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Feasibility of Pet Resort Hotels in Finland

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ABSTRACT

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In modern times, people are paying more and more attention to the status of their pets in their minds, and some owners even treat them like family, so traveling and playing with pets is undoubtedly a thing of happiness for pet owners. According to a survey, although many hotels in Finland are pet-friendly, there is not really a hotel that is pet-focused and can provide excellent service for pets as well.

As Finland is in a high latitude region, the weather in Finland is not friendly to families with dogs, and it is difficult to find a suitable place to walk dogs in the cold winter, so some pet dogs are not very free to play, some dogs do not want to go out, they urinate and defecate at home, and some pets it is even difficult to do normal defecation in the cold winter, which is not only detrimental to the health of pets, but also has a bad impact on people's living environment.

Therefore, this paper analyzes the feasibility of building a pet resort hotel in Finland from all angles. It is hoped that it will provide a public place where pets and their owners can live together in harmony and be able to create good memories for them together.

To create a warm vacation environment for families with pets to enjoy happy times and experiences

Mission: To assess the feasibility of operating a pet resort in Finland in terms of economic, environmental, policy, cultural, and market aspects. The purpose of this thesis is to comprehensively analyze and create a unique pet-centered resort where humans and nature can live in harmony and develop together to achieve sustainable development and work towards a harmonious coexistence between humans and nature.

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1. Introduction

1.1 Definition of pet resort hotel

Unlike traditional resort hotels, this hotel is pet-centered, which means we will create a specific place for pets where they and their owners can play, run freely and do not care about the eyes of others.

Pet Resort Hotel is a hotel that provides accommodation, food and beverage, entertainment and fun, for those who want to take their pets on a relaxing vacation.

Unlike urban hotels, resort hotels are not located in the center of the city but are mostly built near natural scenic areas such as coastal areas, mountains, woodlands, canyons, villages, lakes, and hot springs.

Unlike traditional resort hotels, pet resort hotels are not only responsible for receiving tourists, but pet resort hotels also focus more on receiving tourists with pets, providing a place for pets and their owners to relax and unwind at their own pace.

The terms pet boarding and daycare are synonymous with pet hotels. Pet hotels offer a wide variety of pet services such as pet boarding, daycare services, grooming services, pet training, spa treatments, recreational services and other services.

Pet resorts focus more on providing gourmet, high quality, nutritious meals for visiting pets, as well as providing them with playgrounds, such as swimming pools, lawns and other infrastructure to better serve the pets. In this place, pets can enjoy the best service and the most relaxing time with their families (owners).

This thesis assesses the feasibility of operating a pet resort in Finland in terms of economic, environmental, policy, cultural, and market aspects. The purpose of this thesis is to comprehensively analyze and create a unique pet-centered resort that allows humans and nature to live in harmony, develop together, and achieve

sustainable development in an effort to achieve a harmonious coexistence between humans and nature.

1.2 The development process of pet resort hotel

Based on the information online, there is almost no pet-centered hotel in Finland. Most of hotel or accommodations are located on the city center and the target group is people who take the business trip. On the other hand, most pet sectors only focus on offering boarding and daily care or parks for pets. There are few, if any, recreational places are available for both pets and their owners in Finland.

Increase in the number of pets is one of the major factors driving the growth of the pet hotel market. Increase in the number of pets is expected to further drive the market growth. Rising obsession with luxury pets in different regions is likely to further boost the market growth.

1.3 The industry chain analysis of pet resort hotel



Figure 1: Logo of Musti Group (Retrieved, 15 July 2022, mustigroup)

Pet supplies

Musti Group operates in the Nordic pet care market, broadly defined as the sale of pet food, treats, products, services and veterinary care across Finland, Sweden and Norway.

Musti ja Mirri Group (MMG) is the leading pet specialty retailer in Nordic countries. MMG's product assortment comprises a complete range of pet supplies and accessories related to the pets' well-being as well as pet foods. The chain has 127

stores in Finland and Sweden. (Retrieved, 2021-2022 Mustigroup Financial Statements Release)

It is possible to the pet resort hotel cooperate with Musti Group, for example, Musti Group provide the pet snacks and treats to the pet resort hotel. What the pet resort hotel could giving back is visibility. Visitors who consumed at the hotel could be well informed about the pet supplies, if they have good experiences to the pet supplies, they will continue to purchase. It is the win-win cooperation for both pet resort hotel and Musti Group.

We will choose some other stores similar to this pet supply store to make cooperation in order to provide as comprehensive a product as possible for consumers to experience and give them a satisfactory experience.

Pet Meal Kit Delivery Services Market

According to a new report by Grand View Research, Inc. the global pet meal kit delivery services market size is expected to reach USD 5.20 billion by 2028, growing at a CAGR of 15.3% during the forecast period. Increasing awareness among pet owners about the adverse effects of nutritional deficiencies in their pets coupled with their increased spending on pet food is expected to drive the global market demand over the forecast period. (Retrieved, May 11, 2021, Grand View Research, Inc.)

Pet Medical Services

Medical services are also closely related to pet resorts. Firstly, in order to avoid emergency injuries to pets, we need to minimize the consequences of such injuries and we need medical services to protect the health of our pets. Secondly, pet resorts are not only for travelers who want to take their pets with them, but also for those who have skeletal disorders and want to rehabilitate them. It is well known that swimming is very effective for the rehabilitation of pets' bones.

Pet Obesity Management Market

The global pet obesity management market size is expected to reach USD 1.04 billion by 2026, growing at a CAGR of 6.8%, according to a new report by Grand View Research, Inc. Increasing number of pet obesity cases is expected to drive the market over the forecast period. This industry can also be combined with medical services, as well as with some recreational and sports programs in hotels, to share responsibility for the health of pets.

