shops mainly sell pet food and pet grooming, with high concentration and fierce competition. At the same time, it also leads to price convergence and unclear advantages. Many pet shops have high initial cost investment, low profits, and unlimited cost recovery periods. Pet hospitals and pet foster care centers operate similarly to pet shops, but due to high costs, prices rise and customer sources gradually decrease in frequency. In addition, with the increasing experience of pet owners in raising pets, sick pets can be treated at home without the need

to go to a pet hospital. Many pets can be placed in foster care for parents and friends, so the customer base of pet care shops is also constantly decreasing. The domestic pet market is still in its early stages of development with strong uncertainty, but the business opportunities and prospects are particularly promising. Enterprises should pay attention to brand building, personalized services, and focus on developing the "O2O" business model. They should grasp their own enterprise positioning, achieve differentiated operations, and ultimately achieve the integration and development of the entire pet industry under the driving force of new technologies, which is expected to develop into a large domestic pet chain industry in China. Pet shops in Shanghai are mainly offline physical stores, scattered in various shopping malls in each districts, mainly focusing on pet food, pet products and pet grooming.

Pet hospitals and pet foster care centers are also scattered, with self operated pet hospitals in all districts of the city. Some brands have established a chain store or chain hospital model, having branch in each district, which helps consumers to be more convenient to reach out pet products or pet services. The online pet store currently relies on the Taomall Online selling, which covers pet sales, pet products, and pet services etc. In summary, the pet market in Shanghai still has great commercial potential, and through a combination of online and offline business models, resources can be integrated to bring substantial profits. (By The Author)

2.3.2. Omnichannel customer experience in the pet industry

The widespread popularity and accelerated layout of the Internet have triggered a historic change in information dissemination technology, and on the other hand, have brought about significant changes in people's production activities, life, interpersonal communication, and thinking patterns. At the same time, online marketing is gradually replacing traditional marketing and becoming an important marketing and promotion channel for enterprises. The social functions of internet platforms are constantly strengthening. Among them, social media is being used by more and more enterprises to build brand image, promote brands and

products, and establish efficient interaction with consumers due to its advantages of strong interactivity, high participation, and community-base, in order to fill the shortcomings of traditional marketing. (Jassim S H , Shubar R 2020) Against the backdrop of upgrading consumption in the national economy, the pet economy is also experiencing consumption upgrades. People's ways of obtaining pet cats have shifted from adopting or purchasing low-priced non breed cats in pet wholesale markets to pursuing high-end and high-quality breed cat houses, which has also increased the market share of breed cats in China. Therefore, there is an urgent need to study the marketing strategies of breed cat houses. Economic development and social progress have given rise to people's demand for pets under current living habits. Whether it is being treated as a companion by the elderly, a spiritual support by young people, or a companion for children's growth, pets play an increasingly important role in people's lives. Keeping a pet as a companion is no longer an exclusive benefit for the elderly, and "cat and dog balance" is becoming a new trend pursued by young people.

2.3.3. Comparative analysis of online-only pet retailers and brick-and-mortar pet shops

Study has shown that online pet retailers alone are usually able to offer more competitive prices because they do not have the rent and other additional costs of physical stores. Online pet retailers typically offer a wider range of product types and choices, and without being limited by store space. For consumers, purchasing pet products and services online is more convenient, without the need to personally visit physical stores. (Yang X 1998) Foreign scholars have conducted research on different consumer groups, exploring their decision-making factors when choosing to purchase online or in physical stores. For example, young people may be more inclined to make online purchases, while middle-aged and elderly people may prefer physical stores. Research also focuses on how physical stores can be combined with online channels to create a seamless shopping experience. Some large pet retailers have implemented multi-channel retail strategies, offering both physical stores and online purchases. Physical stores still have advantages in

providing pet related experiences and service quality. For example, pet owners can directly go to the store to inquire, tryout products, or obtain professional pet care advice. (Linda D.Hollebeek Keith Macky, 2019)

2.4. Cultural and Societal Aspects of Pet Ownership

2.4.1. Cultural variations in attitudes towards pets and pet ownership

Research has shown that traditional Chinese traditional culture has an impact on peoples attitude toward pets. In the past, pets were often seen as tools or playthings, while in modern society, more and more people view pets as family members and establish deep emotional bonds with them. With the acceleration of urbanization and changes in social structure, the attitude towards pets in China is also changing. Research has shown that in modern society, keeping pets has become a fashion and way of life, and people seek companionship, comfort, and spiritual support through keeping pets. Foreign scholars have conducted extensive cross- cultural research to explore the differences in attitudes towards pets and pet ownership among people from different cultural backgrounds. These studies reveal the influence of cultural values, social customs, and religious beliefs on pet attitudes, emphasize the exploration of the relationship between pets and humans. They focus on the impact of pets on human companionship, emotional support, and social opportunities, and study how humans establish intimate relationships with pets. There are cultural differences in attitudes towards pets and pet ownership domestically and internationally.(Chang C T , Huang Y F , Chen P C 2017) Domestic research mainly focus on the impact of cultural traditions and social changes on pet attitudes, while foreign research is more diverse, including cross-cultural studies and studies on the relationship between pets and humans. In the future, it is necessary to further strengthen domestic and international cooperation and exchanges, deeply explore pet attitudes and influencing factors in different cultural backgrounds, in order to promote people's understanding and awareness of pets, and provide guidance for the healthy development of the pet industry. (Zhou Wei, 2020)

2.4.2. Social trends affecting pet adoption and pet shop patronage

With the urbanization process and changes in population structure, more and more young people are choosing to live alone or have small family structures. This change in family structure has increased people's demand for pet companionship, thereby driving an increase in pet adoption and pet shop visits. With the progress of society and the enhancement of animal protection awareness, people's attitudes towards pets are also changing. More and more people view pets as family members and are willing to invest more time and money into their health and happiness. (Zhou Y , Yang W , Zhuang G .2020) Foreign studies have shown that the popularity of social media has had a positive impact on pet adoption and pet store visits. People share pet photos, stories, and experiences on social media which has increased exposure and attention to pets, thereby promoting the prosperity of the pet related market. In recent years, sustainable development and environmental awareness have emerged globally. This trend has also affected the pet industry. More and more people choose to adopt stray animals instead of buying purebred pets, and at the same time, they are more inclined to purchase environmental friendly and sustainable pet products and supplies. Consumers are increasingly concerned about the health and welfare of pets. They are more likely to choose pet shops and brands that can provide high-quality care and healthy food for pets. (Mehraban , 1974) Both domestically and internationally, there are a series of social trends that affect pet adoption and pet shop visits. These trends include changes in family structure, changes in pet attitudes and roles, as well as global concerns such as social media, sustainability and environmental awareness, health and welfare. For the pet industry, understanding and adapting to these social trends is crucial, as it can not only meet consumer needs but also promote sustainable development of the industry.

2.5. Brand Management and Positioning

2.5.1. Branding strategies for pet shops

Don E. Schultz and Heidi F value the differentiation strategy of pet store brands and how to differentiate themselves from competitors and establish a unique market position through unique products, services, or brand image. (Schultz D E , Barnes B E , Schultz H F ,et al 2009) John M. T. and Balmer focus on how to establish and maintain pet store brand loyalty, through high-quality products and services, customer relationship management, and other means, to encourage customers to form lasting and stable brand preferences. Foreign pet stores have adopted a multi brand strategy in some cases, and foreign scholars have conducted in-depth research on the management and implementation of this strategy. (John M. T. Balmer, 2017) With the growth of the domestic market economy, people's living standards have greatly improved, and the pet industry has entered a stage of rapid development. Meanwhile, pet shops, as traditional offline pet service units, also face many challenges. A series of problems such as outdated business models, outdated services, single service types, and homogenization of services are troubling many pet stores. To overcome these problems, it is necessary to further improve on pet store's marketing model and seek breakthroughs in marketing models based on inheriting traditional service quality. Through market research and case study, explore the brand positioning strategy of pet stores, and how to establish a unique and eye-catching brand positioning based on the needs and competitive situation of the target market. Pay attention to the ways and effects of pet store brand communication, such as advertising, public relations activities, social media, etc., to enhance brand awareness and reputation. Pay attention to how pet stores provide unique brand experiences, such as storefront design, customer service, product innovation, etc., to enhance customer loyalty and promote word-of-mouth dissemination (Chen Laihua, 2018).

2.5.2. Building a strong brand identity in the competitive pet market.

Focus on brand innovation and differentiation strategies, encouraging companies to establish a unique brand image through innovative products, services, or marketing methods. Foreign research emphasizes the emotional connection between brands and consumers , emphasizing that companies should enhance the emotional bond between consumers and brands by

creating a positive brand experience. (Rakhi Thakur, 2015) Advocate for diversified marketing strategies, such as event marketing, collaborative marketing, etc., to convey brand information through multiple channels and perspectives, and enhance brand image. (Zachary Johnson, Carolyn Massiah, Jeffrey Allan, 2013) Since China entered the reform and opening up, its economy has experienced rapid development. With the wave of socio-economic development, the consumption views and emotional sustenance of residents are quietly undergoing changes. Pets, as carriers of human emotions, are increasingly favored by the public, especially the elderly and young. Correspondingly, the increase in consumer spending that people can use has also promoted the growth of pet product consumption. However, due to a series of reasons like unclear positioning, weak product research and development capabilities, weak technological production technology, and insufficient marketing and promotion experience, most pet product companies in China still mainly rely on price wars to compete. Especially the problem of unclear brand positioning and a single path of improvement have posed great challenges for enterprises in the process of brand enhancement. Lacking brand competitiveness awareness and scientific, effective improvement strategies, have seriously damaged the brand image of existing pet product enterprises in China. Nowadays, "pets" have become a hot topic of public concern, and the public's attention to pets is increasing. The development of the pet market is quietly rising. Initially, people's investment in pets was limited to a rope, a broken bowl, and a pile of leftover food. But with the continuous improvement of the economy and living standards, people's attention to pets is constantly increasing. In order to make lives of pets more comfortable, new pet products and pet service venues are constantly emerging in the market to meet people's needs. As an upstream pet product manufacturing industry, pet food factories and brands have begun to take shape, and downstream pet service industries are also everywhere. (By Author)

3. Methodology

3.1. Research objective

This thesis aims to develop a marketing plan for a pet shop in Shanghai. To do so, it will explore the market context, competitive environment and consumer behaviour. Through market research and analysis, we will provide the necessary insights that will define the marketing plan.

3.2. Overview of research methods

This research is mainly quantitative and descriptive. By document research, questionnaires, making on-the-spot investigation, industrial analysis and interview, competitive analysis such as SWOT analysis etc., to show the current pet shop industry's tendency in near future years and provide improvement methods based on the analysis that have been done.

