



Market Report

A Snapshot of your Market Sector

Pet Services

This pack has been designed to provide information on setting up a business in the Pet Services industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in September 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Pet Services market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ In 2017-18 the number of cats and dogs is expected to increase by 3.0% to **17 million**. Most recent estimates indicate that **24% of households have a dog** and **17% have a cat**. IBISWorld forecasts that the number of pets will increase at a compound annual rate of 0.4% to 17.3 million over the five years through 2022-23 (IBISWorld Business Environment Profiles, *Number of Pets*, February 2018)
- ◆ The UK dog care market had total revenues of **US\$1,938m** in 2016, according to Marketline, representing a compound annual growth rate (CAGR) of 3.9% between 2012 and 2016. Dog food accounted for the highest value in the UK dog care market in 2016, with total sales of **US\$1,391.8m**, equivalent to 71.8% of the market's overall value. Sales of dog chews & treats reached a value of \$546.2m in 2016, equating to 28.2% of the total market value. (Marketline, *Dog Care in the United Kingdom*, March 2018)
- ◆ The UK cat care market had total revenues of **US\$1,686.7m** in 2016, representing a compound annual growth rate (CAGR) of 2.4% between 2012 and 2016. Cat food sales accounted for the highest value in the UK cat care market in 2016, with total sales of **US\$1,422.2m**, equivalent to 84.3% of the market's overall value. Sales of cat treats & milk reached a value of \$153.9m in 2016, equating to 9.1% of the total market value. (Marketline, *Cat Care in the United Kingdom*, March 2018)
- ◆ Gross written pet insurance premiums **grew by 7% in 2016**, from £976 million in 2015 to **£1.05bn**. Most pet owners don't have insurance, so there are plenty of opportunities to reach potential customers. (Mintel, *Pet Insurance - UK*, August 2017)
- ◆ The majority of Britons own a pet, with dogs and cats continuing to battle it out as the nation's favourite pet. **Pet ownership is highest among people in the family life stage**. The 9% growth in number of children aged 5-14 over the next five years should therefore help support pet ownership. However, shrinking household sizes and the trend for consumers to start their families later in life will counter this development. (Mintel, *Britain's Pet Owners - UK*, July 2017)
- ◆ There are several national organisations for pet services industries, depending on your specific market. You may be interested in [The Pet Industry Federation](#), [The Pet Food Manufacturers' Association](#), [Pet Owners Association](#), [Association of Private Pet Cemeteries and Crematoria](#),



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Other industry bodies include [The National Association of Professional Pet Sitters](#) and [The Association of Professional Dog Walkers](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - *Pet Food (August 2017)*** Estimated at **£2,547mn** in 2017, total value sales of cat and dog food grew by 10.8% over 2012-17, while volume sales fell by 2.4%. Ongoing premiumisation helped to push up the average price of food. Going forward, the inflation seen in the wider food and drink market is expected to see value sales notably accelerate in the cat and dog food market
- ◆ **IBISWorld - *Veterinary Services in the UK (November 2017)*** Veterinary care of pets was estimated to account for 45.4% of the whole UK veterinary services market revenue of £3.7bn – nearly **£1.68bn** in 2017-18. The increase in the number of pets owned over the past five-year period has increased demand for industry services. The expansion of services available and the rising popularity of pet insurance also supported growth. Additionally, the new law making the microchipping of dogs compulsory from April 2016 is expected to have boosted revenue growth.
- ◆ **IBISWorld - *Garden Centres and Pet Shops in the UK (December 2017)*** People who view their pets as family members are more likely to splash out on more unusual or expensive items. In terms of pet food, supermarkets have increasingly offered industry products, which has limited the potential market for operators. In response, **pet shops have sought to differentiate themselves from supermarkets by offering a more personal service**, catering to the individual needs of pet owners and offering a broader range of foods, including premium varieties with extra nutritional benefits.
- ◆ **Marketline – *Pet Healthcare (March 2018)*** The UK pet healthcare market had total revenues of **US\$701.8m** in 2016, representing a compound annual growth rate (CAGR) of 2.7% between 2012 and 2016. Grooming products sales accounted for the highest value in the UK pet healthcare market in 2016, with total sales of \$190.7m, equivalent to 27.2% of the market's overall value.

There are also a number of online resources you may find helpful:

- ◆ **Pet Food Manufacturers' Association Statistics** (www.pfma.org.uk/statistics) 2018 information on pet population (with UK regional figures, including Scottish level data) and pet ownership trends, market data on market volume and value of pet food types, information on pet population in Europe and the USA, as well as historical pet population data. Although this information is not specific to your local area, it provides statistics you can use to calculate your own target market.
- ◆ **TotallyMoney Pet Cost Calculator** (www.totallymoney.com/press-centre/cost-of-pets) This interactive calculator looks at a range of pets including dogs, cats, rabbits, lizards, and chickens and takes into account many factors to estimate how much a typical owner will spend on that pet in its lifetime.
- ◆ **The Pet Market: A Review of Existing Research, March 2016** (tinyurl.com/h9ybc7u) This report by Visit Scotland looks at the Pet Market in relation to Scottish tourism.



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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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Updated by: [Enter name]



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