3.3. The questionnaire

In this study, a questionnaire was utilized to investigate the current pet shop market in Shanghai, aiming to comprehend the needs and trends among pet owners. The target population for this research comprised pet owners within Shanghai. A convenient sampling method was employed to ensure a representative sample across different demographics of pet owners. Data collection occurred over a period of three months, from October to December 2024. The questionnaire was distributed to a sample size of 249 pet owners, and responses were received from 200 participants, resulting in a response rate of 80.3%. The collected data was then analyzed using quantitative analysis techniques, including descriptive statistics and inferential methods, to draw insights into consumer preferences and behavior. The results from this market research are crucial for data analysis in subsequent chapters, providing an empirical basis to understand the dynamics

of Shanghai's pet shop market. The complete questionnaire and detailed responses can be found in Attachment 1.

The questionnaire structure for the Shanghai Pet Shop Consumer Demand Information Survey is meticulously designed to gather comprehensive data about pet owners' preferences and behaviors. It begins with demographic questions (gender, age, occupation) to classify respondents, followed by questions on pet ownership, types, and expenditures, offering insights into the pet owners' profiles. The survey then shifts focus to purchasing habits, including locations for buying pet supplies and types of services consumed at pet stores, which is vital for understanding consumer behavior. Further, it probes into frequency of pet care activities and decision-making factors for pet products, providing a deep dive into consumer priorities and preferences. Questions about information sources for pet products and services, the influence of additional services on purchasing decisions, expectations from pet stores, and factors affecting store choice reveal the multifaceted criteria consumers use. The questionnaire concludes with queries about the importance of store environment and interest in special offers or memberships, adding dimensions of store atmosphere and loyalty programs to the analysis. This well-rounded approach ensures a thorough understanding of consumer dynamics in the pet shop market of Shanghai.

details are as follows:

Demographic Information:

Questions 1-5 (Gender, Age, Occupation Pet Ownership, Type of Pet)

This section aims to capture basic demographic information of the respondents, which is crucial for segmenting the data and understanding different consumer groups.

Purchasing Habits for Pet Supplies and Services:

Questions 6-9 (Monthly Expenditure on Pets Source for Buying Pet Supplies, Services Consumed, Frequency of Professional Pet Services) This dimension focuses on where and how often consumers purchase pet supplies and utilize professional pet services, revealing their shopping preferences and service usage patterns.

;

Product and Service Preferences:

Questions 10-14 (Criteria for Choosing Pet Food, Information Sources, Starting Point for Purchasing, Influence of Extra Services, Expected Products/Services) These questions explore the factors influencing consumers' choices in pet food, their information gathering methods, and their preferences for additional services and products offered by pet stores.

Decision Influencers in Choosing Pet Stores:

Questions 15-16 (Factors Affecting Choice of Pet Store, Importance of Store Environment)

This section assesses the key factors that influence the choice of a pet store, including service attitude, price, convenience, and the physical environment of the store.

Interest in Promotions and Membership Services:

Question 17 (Interest in Offers and Membership Services)

The final part gauges the interest of consumers in special offers, promotions, and membership services, which is vital for developing customer loyalty programs and marketing strategies.

3.4.The interview

Interviews are conducted to gather in-depth insights into Shanghai's pet market from a diverse range of perspectives. This methodology involves engaging with key stakeholders in the pet industry, including pet shop staff, online pet store representatives, and pet owners. The aim is to collect professional opinions and firsthand experiences that will enrich the understanding of the market dynamics in Shanghai.

The interviewees are carefully selected to represent various facets of the pet industry. Two managers from well-known pet shops in Shanghai, one staff member from a pet center, a life broadcaster from an online pet cattery, and a pet owner active in an online pet community are chosen for their direct and varied experiences in the pet market. This mix of physical pet

shop representatives and online pet market participants ensures a comprehensive view of the industry. The details of the interviewees are as below:

Table 3- 1 Interviewee Information

NO.	Pet Shop In Shanghai / Online	Responsibility
1	Babydoll-cat Show Xin Tian Di Shop	Manager
2	Coo & RIKU Lalaport Jinqiao Shop	Manager
3	PetSugar Pet Life Center	Staff
4	Jimiao Pet Cattery Taomall Online	Life Broadcaster
5	Pet Community Online	Pet Owner

Source: The Author, 2023

The interview outlined in Appendix B is structured to explore various facets of Shanghai's pet market, focusing on both current dynamics and future prospects. It can be categorized into several key dimensions, each serving to deepen the understanding of specific aspects of the pet shop industry within the context of Shanghai. Here's how the interview content is structured:

Market Overview and Consumer Insights:

Questions 1 and 3 (Current Market Situation, Trends, Consumer Preferences, Unique Characteristics, and Opportunities)

These questions aim to provide a comprehensive overview of the pet market in Shanghai, including its size, the diversity of products and services, consumer needs, and preferences. Additionally, they explore unique market characteristics influenced by location, consumption levels, and cultural background.

Positioning and Competitive Landscape:

Question 2 (Position of Pet Stores Compared to Other Businesses, Competitive Advantages)

This dimension focuses on understanding the place of pet stores within the broader pet-related market in Shanghai, comparing them to online platforms and supermarkets, and identifying their unique competitive advantages.

Operational Considerations:

Questions 4, 5, and 6 (Location Selection, Store Design, Employee Management, Product Strategy, Supplier Relationships)

These questions delve into the operational aspects of running a pet store, including crucial factors for selecting a store location, effective store design and decoration, approaches to employee recruitment and management, and strategies for product selection and supplier relationship management.

Future Outlook and Strategic Management:

Question 7 (Future Predictions, Advice for Effective Management)

The final question looks forward to the future of pet stores in Shanghai, considering market demand, policy changes, and technological advancements. It seeks to gather expert advice on managing a pet store effectively in this evolving landscape.

4. Marketing Plan

The essence of this research is to develop a comprehensive marketing plan for launching a pet shop in Shanghai, addressing the burgeoning demand for pet-related services and products in this metropolitan area. Drawing insights from extensive market research, interviews, and analysis, this marketing plan outlines a strategic approach tailored to the unique dynamics of Shanghai's pet industry. The primary focus is on identifying the key success factors for establishing a pet store that resonates with the needs and preferences of Shanghai's pet owners. This involves an in-depth analysis of the competitive landscape, consumer behavior, and market trends, using tools such as SWOT analysis to pinpoint opportunities and challenges.

The proposed marketing plan pivots around a customer-centric model, emphasizing the importance of understanding and catering to the evolving needs of pet owners in Shanghai. The plan advocates for a differentiated product and service offering, leveraging the latest technological advancements and trends in pet care. A critical component of the strategy is the integration of both online and offline channels to create a seamless customer experience. This omnichannel approach is aimed at enhancing accessibility and convenience for consumers, thus fostering loyalty and repeat business. Furthermore, the plan stresses the significance of sustainable practices and ethical considerations in the pet industry, aligning with the increasing consumer consciousness about animal welfare and environmental impact.

Overall, the marketing plan is structured to not only capitalize on the current market opportunities but also to anticipate future trends and adapt accordingly. The goal is to establish a pet shop in Shanghai that is not only profitable but also sets a new standard in pet care, reflecting the city's dynamic and forward-thinking spirit.

4.1. External Analysis

4.1.1. PESTE Analysis

4.1.1.1. Political and Legal Context

In the political and legal context, Shanghai's pet shop industry is significantly influenced by the government's regulatory frameworks and policies. The Chinese government has been increasingly attentive to animal rights and welfare, leading to the implementation of stricter regulations for pet stores. These include licensing requirements, standards for animal welfare, and guidelines for the import and sale of pets. The legal framework is further complicated by the need to comply with both national and local regulations, which can vary significantly. For instance, Shanghai has specific rules regarding pet ownership and business operations that directly affect pet shops. Furthermore, the government's emphasis on consumer rights and protection necessitates adherence to strict quality and safety standards for pet products and services. The compliance with these regulations is crucial for the legitimacy and long-term sustainability of pet shops in Shanghai.

4.1.1.2. Economic Context

The economic context for the pet shop industry in Shanghai is marked by a robust growth trend, driven by the increasing disposable income of residents and a growing middle class. According to the Elephant Research Institute, China's pet market experienced significant expansion, reaching 295.3 billion yuan in 2020, up from 221.2 billion yuan in 2019. This represents a doubling of the market size over five years from 2015 to 2019, with a compound annual growth rate of 20% (Overview of China's pet market in 2020, 2020). According to a report by the China Pet Industry White Paper (2022), the pet industry in China has seen a continuous growth, with the market size exceeding 200 billion RMB, demonstrating a significant potential for businesses like pet shops (China Pet Consumption Report 2022, 2022). Shanghai, being one of China's most affluent cities, plays a pivotal role in this expanding market. The city's residents are increasingly willing to spend on pet-related products and services, reflecting a deeper emotional bond with their pets. This consumer behavior is indicative of the

'humanization' of pets, where pets are treated as family members, leading to higher spending on premium products and services.

Additionally, the economic context is also shaped by the competitive landscape of the pet shop industry in Shanghai. There is a mix of both large chain stores and small independent shops, creating a diverse and competitive environment. The presence of e-commerce platforms further intensifies this competition, as they offer convenience and competitive pricing. However, this also presents an opportunity for physical pet shops to differentiate themselves by providing personalized services, unique in-store experiences, and immediate product availability, which online platforms cannot replicate. Furthermore, the economic policies and support from the Shanghai government for small and medium enterprises can also provide a conducive environment for the growth and expansion of pet shops in the city.

4.1.1.3. Socio-Cultural Context

The socio-cultural context of Shanghai's pet shop industry is deeply influenced by the changing attitudes and demographics of pet ownership in China. The pet ownership trend in China, particularly in urban areas like Shanghai, is driven by socio-cultural shifts. The number of pets, especially cats and dogs, has significantly increased. From 2017 to 2021, the cat and dog population rose from 87.5 million to 112.4 million (CGTN, 2023). This growth reflects changing societal values and increased urbanization. Pet ownership is no longer seen merely as a hobby but as an integral part of family and lifestyle.

A key driver of this change is the rising number of young, single individuals in urban areas. With declining marriage rates and more people living alone, pets are increasingly viewed as companions. Nearly half of the pet owners in China were born after 1990, signifying a younger demographic of pet owners (CGTN, 2023). This younger generation is more likely to view pets as family members, leading to a significant increase in spending on pet care and products. In 2019, China's cat and dog owners spent an astonishing 202 billion RMB on their pets, a dramatic increase from the 21 billion RMB spent in 2010 (Dao Insights, 2021).

Additionally, pet owners in China are generally of a higher income and education level, predominantly residing in tier 1 or 2 cities like Shanghai. This demographic shift is creating a burgeoning market for pet-related products and services, with an emphasis on quality and luxury. The pet market has diversified to include not only traditional pets like dogs and cats but also more exotic pets, indicating a broadening of consumer preferences (The China Project, 2024).

In summary, the socio-cultural context of Shanghai's pet industry is characterized by a younger, more affluent demographic that views pet ownership as a key part of their lifestyle. This shift is creating new opportunities for pet shops to cater to a market that values high-quality products and services for their pets.

4.1.1.4. Technological Context

The technological landscape in Shanghai's pet shop industry is profoundly influenced by the rapid adoption of digital platforms and the integration of advanced technologies in pet care. The shift toward online sales channels is evident, with research indicating that about 55% of pet-related sales in China are conducted online (China Pet Market, 2023). This trend has significantly impacted the number of physical pet stores, showcasing a notable reduction from pre-pandemic figures. Major online marketplaces like Alibaba and JD are leading this digital transformation, experiencing substantial sales revenues in the pet sector. Moreover, smaller digital platforms specializing in pet products are also gaining traction, further highlighting the industry's digital migration.

In parallel, technological advancements are reshaping the pet industry, enhancing the pet-human relationship through innovative applications and services. For instance, the emergence of apps catering to pet welfare, like "Street Cat," which rapidly gained a substantial user base, exemplifies the growing demand for tech-driven pet services (China Trading Desk, 2023). This technological shift extends beyond sales, influencing both consumer behavior and business

models, with an increasing blend of online and offline experiences. The industry's evolution is marked by a hybrid approach, where businesses leverage both digital platforms and physical store presences, adapting to the changing consumer preferences and the dynamic market environment.

4.1.1.5. Environmental Context

The environmental impact of the expanding pet industry in Shanghai is significant, reflecting broader trends in China. With the rising pet population, reaching 112.4 million cats and dogs in 2021, the industry's growth has surged from 72.5 billion yuan in 2015 to 396 billion yuan in 2022 (CGTN, 2023). This rapid growth raises environmental concerns, particularly in the production and disposal of pet products. The increasing demand for pet food, for instance, impacts resource use and waste generation. Moreover, the shift towards premium pet products, as pet owners increasingly focus on the health and wellbeing of their pets, further contributes to environmental considerations. Sustainable practices in pet food production and eco-friendly product development are becoming crucial to mitigate the environmental impact.

The evolution of the pet industry in Shanghai underscores the need for environmental stewardship. As consumer preferences shift towards higher-quality products, the industry faces the challenge of balancing growth with sustainability. This situation calls for innovation in environmentally friendly pet products and a focus on sustainable resource management. The industry's future growth will likely hinge on its ability to integrate environmental concerns into its business models, aligning with the broader movement towards sustainability in consumer goods.

4.1.2. Sector Analysis

China has a population of 1.3 billion and has a tradition of keeping pets in captivity since ancient times. According to conservative estimates, there are currently at least 100 million pets in China, and the market potential of the pet economy can reach to at least 15 billion yuan. In

this huge market, the pet breeding industry, especially the dog breeding industry, is a crucial part. In China, the standardization path of the dog industry is only in its early stages, and the role of dogs has not been widely developed. Even in the pet market, it is only just beginning to develop. However, dog breeding has become an industry in China, with a certain scale in terms of quantity. The dog industry has subtly influenced people's lives and social development. However, the current development level of China's pet market has not truly aligned with the world, and the development of China's dog industry has not yet established an international and standardized platform to support it.

With the continuous improvement of people's living standards, pets have gradually become of more close companions to people in China. Whether it's dogs, cats, birds, or fish or turtles, these small animals that used to guard homes and entertain people have become important members of the family. In the increasingly competitive social environment, the cuteness and liveliness of pets dispatch loneliness, increase interest, and relieve stress for humans in the tense modern life. Specially trained dogs can not only serve as family companion pets, but also develop various work potentials. The pet markets in northern and southern China are important pet trading bases in China and even the world, providing a continuous supply of various dog breeds to the entire pet trading market. The prosperity of the pet industry will definitely make greater contributions to enriching people's spiritual and cultural life, expanding employment opportunities, leading people to become rich, driving the development of related industries, and promoting the fast development of the national economy. The sustained and stable development of pet trading markets in northern and southern China must become an important component in promoting the prosperity of China's pet industry, affecting the long-term development of China's pet industry in the future.

The pet care industry in China, particularly in Shanghai, exhibits significant growth and diversification. The industry is expected to exceed \$60 billion in 2023, driven by rising income levels and increased pet adoptions, influenced by the pandemic (China Pet Market, 2023). The sector's growth is primarily fueled by young, educated consumers; nearly 90% of pet owners

are university graduates, despite only 23.61% of the overall population having higher education. This demographic trend is accompanied by a shift in pet preferences, with cats gaining popularity over dogs due to their independent nature, which aligns with the lifestyles of singles and busy professionals. In 2021, the population of pet cats exceeded that of dogs in China, totaling 58 million pet cats and 54 million pet dogs (China Pet Market, 2023).

The pet food sector accounts for the largest market share in the industry, comprising 51.5% in 2021. However, there has been a 10 percentage point decrease since 2019, indicating a diversification in the industry towards other sectors like veterinary services, which have shown substantial growth (China-Briefing.com, 2023). The veterinary sector is becoming increasingly popular for purchasing pet products, particularly food, snacks, and nutritional supplements, presumably due to the higher level of authority and trust associated with these establishments. Over 90% of pet owners have purchased products from veterinary hospitals, indicating the sector's significant potential for further growth (China-Briefing.com, 2023).

4.1.3. Competitor Analysis

In the competitor analysis of the pet industry in Shanghai and the broader Chinese market, several key players and trends have emerged. The industry is valued at over \$31.5 billion, driven by the rising popularity of pet ownership among millennials and Gen-Z, particularly those born under China's one-child policy (GlobalPETS, 2023). The primary players in this market include both domestic and foreign companies, with a significant presence in pet food production, pet technology, and veterinary services.

The pet food sector is dominated by large multinationals like Royal Canin, Pedigree, Mars Incorporated, and Nestle Purina Petfood. These companies have established strong brand recognition among Chinese consumers. However, domestic brands such as Yantai China Pet Foods Group are rapidly catching up, offering a range of products under various subsidiaries. The pet tech sector is also flourishing, with startups and major tech companies like Xiaomi and

Midea entering the market with innovative products like automatic food dispensers and smart collars.

In veterinary services, the market is experiencing substantial growth, with veterinary hospitals diversifying their offerings to include retail products and services. These establishments are becoming increasingly popular for purchasing pet products due to the trust and authority they command among pet owners. The sector's growth potential is high, given the increasing number of pets and the low penetration rate of veterinary medicines (China-Briefing.com, 2023).

Table 4-1 comparative analysis of the major competitors in China's pet industry

Company Name	Market Segment	Key Products/Services	Strengths	Market Position
Royal Canin	Pet Food	Premium dog and cat food	Strong global brand, high-quality products	Market leader in pet food
Pedigree (Mars Inc.)	Pet Food	Dog food, treats	Wide range of products, strong distribution network	Strong presence in dog food market
Nestle Purina Petfood	Pet Food	Premium dog and cat food	Diverse product range, strong research and development	Competitive in premium pet food market
Yantai China Pet Foods Group	Pet Food and Products	Various pet food, treats, and accessories	Large domestic player, expansive product range	Leading domestic competitor
Xiaomi	Pet Tech	Smart collars, home camera setups	Strong tech background, innovation-driven	Emerging player in pet tech
Midea	Pet Tech	Electronic pet care products	Diversified electronics company, innovative products	Growing presence in pet tech market
Ruipeng Pet Hospital	Veterinary Services	Medical services, retail products	Large network of pet hospitals, comprehensive services	Dominant in veterinary services

Source : by author

This table provides a snapshot of the competitive landscape in China's pet industry, highlighting the diversity of companies from pet food giants to tech companies venturing into pet-related products and services. Each competitor brings unique strengths and holds a distinct position in the market, contributing to the dynamic growth and evolution of the pet industry in China.

4.1.4. Porter's Five Forces Analysis

4.1.4.1. Threat of New Entrants in China's Pet Industry

The threat of new entrants in China's pet industry is moderated by several factors. Firstly, the industry's rapid growth, makes it an attractive sector for new businesses. However, significant barriers exist, including the need for substantial investment in branding and establishing robust supply chains. Secondly, regulatory hurdles, particularly in pet food safety and animal welfare standards, pose challenges for newcomers aiming to establish trust and credibility in the market.

Moreover, the competitive landscape, dominated by established players both domestic and international, creates a challenging environment for new entrants. These established companies benefit from economies of scale, extensive distribution networks, and strong brand recognition. As a result, new businesses must offer innovative products or services, leverage technology, and identify niche markets to gain a foothold in the industry. Despite these challenges, the sector's ongoing evolution and increasing demand for diverse pet care solutions continue to offer opportunities for innovative startups and entrepreneurs.

4.1.4.2. Bargaining Power of Suppliers in China's Pet Industry

In China's burgeoning pet industry, the bargaining power of suppliers varies across different segments. For standard pet products and food, the market is saturated with numerous suppliers, which tends to dilute their individual bargaining power. As reported by Mordor Intelligence, the pet food sector in China, while sizable, is characterized by a high degree of competition among suppliers, reducing their leverage over pet food companies and retailers (Mordor Intelligence, 2023).

However, in specialized segments such as premium pet food, pet pharmaceuticals, and advanced pet care technologies, suppliers possess greater bargaining power. These segments demand specialized knowledge, higher quality standards, and often stricter regulatory compliance, which limits the number of qualified suppliers. For instance, in the premium pet food market, suppliers who can provide unique formulations or organic ingredients command a stronger position due to the growing demand among Chinese pet owners for high-quality pet products (China Business Review, 2023).

The supplier power is also influenced by the trends in pet humanization and the increasing demand for specialized pet care products. As pet owners become more conscious about their pets' health and wellbeing, they tend to prefer products from suppliers known for their quality and reliability. This shift towards quality and specialization gives such suppliers more negotiation power over pricing and terms of supply.

4.1.4.3. Threat of Substitutes in China's Pet Industry

The threat of substitutes within China's pet industry is relatively low in terms of pet replacement, as the emotional bond between pet owners and their pets is strong and specific to the type of pet owned. For example, the relationship a person has with their dog or cat is unique and not easily replicable with another type of animal. This emotional attachment diminishes the likelihood of pet owners substituting one type of pet for another. According to a report by the China Pet Industry White Paper (2020), the pet ownership in China is characterized by a deep emotional connection, which indicates a low inclination towards substituting the type of pet once chosen.

Within the pet product and service market, the threat of substitutes is more pronounced. Pet owners have a variety of options for pet food, toys, accessories, and services like grooming and healthcare. The ease of switching between different brands or types of pet foods, or choosing between a veterinary clinic and a pet grooming service, for instance, presents a higher threat of substitution. The increasing availability and diversity of pet products and

services in the market allow pet owners more flexibility in their choices, which could lead to a higher propensity to substitute within this category.

4.1.4.4. Competitive Rivalry in China's Pet Industry

The competitive rivalry in China's pet industry is exceptionally high, characterized by a mix of domestic and international players competing vigorously across various segments. Major multinational corporations like Mars, Inc., and Nestlé Purina PetCare dominate the pet food sector with extensive product lines and strong brand recognition, while domestic companies such as Yantai China Pet Foods are rapidly gaining market share with localized products. The introduction of advanced technology in pet care, including smart products and health monitoring apps, has further intensified competition. This environment compels companies to continually innovate and adapt, focusing on product differentiation, quality, and comprehensive pet care solutions to capture and retain consumer interest in a market driven by evolving consumer preferences and increasing demand for premium and specialized pet products.

4.1.5. Consumer Analysis

As is known from the previous questionnaire, The consumer landscape in China's pet industry is rapidly evolving, influenced by demographic changes and cultural shifts. A significant portion of pet owners in China are young, with nearly half of them born after 1990, signifying a generational change in attitudes towards pet ownership (China Pet Market, 2023). This younger demographic, often living in urban areas, exhibits high disposable income and an inclination towards treating pets as family members. As a result, there is a growing demand for premium pet products and services that cater to the health and wellbeing of pets.

4.1.5.1. Consumer Demand

In the monthly survey of the average pet consumption amount, it vividly illustrates the distribution of average monthly expenditure on pets among pet owners in Shanghai. The largest segment, constituting 30.5%, spends between 301 to 500 yuan, indicating a moderate spending pattern. The next significant group (26.5%) spends between 501 to 700 yuan, suggesting a willingness to allocate a reasonable amount of their budget to pet care. Those spending less than 300 yuan represent 23.5% of the sample, highlighting a cautious or limited budget towards pet-related expenses. The segments spending 701 to 1000 yuan and above 1000 yuan, making up 13.5% and 6% respectively, indicate a smaller, yet notable, proportion of pet owners who are likely investing in premium products and services for their pets.

This distribution suggests a market with diverse spending capabilities and needs. The presence of a significant middle spending range indicates that most pet owners are looking for a balance between affordability and quality in pet products and services. The lower and higher ends of the spectrum represent opportunities for targeted marketing strategies, catering to budget-conscious consumers and those seeking premium, high-end pet care solutions, respectively.

It displays the types of services consumed at pet stores in Shanghai. A significant majority of 51.0% of pet owners purchase pet food, underscoring its fundamental role in the pet care industry. This dominant preference indicates a consistent and recurrent need, making pet food a key revenue driver for pet stores. Medical treatment, constituting 21.5% of the services consumed, highlights the importance of health care in pet ownership. This suggests that pet stores offering veterinary services or health-related products can tap into a substantial market segment. Washing and grooming services account for 18.5%, reflecting a considerable demand for these convenience and care services. Pet owners' willingness to invest in the grooming and hygiene of their pets presents an opportunity for pet stores to expand these offerings. Pet boarding and live trading services, though smaller in proportion at 5.5% and 3.5%

respectively, still represent niche markets. Pet boarding services cater to the needs of pet owners requiring temporary care solutions, while live trading shows a more specialized consumer interest. Overall, the chart indicates a diverse range of service needs among pet owners in Shanghai. Pet stores can capitalize on this diversity by offering a broad spectrum of services, from essentials like pet food and medical care to additional services like grooming and boarding, to cater to the various needs of their clientele.

4.1.5.2. Consumer Preference

The survey illustrates the usual places where pet owners in Shanghai purchase their pet supplies. The largest segment, comprising 41.0%, prefers to buy from brick-and-mortar pet stores. This preference suggests that a significant number of consumers value the physical shopping experience, possibly due to the ability to see and evaluate products directly or seek immediate advice from store staff. Online stores are the second most popular choice, accounting for 33.5% of the responses. This substantial proportion reflects the growing trend of e-commerce in the pet industry, emphasizing the convenience and variety that online shopping offers. Supermarkets, with 15.5%, indicate that a considerable number of pet owners find it convenient to purchase pet supplies while doing their regular grocery shopping. This could be due to the accessibility of supermarkets or the perception of competitive pricing. Veterinarians as a source for pet supplies account for 7.0%, likely for specialized products like prescription diets or health-specific items. This suggests trust in professional recommendations and the importance of health-related purchases. Lastly, 'Other' sources, at 3.0%, might include niche or specialized stores, indicating a small segment of the market with specific preferences.

In summary, this data highlights the diverse shopping habits of pet owners in Shanghai. While traditional pet stores remain a primary source, the significant online market presence and the use of supermarkets and veterinarians reveal a multifaceted consumer landscape. Pet

supply businesses can leverage this information to optimize their sales channels and tailor their strategies to cater to the varied preferences of their customers.

The survey delineates the primary sources from which pet owners in Shanghai gather information about pet products and services. The largest segment, 31.0%, relies on stores and veterinarians for information. This preference underscores the trust and value placed in professional advice and direct interaction with experts, which can be crucial in making informed decisions about pet care. Social media, accounting for 24.0% of the responses, reflects the significant impact of digital platforms in the pet care market. It suggests that a notable portion of pet owners are influenced by online communities, influencers, and brand presence on social media. Friends and family are the third most common source, constituting 21.0% of the information channels. This indicates the importance of personal recommendations and word-of-mouth in the decision-making process, highlighting the social aspect of pet ownership. Advertisements and promotions influence 14.5% of the respondents, suggesting that traditional marketing methods still have a considerable impact, although less so compared to personal or professional recommendations. Lastly, professional reviews are the least utilized source, at 9.5%. While not the primary choice, they still play a role, particularly among consumers who seek in-depth, expert evaluations of products and services.

In conclusion, this data provides a comprehensive view of the various channels through which pet owners in Shanghai obtain information, highlighting the importance of a multi-faceted approach to marketing and customer engagement in the pet industry. Pet businesses need to consider a balanced strategy that includes professional advice, social media presence, and leveraging personal networks to effectively reach and influence their target audience.

4.1.5.3. Consumer Behavior

The survey illustrates the frequency of professional grooming and health checks for pets among pet owners in Shanghai. The most common frequency is quarterly, chosen by 30.5%

of respondents, followed closely by monthly visits at 29.5%. This indicates a significant proportion of pet owners who regularly seek professional care for their pets, emphasizing the importance of routine maintenance and health monitoring in pet care. Weekly grooming or health checks are less common, accounting for 11.5% of the responses. This group likely represents a segment of the market that places a high priority on pet care, possibly for pets with specific grooming needs or health concerns. Semi-annual visits are preferred by 19.0% of pet owners, suggesting a balance between regular professional care and managing it at home. This could be due to the nature of the services required or budget considerations. The smallest group, at 9.5%, opts for annual or never seeking professional grooming or health checks. This could indicate a reliance on self-care for pets or a different set of priorities when it comes to pet maintenance.

Overall, the chart reveals a diverse range of behaviors in pet care routines among Shanghai's pet owners. It highlights the opportunity for pet care providers to cater to various customer needs, from frequent, regular services to more sporadic or as-needed services. Pet businesses can tailor their service offerings and marketing strategies to these different consumer behaviors to effectively capture and serve their target market.

The survey depicts the primary motivations of pet owners in Shanghai when purchasing a pet program. The most prevalent factor, accounting for 43.5% of responses, is 'Nutritional Health'. This signifies a strong emphasis on the dietary needs and health of pets, reflecting an informed and health-conscious pet owner community. The focus on nutritional health underscores the market potential for high-quality, nutritionally balanced pet foods and supplements. 'Basic Needs', chosen by 33.5% of respondents, is the second most common starting point. This category likely includes essential care like shelter, basic grooming, and regular veterinary check-ups. This indicates a significant portion of pet owners who prioritize fundamental care and maintenance in their pet care regimen. Lastly, 'Other Functional Needs', constituting 23.0% of the responses, represents a diverse range of specific requirements, such as behavioral training, specialized grooming, or unique health needs. This suggests a segment

of the market with specialized demands, offering opportunities for pet businesses to provide niche services and products.

4.1.5.4. Purchase decision factors

The survey provides insight into how additional services influence the purchasing decisions of pet owners in Shanghai. A significant portion, 38.0%, indicate they 'Might Consider' these services, suggesting that while not a primary deciding factor, extra services are still a relevant consideration for a large group of consumers. Those who assert that extra services would definitively influence their choice ('Yes') account for 27.0%, highlighting a considerable market segment that values added conveniences and care options. The combined 65.0% for these two categories underscores the potential impact of offering additional services in attracting and retaining customers. Conversely, 21.5% consider it 'Unlikely' and 13.5% say it would 'Not at All' influence their decision, indicating a more product-focused or self-sufficient consumer base. This diversity in preferences reveals opportunities for pet stores to tailor their service offerings, balancing core product sales with a range of supplementary services to cater to the varied needs and preferences of their clientele.

The survey also illustrates the factors influencing the choice of pet store among Shanghai pet owners. 'Store Regularity', the highest at 28%, indicates a strong preference for consistent quality and reliable service. 'Convenience' follows closely at 22%, suggesting the importance of location and ease of access in the decision-making process. 'Service Attitude' accounts for 20.5%, reflecting the value placed on customer service and the shopping experience. 'Price', with 18.5%, though significant, is not the foremost concern, indicating that other factors often outweigh cost considerations. 'Word of Mouth', at 11%, highlights the role of personal recommendations, though less dominant than other factors. This distribution suggests that while price matters, aspects like consistency, convenience, and service quality are crucial in attracting and retaining customers in the pet store market.

The survey reveals the varying degrees of importance that pet owners in Shanghai place on the environment and facilities of pet stores. A substantial 31.5% consider it 'Very Important', highlighting a significant segment that values a clean, comfortable, and well-equipped store environment. 'Less Important' and 'Important' are fairly close, at 28.5% and 23.5% respectively, indicating a balanced view where environment matters, but other factors like product quality and service may take precedence for some customers. 'Not Concerned' comprises 16.5%, suggesting that a smaller yet notable group prioritizes other aspects over the physical environment of the store. This diversity in preferences emphasizes the need for pet stores to strike a balance between maintaining an appealing store environment and focusing on other key factors like service quality and product assortment to cater to the varied expectations of their clientele.

4.2. Internal Analysis

4.2.1. Characterization of the company

As China's economic and technological development frontier, Shanghai's Pudong New Area has a wide range of mid-to-high-end consumers, especially around the Zhangjiang Hi-Tech Park and the Lujiazui Finance and Trade Zone, which are home to a large concentration of professionals and high-income families with a steady demand for high-quality pet services and products. Choosing to open a pet store in the vicinity of Century Park in Pudong New Area, a location with a large number of residents and abundant recreational facilities, will be able to attract customers with a passion for quality life. As one of the largest city parks in Shanghai, Century Park has a natural demand for pet care and activities from the surrounding residents, and the park itself provides an excellent environment for pets to relax and socialize.

Considering the pace of life of Pudong New Area residents and the high demand for pet care, our pet store will be more than just a store selling pet supplies, it will be a full-service pet living space. On this basis, our pet store will combine advanced management models and pet care concepts to provide customers with one-stop services ranging from pet food, pet care to pet health counseling. Combined with the openness and diversity of Shanghai as an

international metropolis, the design and services of the pet store will be eclectic, aiming to meet the individual needs of different pet owners, while promoting the development of the local pet care culture, and striving to become a benchmark in the pet industry.

4.2.2. Mission, vision and values

Mission - Our mission is to enrich the lives of pets and their families through our commitment to providing comprehensive, high-quality pet care services and products. By fostering a culture of compassion and excellence, we aim to be a leading advocate for animal welfare, promoting responsible pet ownership and enhancing the bond between pets and people in the community.

Vision - We envision a future where every pet in Shanghai is well-cared for, healthy, and happy. Our goal is to set a new standard in pet care, integrating innovative solutions and sustainable practices that align with the evolving needs of pet owners and contribute to the overall well-being of pets. We strive to create an inclusive community where the relationship between pets and humans is celebrated and nurtured.

Values - Our core values are grounded in compassion, integrity, and innovation. We believe in treating all pets and their owners with respect and empathy, upholding the highest standards of ethical conduct in all aspects of our business. Our commitment to continuous improvement and embracing new ideas ensures that we remain at the forefront of the pet care industry, delivering value to our customers and the community we serve.

4.2.3. Current status of pet merchandising

Commodity sales are mainly in the staple food and snacks. Through a period of operation, we found that different sections of the enough goods are also different, is expected to open the pet store belongs to the region of Pudong New Area, the surrounding mature old neighborhoods, and more surrounding pet business, the same type of pet store has three, pet hospitals have a, in the staple food sales are different, the pet store mainly sells brands such

as Royal and Crown Energy and other self-flowing staple food, and the rest of the part of the imported food, such as Peak and soon. For example, Peak and so on. In terms of snacks, the main sales of generally accepted retail dogs and cats, dogs focus on chicken jerky and duck jerky, etc., and cats focus on canned food and raw bones and meat. There are two main sales channels for in-store merchandise, one is door-to-door washing and caring customers, through the cat or dog hair and other problems found in the service process, recommending customers to buy the corresponding enhancement of the quality of hair merchandise, or by the front desk in the process of customers waiting for service in the store to promote all kinds of merchandise: the second is through the community, to send all kinds of pet cats and dogs to care for the knowledge of the introduction of the corresponding products, push all kinds of promotional merchandise and group-buying merchandise and other information, triggering customer interest, and the customer's interest. The second is through the community to send all kinds of knowledge about pet cat and dog care, introduce corresponding products, push all kinds of promotional products and group-buying products, and other information to trigger customer interest and promote the increase of purchase. At the same time, in the public comment and other platforms, do group purchase and other information, in order to expect to get more attention and traffic.

4.2.4. Current status of pet live body marketing

Pet live we take the combination of online and offline sales, offline store has a live display area, online through the jitterbug, through the WeChat community, through the circle of friends way to publicize, if there are fancy pets can be through the video phone or store field view, and ultimately the transaction.

4.2.5. Status of pet service marketing

The marketing of services and commodities are somewhat similar, but also offline services, online publicity as the main mode of operation. Now through the public comment, Meituan and

other service platforms, the production of network stores, through group purchases and other ways to attract new customers to come over to experience, and then will experience the gradual transformation of customers into long-term service customer groups. Secondly, it is the way of introducing new customers by existing customers to acquire customers, through referrals to enhance their own publicity, to enhance their stable customer flow. Then, through the WeChat group, through the community to establish, to their own product group purchase, product discounts and other ways to attract customers to the store to buy products, while recommending the store's laundry service program. Finally, through the second card, recharge and other ways to enhance their return rate to the store, enhance the long-term stability of customer service.

4.3. SWOT Analysis

Analyze the SWOT of opening a pet store in Shanghai will help potential pet owners to better understand the market situation and develop appropriate business strategies.

Strengths

- **Strategic Location:** Located in Shanghai's Pudong New Area, the pet shop enjoys a strategic position that offers high visibility and access to a large base of potential customers, particularly affluent young pet owners who frequent the area.
- **Expertise:** The shop's internal strength lies in its team of experts who possess specialized knowledge in pet nutrition, health care, and grooming, ensuring services that meet the high expectations of a discerning clientele.
- **Brand Development:** With a strategic focus on quality and comprehensive care, the brand is poised to stand out in a competitive market where others offer less diverse services, establishing itself as a leader in Shanghai's pet industry.

Weaknesses

- **Limited Product Diversity:** The pet shop may currently have a limited range of products, which restricts its ability to cater to the diverse needs and preferences of pet owners in Shanghai. This lack of variety could result in missed opportunities to attract a broader customer base.
- **Dependency on Local Suppliers:** The shop's reliance on a small number of local suppliers for pet products and supplies could pose a risk. Any disruption in the supply chain, such as delays or quality issues, could directly impact the shop's ability to maintain inventory and meet customer demands.
- **Inexperienced Management:** As a new venture, the pet shop might be managed by individuals with limited experience in the pet industry. This could lead to challenges in strategic decision-making, operational efficiency, and customer service quality.
- **Brand Recognition:** The current marketing strategies might be insufficient to build strong brand recognition and attract customers in the competitive Shanghai market. This could limit the shop's visibility and growth potential. Building brand recognition in a market saturated with well-established local and international pet stores requires significant marketing efforts and investment, which can strain resources for a new business.

Opportunities

- **Diversification of Services:** The burgeoning interest in pet care provides fertile ground for diversification. Services like pet photography, pet hotels, and specialized training programs are expanding. By incorporating such services, a pet shop in Shanghai can tap into new revenue streams and meet the multifaceted needs of pet owners. Based on the survey we made, The most consumed service at pet stores is pet food, followed by medical treatment and washing/grooming services. This indicates a strong demand for basic pet care products and health-related services. Pet stores could benefit from focusing on these areas, possibly expanding their range of high-quality food products and collaborating with veterinary professionals. The frequency of professional grooming and

health checks is relatively distributed, with quarterly visits being slightly more prevalent. This points to a steady demand for grooming services and regular health check-ups, suggesting that pet stores could consider offering loyalty programs or subscription-based services for these recurring needs.

- **Technological Integration:** The integration of technology in pet care, such as the use of apps for service booking and product sales, presents an opportunity to enhance customer engagement and operational efficiency. The rise of smart pet products, like activity trackers and health monitors, also opens up new avenues for product offerings.

- **Partnerships and Collaborations:** Forming strategic partnerships with veterinary services, pet food manufacturers, and pet insurance companies can provide a competitive edge. These collaborations can offer comprehensive care packages and reinforce the pet shop's position as a one-stop solution for pet owners. In the quest to refine the marketing strategy for a pet shop in Shanghai, understanding the product and service preferences of pet owners is paramount. This section delves into the intricacies of consumer choices, drawing on data from a comprehensive survey conducted in the region. The survey targeted various aspects of pet ownership, including factors influencing the choice of pet food, information sources for pet products and services, the initial considerations when purchasing pet programs, the impact of additional services on purchasing decisions, and the types of products and services consumers expect from pet stores. The ensuing analysis offers a detailed insight into the preferences and priorities of pet owners in Shanghai, which is crucial for tailoring the offerings of a pet shop to meet the dynamic needs of its clientele.

Threats

- **Economic Fluctuations:** The pet industry is not immune to economic downturns. A recession can lead to a contraction in consumer spending, as seen during the economic slowdown when pet expenditure decreased by 10% (Smith, 2021). This vulnerability to economic cycles poses a threat to the stability and growth of a pet shop in Shanghai.

- **Regulatory Compliance Costs:** The pet shop is subject to external regulatory pressures, notably the Animal Protection Law and the Regulations and Management of Veterinary Drugs in Shanghai. These regulations, while essential for ethical operations and safety standards, impose additional costs and procedural burdens. This external influence constrains the shop's operational flexibility and escalates expenses, posing a significant threat to its financial efficiency and adaptability in the dynamic market. Based on PESTE analysis, the regulations of government will closely affect the costs of pet shop on many facts.

- **Shifts in Consumer Behaviour:** Trends in the pet industry are susceptible to shifts in consumer preferences. With the rise in living standards, pet owners are seeking more organic and ethically-sourced products. Failure to adapt to these shifts could result in a loss of market share to more agile competitors. We delve into the consumer behavior patterns that underpin the pet care market in Shanghai. This analysis is anchored on data extrapolated from a comprehensive survey, capturing the intricacies of purchasing dynamics among pet owners. The findings reveal a multifaceted landscape where the majority of consumers gravitate towards a dual-channel approach for procuring pet supplies, predominantly leveraging both brick-and-mortar pet stores and online platforms. This trend underscores the burgeoning significance of digital marketplaces in the pet care industry, while simultaneously highlighting the sustained relevance of traditional retail outlets. The expenditure pattern, predominantly in the mid-range bracket, reflects a balanced blend of price sensitivity and quality consciousness among pet owners. Furthermore, the frequency and diversity of service consumption, particularly in areas such as pet food, medical treatment, and grooming services, mirror the evolving needs and priorities of pet owners. These trends not only illuminate current consumer preferences but also provide a strategic roadmap for pet supply businesses, underscoring the need for a versatile, customer-centric approach that encompasses both digital innovation and the tangible benefits of in-person retail experiences. This comprehensive understanding of

purchasing habits is instrumental in devising marketing strategies that resonate with the dynamic and diverse needs of pet owners in a rapidly evolving urban pet care landscape.

- **Regulatory Changes:** The pet industry faces potential threats from changes in legislation and regulations aimed at animal welfare and protection. For instance, the introduction of stricter pet ownership laws could limit the scope of services and products offered by pet shops, necessitating agility in compliance and business model adaptation.

Table 4-2 SWOT Analysis

	Opportunities (O)	Threats (T)
Strengths (S)	<p>SO Strategies</p> <p>Utilize Shanghai's robust market and consumer demand to offer innovative pet services like pet hotels.</p> <p>Leverage the shop's strategic location and expertise to expand online sales and digital presence.</p>	<p>ST Strategies</p> <p>Use the shop's strong brand and comprehensive services to mitigate the impact of economic downturns.</p> <p>Adapt the expertise to offer sustainable and organic products, aligning with consumer trends.</p>
Weaknesses (W)	<p>WO Strategies</p> <p>Address the high initial cost investment by tapping into online marketplaces to reduce overhead.</p> <p>Differentiate the shop from intense competition by offering unique services that meet emerging market demands.</p>	<p>WT Strategies</p> <p>Develop a flexible business model to navigate legal and regulatory restrictions while maintaining cost efficiency.</p> <p>Monitor economic and consumer behavior trends to adjust business strategies proactively.</p>

Source: The author, 2024

Considering the research theme of launching a pet shop in Shanghai, the most suitable strategy combination would be a blend of SO and WO strategies. Capitalizing on the robust market prospects and the increasing consumer demand for quality pet services (Strengths), the shop should leverage these factors to expand into emerging markets like pet hotels and offer unique services (Opportunities). Concurrently, addressing the high initial investment and intense competition (Weaknesses), the shop could utilize online platforms to streamline sales channels and reduce overhead costs, effectively turning these potential weaknesses into

opportunities for growth and differentiation in the market. This strategic approach would allow the business to harness its internal strengths to seize external opportunities while also mitigating its weaknesses by adapting to market trends.

4.4. Marketing Plan Objectives

The marketing objectives for the pet shop launch in Shanghai are strategically aligned to capitalize on the city's growing pet industry, which is expected to burgeon, with the pet care market projected to grow at a compound annual growth rate (CAGR) of 14.2% from 2020 to 2027 (Grand View Research, 2021). The primary objective is to establish a strong market presence through differentiation by offering a unique blend of products and services that cater to the emerging trends of pet humanization and wellness. This includes leveraging the expertise of staff in providing specialized pet care services and integrating innovative solutions such as online booking systems and an e-commerce platform that are anticipated to capture 30% of the pet retail market by the end of the first fiscal year.

Furthermore, the shop aims to build robust brand recognition and customer loyalty by engaging pet owners with customized marketing campaigns and interactive online content, aiming for a 25% customer return rate within the first six months. In tandem with market penetration goals, the shop seeks to establish strategic partnerships with local pet care providers and veterinarians, aiming to offer comprehensive care packages that are expected to increase the average customer lifetime value (CLTV) by 20% over two years. By aligning marketing efforts with these objectives, the shop intends to create a sustainable competitive advantage in Shanghai's dynamic pet care sector.

4.5. Segmentation, Targeting and Positioning

Segmentation: Market segmentation for the pet shop in Shanghai should consider demographic, psychographic, and behavioral factors. Demographically, the primary focus would be on pet owners, particularly millennials and Gen Z, who are known to contribute significantly to the pet market with a 20% higher likelihood to own pets than older generations

(Petfood Industry, 2020). Psychographically, the segmentation should identify pet owners who value high-quality products and services for their pets' well-being. Behaviorally, segments include those willing to spend more on premium services and products, influenced by the growing trend of pet humanization.

Targeting: The targeting strategy for the pet shop would concentrate on young, urban professionals who are tech-savvy and health-conscious, not just for themselves but also for their pets. This group has been observed to be more inclined towards quality and convenience, with 30% admitting to prioritizing pet-friendly amenities in their lifestyle choices (Journal of Pet Marketing, 2022). By focusing on this segment, the pet shop can tailor its marketing efforts towards a customer base that is both willing and able to pay for enhanced pet care services.

Positioning: The pet shop's positioning would be as a premium provider of pet care solutions in Shanghai. It would distinguish itself by offering a combination of high-quality products, expert services, and innovative technology applications, aiming to be perceived as a leader in pet lifestyle enhancement. The goal is to be recognized not just as a pet store but as a holistic pet care hub, resonating with 40% of pet owners who prefer comprehensive pet care facilities (Global Pet Market Analysis, 2021).

4.6. Marketing-Mix

4.6.1. Product

4.6.1.1. Product Variety and Quality

In the realm of pet retail, the variety and quality of products are paramount. A pet shop's product mix should address the multifaceted aspects of pet ownership, which includes a spectrum of breeds and species. Each category should be represented by high-quality offerings that ensure the health and well-being of pets. It is crucial to source pets from reputable breeders and suppliers to guarantee their well-being and to adhere to ethical

standards. The burgeoning pet industry has seen a rise in consumer demand for quality, with a reported 65% of pet owners indicating they would pay more for pet products certified as sustainable or organic (Pet Industry Sustainability Coalition, 2022). Therefore, the pet shop must align its product portfolio with these consumer values, providing assurance of quality through transparency in sourcing and certifications of health standards.

The array of pet food should be extensive, catering to the varying dietary needs across different life stages, breeds, and health conditions. Research indicates that specialized diets have gained traction, with functional foods comprising 22% of the total pet food market share (Pet Food Association, 2023). To meet these specialized needs, the pet shop should offer a diverse selection of foods, including dry kibble, wet foods, prescription diets, and functional foods that address specific health concerns like immunity boosting, weight management, and age-related support.

Product list is necessary to be prepared before pet shop's opening. The pet shop should provide a wide range of products and services to meet the needs of different pets and the expectations of pet owners. High quality service and products will keep old customers and attract new customers. The product list include the following products and services. The pet shop offer a variety of different breeds of pets for customers to choose from, including dogs, cats, small mammals, birds, reptiles, etc., and is responsible for obtaining and raising pets from reliable sources, and ensuring their health and quality.

Pet dry food of various flavors for pets can be supplied to meet the needs of pets of different ages and breeds. Pet wet food including pet canned food, pet fresh food, pet nutrition Congee, etc., provide diversified choices to meet the taste and nutrition needs of pets. In addition to dry food and wet food, pet snacks of various brands and flavors like chewing gum, training rewards, nutritional snacks, etc., provide assistance for the health and training of pets. Pet health products, such as vitamins, nutritional supplements, fish oil, etc., can help improve the health and immunity of pets. Pet supplies also takes large share to product portfolios including pet toy, pet bed, care products and grooming tools etc. Various types of pet toys,

such as balls, bite ropes, stuffed toys, etc., provide entertainment and exercise for pets' teeth; pet bed of various materials provide a comfortable environment for pets to rest and sleep; pet care products including shower gel, shampoo, conditioner, anti flea pill, etc., providing professional pet care services; pet grooming tools such as combs, clippers, ear pluckers, etc., bring conveniences to pet owners, which make interested owners to groom their loved pets by themselves at home.

Moreover, the inclusion of health and wellness products within the product mix is not just an addition but a necessity, reflecting the growing trend of pet humanization where pets are considered part of the family. Supplements such as probiotics, vitamins, and fish oils have become staple items in a pet's diet, aiding in maintaining optimal health. The pet shop's inventory should reflect a range of these products, tailored to different breeds and sizes, ensuring that pet owners have access to comprehensive solutions for their pets' health needs.

4.6.1.2. Product Assortment

Expanding the assortment to cater to the multifaceted needs of pet owners is a strategic approach for any pet store. With pet care trends leaning towards more specialized diets and technologically advanced pet tools, ZL pet shop intends to embrace this diversification. Offering a combination of products that vary in functionality, such as nutrient-enriched foods, health supplements, and intelligent pet accessories, meets a growing consumer demand. According to a survey, 40.55% of pet food purchases are made based on nutritional health combinations, and 17.97% are based on other functional needs (Pet Market Research, 2023). Thus, the product mix at ZL pet shop will include a variety of functional main foods and snacks that cater to the sophisticated pet care practices of the younger generation of pet owners, further driving sales and profitability.

4.6.1.3. Emphasis on Health and Wellness Products

The increased consumer emphasis on pet health has led to a stronger willingness to pay for health-related products. ZL pet shop will therefore incorporate a broad range of health-focused products into its offerings, such as probiotics, digestive aids, and supplements for enhancing coat shine, to align with this trend. As the pet industry's focus on health and wellness intensifies, ZL pet shop's product strategy will revolve around providing comprehensive solutions that appeal to pet owners' increased health consciousness for their pets (Global Pet Care Market Analysis, 2023).

4.6.1.4. Product Variety and Health Focus

A diversified product portfolio is essential in meeting the varied preferences of pet owners. For the Shanghai pet shop, this means offering a selection of foods tailored to the specific dietary needs of different pets - from puppies to senior dogs, and kittens to adult cats. Health-centric products, such as specialty foods formulated for pets with specific conditions, functional treats that support training and well-being, and supplements that bolster overall health, will be prominent. This range will address the growing trend among Shanghai's pet owners who are increasingly seeking health and wellness products to ensure their pets lead long, healthy lives.

4.6.1.5. Enhanced Value-Added Services

Value-added services are a cornerstone in differentiating the pet shop in a competitive market. These services would include home delivery, pet grooming and transportation, and complimentary single services for in-shop treatments. On special occasions such as pet birthdays, additional perks like free trials of new products or free functional treats could be offered. Such value-added strategies not only encourage repeat business but also foster a sense of community among pet owners, enhancing their overall satisfaction and loyalty to the shop.

4.6.1.6. After-Sales Service Commitment

After-sales service is crucial in cultivating lasting relationships with customers. The Shanghai pet shop will prioritize exceptional customer experiences, addressing any dissatisfaction proactively. By providing after-sales support like follow-up consultations, advice on pet care best practices, and a responsive feedback mechanism, the shop will not only mitigate negative experiences but also establish a reputation for reliability and customer care excellence. This focus on after-sales service will be a key strategy in building trust and a loyal customer base.

4.6.2. Price

4.6.2.1. Competition-Oriented Pricing

In a market as diverse and competitive as Shanghai's, competition-oriented pricing is a strategic necessity for a new pet shop. This approach involves setting prices that are competitive with other pet stores while ensuring profitability. The pricing strategy will consider factors such as the average market rates for pet products and services, the cost of goods, and operational expenses. The shop will monitor competitors' pricing strategies through market research to position itself effectively in the market spectrum. Competitive pricing is particularly pertinent given the price sensitivity of certain consumer segments; thus, maintaining a pricing structure that offers perceived value against competitors is crucial for market entry and sustaining a customer base.

The author through competitor analysis, and other pet store bath, beauty price comparison, the price of the pet store first not so segmentation, but through the overall price comparison this pet store bathing the price on the high side, other pet shop than the pet store has high brand awareness, perfect service supporting measures and management experience, staff quality, elegant environment, decoration style is unified, have the advantages of identification. Other have a better brand premium, but look from the price contrast the pet shop bath beauty over competitors have no advantage, and the price to a large extent to consumer purchase decision, so the pet store adopts the method of competitive oriented pricing on the price of

certain downward adjustment, to ensure that the pet store in the competitive position in the industry.

Table 4-3 Competitor washing and care price comparison table

This pet shop takes a bath and grooming	Other pet shops for bath and grooming
Dogs 5 KG below: bath 40 yuan, beauty 80-100 yuan	Dog 5 KG below: 40 yuan for bath, 125 yuan for beauty
5-20 KG: 45-70 yuan for bath, 100-140 for beauty	5-10 KG: bath 48
20-35 KG: 80-150 yuan for taking a bath	25-35 KG: Bath 88
Above 35 KG: bath 150-200	35-40 KG: Bathing 99
Cat: bath 80-120 yuan	Cat bath: 1-5 KG 86 yuan
	5-10 KG, 98 yuan

Source: The author, 2024

4.6.2.2. Bundle Pricing Strategy

The pet shop can implement a bundle pricing strategy to offer more value to customers, encouraging the purchase of complementary products and services. Bundling items such as pet food with grooming services or health check-ups with vaccinations can attract price-conscious consumers looking for convenience and cost savings. This strategy not only increases the average transaction value but also builds customer loyalty as it simplifies decision-making for pet owners and creates a perception of receiving a better deal. Additionally, bundles can be tailored to pet life stages or seasonal needs, aligning with customer purchasing habits and further incentivizing regular patronage.

4.6.2.3. Differential Pricing Strategy

Differential pricing will allow the pet shop to cater to different customer segments by varying prices based on factors such as purchase quantity, loyalty program membership, or promotional periods. Offering tiered pricing for products based on size and quantity discounts for bulk purchases can attract both individual pet owners and professional breeders or pet boarding businesses. Furthermore, implementing a loyalty program with discounts for repeat

customers can enhance customer retention. Differential pricing strategies will be supported by careful market analysis to determine price elasticity and consumer response, ensuring that the shop maximizes revenue while remaining attractive to its diverse clientele.

4.6.3. Place

4.6.3.1. Diversification of Online Sales Channels

In today's digitally-driven market, diversifying online sales channels is crucial for a pet shop's success, especially in a technologically advanced city like Shanghai. Establishing a strong online presence across various platforms – such as a dedicated e-commerce website, major online marketplaces (e.g., Tmall, JD.com), and social media platforms (e.g., Weibo, WeChat) – is essential. For instance, integrating with WeChat's mini-programs can provide a seamless shopping experience, as over 1 billion active users are on WeChat, offering a vast customer base (Tencent Annual Report, 2022). Additionally, leveraging online marketplaces can enhance visibility and reach, considering that 58% of pet product purchases in urban areas of China are made online (China Internet Watch, 2023).

4.6.3.2. Offline Multi-Channel Collaboration

The importance of offline presence cannot be understated, particularly in the pet industry where tactile experience and personal interaction are valuable. Establishing partnerships with local pet care providers, veterinarians, and pet-friendly venues can create a comprehensive service network. For example, collaborating with veterinary clinics for referrals or co-hosting events with pet-friendly cafes can enhance brand visibility and credibility. These collaborations not only foster community engagement but also provide physical touchpoints for customers to experience products firsthand and receive personalized services.

4.6.3.3. Synergy Between Online and Offline Channels

Creating synergy between online and offline channels is vital for a holistic customer experience. This can be achieved through strategies like 'click-and-collect' services, where customers purchase online and pick up at the store, or by offering exclusive in-store promotions to online customers. This approach not only caters to the convenience sought by modern consumers but also drives foot traffic to the physical store, enhancing overall sales and customer engagement. By integrating online and offline channels, the pet shop can offer a seamless and cohesive shopping experience, aligning with the omnichannel retail trend that is gaining traction in the retail sector (Retail Industry Report, 2023).

4.6.4. Promotion

4.6.4.1. Integrated Online and Offline Promotional Channels

To optimize the reach and impact of marketing efforts in the digital age, a detailed and integrated approach using both online and offline promotional channels is crucial for the pet shop in Shanghai.

Online Strategies:

Weibo: Launch a series of targeted advertising campaigns, each lasting two weeks per quarter, with a budget allocation of 15% of the total marketing spend. These campaigns will focus on showcasing new products, customer testimonials, and special promotions.

WeChat: Implement regular weekly posts and interactive activities like quizzes or pet photo contests, dedicating 10% of the marketing budget. This engagement aims to foster a community around the brand and encourage user-generated content.

Offline Strategies:

Local Pet Events: Participate in biannual local pet events with a budget of 20%. Each event will include product demonstrations, free sample distributions, and interactive sessions for pet owners.

Collaboration with Pet-friendly Cafes: Host monthly pop-up events at various pet-friendly cafes, allocating 5% of the marketing budget. These events will feature exclusive product previews and special discounts for attendees.

Community Sponsorship: Sponsor two major pet-related community activities per year, dedicating 15% of the budget. These sponsorships will include branded banners, product giveaways, and interactive brand experiences.

Table 4-4 Plan of Integrated Online and Offline Promotional Channels

Marketing Aspect	Strategy Detail	Frequency	Budget Allocation
Online - Weibo	Targeted advertising campaigns	Bi-weekly per quarter	15% of total marketing spend
Online - WeChat	Weekly posts, quizzes, pet photo contests	Weekly	10% of total marketing spend
Offline - Local Pet Events	Product demos, free samples, interactive sessions	Biannual	20% of total marketing spend
Offline - Pet-friendly Cafes	Monthly pop-up events with exclusive previews	Monthly	5% of total marketing spend
Offline - Community Sponsorship	Sponsorship of major pet-related activities	Biannual	15% of total marketing spend

Source: The author, 2024

This table encapsulates a strategic, balanced approach to both online and offline marketing efforts, detailing specific strategies, their implementation frequency, and budget allocation for the pet shop in Shanghai.

4.6.4.2. Diverse Promotional Strategies

Diversification in promotional strategies is key to attracting different customer segments. Offering promotions such as discounts on first purchases, loyalty program benefits, and

seasonal sales can cater to price-sensitive customers. For instance, implementing a loyalty program where points can be redeemed for discounts or special services can encourage repeat visits. Additionally, collaborating with influencers in the pet community for sponsored content or product reviews can tap into their follower base, offering credibility and a broader reach.

Discounts on First Purchases:

Action: Offer a 10% discount on the first purchase for new customers.

Objective: Attract new customers and encourage first-time purchases.

Loyalty Program Benefits:

Action: Introduce a point-based loyalty program where customers earn 1 point for every 10 yuan spent. Accumulated points can be redeemed for discounts, with 100 points equaling a 5% discount on the next purchase.

Objective: Encourage repeat visits and increase customer retention.

Seasonal Sales:

Action: Conduct quarterly seasonal sales offering up to 20% discount on selected products.

Objective: Boost sales during key shopping periods and clear inventory.

Influencer Collaborations:

Action: Partner with 3-4 popular pet influencers in Shanghai for sponsored content and product reviews, to be shared bi-monthly.

Objective: Leverage influencer credibility to reach a broader audience and enhance brand image. As shown in Tables 4 – 5.

Table 4-5 Diverse Promotional Strategies

Objective	Promotional Strategy	Specific Action
Attract new customers, encourage first-time purchases	Discounts on First Purchases	Offer 10% discount on the first purchase for new customers
Encourage repeat visits, increase customer retention	Loyalty Program Benefits	Implement a point-based loyalty program; 1 point per 10 yuan spent, 100 points for a 5% discount
Boost sales during key periods, clear inventory	Seasonal Sales	Quarterly sales with up to 20% discount on selected items
Leverage influencer reach, enhance brand image	Influencer Collaborations	Partner with 3-4 pet influencers for bi-monthly content

Source: The author, 2024

This table summarizes the diverse promotional strategies with specific actions and objectives, aimed at catering to different customer segments for the pet shop in Shanghai.

4.6.4.3. Establishing a Dedicated Pet Channel

Creating a dedicated pet channel, such as a blog or vlog, can be an effective promotional tool. This channel could feature content like pet care tips, product reviews, and customer testimonials, providing value beyond just selling products. By regularly updating this channel with engaging and informative content, the pet shop can establish itself as an authority in pet care. This approach not only fosters customer engagement but also enhances brand loyalty. The content could be shared across social media platforms, further expanding its reach and establishing a strong online presence.

4.7. Implementation

4.7.1. Schedule

The implementation schedule for the pet shop in Shanghai can be structured into key phases, aligning with the strategic objectives and ensuring a methodical approach to establishing and growing the business.

Table 4-6 A table with the schedule of implementation of the proposed actions

Timeframe	Phase	Key Actions
Months 1-3	Pre-launch and Setup	<ul style="list-style-type: none">- Business and trademark registration.- Site selection and interior design planning.- Initial team recruitment and training.
Months 4-6	Final Preparations	<ul style="list-style-type: none">- Development and testing of online platform.- Finalizing supplier and service provider partnerships.- Pre-launch marketing and media outreach.
Months 7-9	Soft Launch and Promotion	<ul style="list-style-type: none">- Begin soft launch with limited operational hours.- Implement initial promotional campaigns.- Collect customer feedback for operational adjustments.
Months 10-12	Full-Scale Operations	<ul style="list-style-type: none">- Full-scale operation with extended hours and services.- Intensify marketing efforts.- Implement loyalty programs and special offers.
Months 13-18	Growth and Consolidation	<ul style="list-style-type: none">- Enhance customer service and personalize experiences.- Expand product and service offerings.- Launch targeted marketing campaigns.
Months 19-24	Expansion and Analysis	<ul style="list-style-type: none">- Explore additional locations or service expansion.- Analyze performance metrics.- Adjust business strategies for sustained growth.

Source: The author, 2024

Each phase is designed to build upon the successes and learnings of the previous one, allowing the pet shop to adapt dynamically to market demands and customer feedback. This

phased approach ensures that the business remains agile and responsive to changing market conditions in Shanghai's competitive pet industry landscape.

4.7.2. Budget

The budget for implementing the marketing and operational plan of a pet shop in Shanghai needs to be meticulously planned and aligned with strategic goals. The budget is presented in both RMB and EUR for a comprehensive financial overview.

Initial Setup and Launch Costs

The initial setup, including store lease, renovation, inventory stocking, legal and registration fees, and initial marketing efforts, comprises a significant portion of the budget. Based on industry benchmarks and market research, the estimated cost for setting up a pet store of moderate size in Shanghai is approximately 1,500,000 RMB (approximately 200,000 EUR). This includes a detailed allocation for renovation (30%), initial inventory (40%), legal and administrative costs (10%), and initial marketing and promotion (20%).

Operational and Recurring Costs

Operational costs, including rent, utilities, staff salaries, ongoing inventory replenishment, and marketing, are recurrent expenses. The monthly operational cost is estimated at around 100,000 RMB (approximately 13,333 EUR), summing up to 1,200,000 RMB (160,000 EUR) annually. This estimate accounts for rent and utilities (40%), staff salaries (30%), inventory replenishment (20%), and ongoing marketing (10%).

Growth and Expansion Costs

Setting aside a budget for growth and expansion, such as opening new branches, expanding product lines, or upgrading technology and infrastructure, is crucial for long-term

success. An estimated 10% of the annual revenue is allocated for growth, which in the first year is projected at around 300,000 RMB (40,000 EUR). This includes investments in additional marketing campaigns, potential e-commerce platform enhancements, and reserve funds for future expansion.

Table 4-7 Action budget table for each stage

Budget Category	Cost (RMB)	Cost (EUR)
Initial Setup and Launch Costs	1,500,000 RMB	200,000 EUR
Operational and Recurring Costs	1,200,000 RMB	160,000 EUR
Growth and Expansion Costs	300,000 RMB	40,000 EUR
Total Annual Budget	3,000,000 RMB	400,000 EUR

Source: The author, 2024

This budget plan provides a financial framework for the pet shop's first year of operation, ensuring that resources are appropriately allocated for initial setup, smooth day-to-day operations, and future growth opportunities.

4.7.3. Control and assessment

Setting Key Performance Indicators (KPIs)

For the pet shop in Shanghai, establishing clear Key Performance Indicators (KPIs) is essential for monitoring the effectiveness of the implementation plan. These KPIs should be specific, measurable, attainable, relevant, and time-bound (SMART). For example, sales growth can be a primary KPI, with a target of a 10% increase month-over-month for the first year. Customer satisfaction, measured through regular surveys and feedback mechanisms, should aim for an 85% satisfaction rate. Additionally, the effectiveness of marketing campaigns

can be assessed through metrics like conversion rates, with a target of converting at least 5% of leads into customers.

Regular Monitoring and Reporting

This will setting up a systematic process for tracking the progress against the Key Performance Indicators (KPIs) over the next five years. The table below will reflect these projected objectives, offering a clear and quantifiable roadmap for the pet shop's growth and performance evaluation.

Table 4-8 Projected Five-Year KPI Objectives

Year	Sales Growth Target (%)	Customer Satisfaction Target (%)	Marketing Conversion Rate Target (%)
Year 1	10	85	5
Year 2	12	87	6
Year 3	14	89	7
Year 4	16	91	8
Year 5	18	93	9

Source: The author, 2024

This table outlines a progressive enhancement in each of the KPIs. The sales growth target starts at 10% in the first year and is expected to increase by 2% each subsequent year, reflecting the ambition for steady business expansion. Customer satisfaction aims to start from a strong base of 85% and improve by 2% annually, indicating ongoing enhancements in service quality and customer experience. Lastly, the marketing conversion rate target is set at an initial 5%, with a year-on-year increase of 1%, showcasing the plan to refine marketing strategies and customer engagement progressively. This structured approach to KPIs will enable precise monitoring and informed decision-making for the pet shop's management, ensuring alignment with the long-term strategic objectives.

Adaptive Strategy and Continuous Improvement

The control and assessment process should be adaptive, allowing for adjustments in strategies based on the performance data collected. If certain KPIs, like customer retention rates or average transaction values, are not meeting the targets, the management team should analyze the underlying causes and implement corrective measures. This may involve adjusting marketing strategies, improving customer service protocols, or revising pricing structures. Continuous improvement should be the goal, with a focus on learning from both successes and setbacks to refine the business approach continually.

5. Conclusions

5.1. Research conclusions

In the context of Shanghai's expansive and competitive pet market, the launch of a new pet shop represents both a significant opportunity and a formidable challenge. Shanghai, being one of the largest cities in China, has a vast consumer group for pet products and services, driven by the increasing trend of pet humanization and a growing demand for quality pet care. However, the market's competitiveness and the high expectations of its discerning consumer base present unique challenges. These include the need for distinctive positioning, ensuring a reliable supply chain, and adhering to strict legal and environmental regulations.

The primary objective of this project was to develop a marketing plan for a new pet shop in Shanghai with differentiation factors such as product variety, service quality, and customer experience. The research methodology, combining a comprehensive questionnaire and targeted interviews, provided a rich, dual-perspective analysis of Shanghai's pet market. This approach enabled a deep understanding of consumer preferences, industry trends, and competitive dynamics, forming a solid empirical basis for the strategic development of a new pet shop's marketing plan.

The implementation of this project led to several key outcomes and proposals. Based on the SWOT analysis, the study concludes that the optimal strategy for launching a pet shop in Shanghai involves leveraging strengths and opportunities by expanding into new markets like pet hotels and offering unique services, while addressing weaknesses such as high initial investment and competition through efficient online sales channels. The marketing mix strategy emphasizes a blend of product variety, health-focused offerings, competitive and differential pricing, diversified online and offline sales channels, and integrated promotional efforts, including diverse strategies and dedicated pet channels, to effectively position and grow the business in the dynamic pet market of Shanghai.

In conclusion, the budget and KPIs set for the new pet shop in Shanghai provide a clear financial and performance roadmap. The initial setup and launch, operational, and growth

costs are meticulously planned, totaling an annual budget of 3,000,000 RMB (400,000 EUR). The detailed budget for the pet shop in Shanghai, totaling 3,000,000 RMB (400,000 EUR) annually, is strategically allocated across initial setup (1,500,000 RMB), operational costs (1,200,000 RMB), and growth initiatives (300,000 RMB). This allocation balances the immediate needs of establishing the store with ongoing operational expenses and future expansion plans. The comprehensive KPI framework includes a year-on-year increase in sales growth, customer satisfaction, and marketing conversion rates over a five-year period. Starting with a 10% sales growth target in the first year, the plan aims for steady increments, reflecting ambitious yet realistic business expansion goals. Similarly, customer satisfaction and marketing conversion rates are set to improve progressively each year, underscoring a commitment to enhancing service quality and marketing efficacy. This detailed approach to budgeting and KPI setting equips the pet shop with a robust mechanism for financial management and performance evaluation, essential for navigating Shanghai's

5.2. Research limitations

This research is a commonly used for anyone who wants to establish a pet shop in Shanghai at a start period, there are a lot of research to do if someone tries to open some specialized pet shop such as cat cafe, dog bookstore etc. There are many detail regulations on opening those types of shops. In addition to that, investment must have risks to avoid. The risk management like market competition risk management, pet health risk management, and legal and regulation risk management have not been discussed or mentioned in this thesis.

5.3. Suggestions of Future Research

With the expanding of pet shop market, there would be more and more pet shops in the market. It would be interesting to do some research on the pet shop's rival, the social responsibility and technical innovation etc. Pet shops not only need to focus on commercial interests, but also need to pay attention to social responsibility. This includes providing high-

quality customer service, safeguarding employee rights, and participating in public welfare activities, as it closely related to the brand image and reputation of pet shop. With the continuous development of technology, some innovative technologies are also invented for pets' bathing or grooming, like the automatic dog bathing machine, the pet accompany AI etc. It worth research on that aspect for pet shop to improve efficiency and customer experience. Some other innovative technologies include using intelligent inventory management systems, introducing unmanned vending technology, and providing virtual reality experience etc.

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Appendices

Appendix A - The questionnaire:Shanghai Pet Shop Consumer Demand Information Survey Form

Dear Sir/Madam

We need to collect some information in order to provide targeted and high quality services to our customers, and would like to take your valuable time to answer the following questions. This questionnaire does not count real names and personal information will be kept highly confidential, thank you.

1.Your gender:

A. Male B. Female

2.Your age range:

A.18-25 years old

B.26-35 years old

C.36-45 years old

D.46-55 years old

E.56 years old and above

3.Your current occupation is:

A.Student B.Professional C.Freelancer D.Retired E.Other:_____

4.Do you have pets?

A.Yes B.No

5.If you have a pet, the type of pet is:

A.Dog B.Cat C.Fish or aquatic animal D.Bird E.Other:_____

6.What is your average monthly expenditure on pets?

A.Less than 300yuan

B.301-500yuan

C.501-700yuan

D.701-1000yuan

E.More than 1000yuan

7.Where do you usually buy pet supplies?

A.Brick-and-mortar pet stores

- B. Online pet stores
- C. Supermarkets or other retail stores
- D. Directly from veterinarians
- E. Other: _____

8. What services do you often consume when you go to a pet store?

- A. Pet food
- B. Pet medical treatment
- C. Pet washing and grooming
- D. Pet boarding
- E. Pet live trading

9. How often do you usually take your pet for professional grooming or health check?

- A. Weekly
- B. Monthly
- C. Quarterly
- D. Semi-annually
- E. Annually or never

10. When choosing pet food, the factor you are most concerned about is:

- A. Price
- B. Nutritional value and ingredients
- C. Brand reputation
- D. Taste or pet preference
- E. Convenient packaging

11. How do you get information about pet products and services?

- A. Social media and forums
- B. Advice from pet stores or veterinarians
- C. Recommendations from friends and family members
- D. Advertisements and promotional materials
- E. Professional reviews and articles

12. Which of the following is your starting point for purchasing a pet program?

- A. To solve the basic growth needs of pets
- B. According to nutritional health matching
- C. Other functional needs

13. Would you choose to buy pet items from a pet store because of the extra services provided there (e.g. pet day care, pet hotel, etc.)?

- A. Yes, it will influence my decision
- B. Might consider it
- C. Unlikely
- D. Will not influence at all

14. What types of products or services do you expect pet stores to offer?

- A. High-end pet food and snacks
- B. Pet health and wellness products
- C. Pet grooming and hair services
- D. Pet behavioral training and counseling
- E. Pet social events and parties

15. Which of the following options will affect your choice of pet store?

- A. Service attitude
- B. Price
- C. Regularity of the pet store
- D. Convenience
- E. Word of mouth

16. How do you think about the environment and facilities in the pet store?

- A. Very important, the pet store should be clean, comfortable and well-equipped
- B. Important, but not the only factor to consider
- C. Less important, product and service quality is more important
- D. Not too concerned

17. What kind of special offers or membership services are you interested in the pet store?

- A. Discounts and promotions
- B. Points and rewards programs
- C. Special offers for pet's birthday
- D. Regular member days or exclusive member services
- E. Member Referral Reward Program

Appendix B - The interview :

1. Can you describe the current situation and emerging trends within Shanghai's pet market, including market size, range of products and services, as well as consumer preferences and needs?
2. What position do pet stores hold in Shanghai's market compared to other pet-related businesses like online platforms or supermarkets, and what are their competitive advantages?
3. Could you discuss the unique characteristics and opportunities of the pet shop market in Shanghai, considering factors like location, consumption levels, and cultural background?
4. What are the critical factors to consider when selecting a location for a pet store? Additionally, could you provide insights on effective store design and decoration?
5. How should pet store owners approach employee recruitment and management, particularly regarding their professional skills and service attitude?
6. What strategies do you suggest for choosing appropriate products for a pet store, and how important is it to establish long-term relationships with suppliers?
7. What are your predictions for the future of opening a pet store in Shanghai, considering market demand, policy, and technology? What advice would you give for managing a pet store effectively?