Pet Funeral Industry

In modern society, pets are becoming more and more important in the hearts of their owners, pets are like family members of their owners, but life has a final destination, and some people say that at the moment you adopt a pet, you have personally planted a seed of sadness for yourself, pets only have a short life of a dozen years, we hope that pets have good memories in their final time, and after life is over, owners must want them to have a place to call their own. Another industry closely related to pet resorts is the funeral industry. Pet resorts perform ceremonies for these special guests, hoping that they will have a haven of their own on the other side.

2. The status of pet resort hotel industry in Finland

2.1 Overview of the pet industry in Finland

2.1.1 History of the pet industry in Finland

The pet industry in Finland has changed in the last 15 years. The industry is evolving with innovations, new activities and new retail chains of food, equipment and health care products. Pets are of great importance to the Finnish people. The most common pets in Finland are dogs and cats; there are about 800,000 dogs and 800,000 to 1.3 million cats in the whole country. The number of dogs in especially has grown substantially in the last four years (by 170,000 dogs). According to specialists, this is an impressive number.

Dogs and purebred cats are usually sold by breeders, while other pets are usually sold in pet stores. There are about 300 pet stores selling animals, food and food supplements, and accessories. Finnish people want the best for their pets in terms of their accessories, hobbies and especially health care. As a result, veterinary clinics are popular, and new chains of veterinary clinics have appeared on the market, offering specialized treatment with state-of-the-art equipment. This has also resulted in an increase in the pet insurance business. Owners are willing to spend more money on their pets than ever before.

In Finland, according to the Finnish Kennel Club's dog breed register, 80% of dogs are purebred compared to other countries. In addition, the Kennel Club registers non-purebred dogs. In Finland, there are approximately 500,000 dogs under the age of 10. More than 80 percent of Finnish dogs are registered.

Finland is a country that focuses on pet events and has held a variety of pet shows in Finland, only the UK holds such pet events on a larger scale than Finland's. More than 300 shows are held in Finland every year, more than 40 of which are international events. Around 200,000 people watch the shows each year.

Pets, especially dogs, are used in increasingly rare situations, such as in senior homes as healing dogs or in libraries as reading dogs. In Finland, dogs are allowed into restaurants and can even enjoy the food served during visits. This shows how important pet dogs are in the hearts of Finns.

The health of pets is also highly valued in Finland. People want their dogs to be healthy and to live longer, so Finns also try to use modern methods to extend the life of their dogs. (Retrieved, Päivi Sievänen, 2016 *The Pet Sector and Pet Stores*, pp. 5-6.)

2.1.2 Challenges of pet resort hotel development in Finland

Since most hotels in Finland are pet friendly, the pet resort concept may not be popular in Finland, which is certainly a significant challenge for new pet resorts. In addition, Finland's travel culture is mostly about contact with nature, and some travelers choose to take their pets on self-drive trips to some of the more

extensive parks or forests, which is also not friendly to the commercial model of resorts.

2.2 The environment of pet resort hotel in Finland

2.2.1 The reason of market analysis of pet resort hotel

It is also essential to do some market analysis in order to better understand the overall market environment. Knowing the market can reduce business risks as it will be easier to understand major market trends, the key players in industry, and what is required to succeed, all of which will inform the business decisions. To further understand the Pet Resorts business, we will conduct a SWOT analysis to identify the strengths, weaknesses, opportunities and threats to our business.

Doing good market research is better for targeted service. When having a clear idea of what the customers want it is possible to serve them better. When knowing one's customers, it is possible to use the information in order to tailor the business's offering to the customer's needs.

Staying ahead in business is often about being the first to identify new opportunities or trends. We conduct market research so that we can analyze its future trends and in turn use this information to innovate, which also allows us to have more control over the future of the market. From there, we can also know which direction we should end up going.

Market forecasting is also essential. Market forecasting is a key component of most marketing analysis because it predicts the future numbers, characteristics, and trends of your target market. So, we can use this to have an idea of the expected profits, enabling us to adjust our business plans and budgets accordingly. Measuring the success of your business beyond pure numbers can be difficult. Market analysis provides benchmarks against which we can judge the company and how well we are doing compared to others in the industry.

Marketing analytics can explain a company's past mistakes or industry anomalies. We can avoid risk by analyzing problems that have occurred in similar industries and then dissecting those problems. For example, in-depth analysis can explain

what affected the sales of a particular product or why a certain metric performed the way it did. This can help us avoid making these mistakes again or experiencing similar anomalies because we will be able to analyze and describe what went wrong and why.

Finally, there is marketing optimization, and this is where annual marketing analysis comes in handy - regular analysis can inform our ongoing marketing efforts and tell us which areas of marketing need work and which areas are performing well compared to others in our industry.

Here are seven steps to conducting a marketing analysis.

2.2.2 The method of marketing analysis

a) Determine purpose.

There are many reasons why we conduct a market analysis, such as to gauge our competition or to understand a new market. Whatever the reason, it is important to identify it immediately to keep us on the right track throughout the process. First, we need to decide what our purpose is, such as in terms of internal: to improve our cash flow or business operations, or external, such as seeking a commercial loan, being able to obtain significant financial support is also an important aspect of being able to properly monetize our pet resort. Our purpose will determine the type and amount of research we want to do.

b) Research the state of the industry.

Including a detailed overview of the current state of the industry is critical. Include the direction of the industry, using metrics such as size, trends, and projected growth, with plenty of data to support our conclusions. We can also perform a comparative market analysis to help find our competitive advantage in each market. So, in the opening section of this paper, I investigated the current state of

the pet resort hotel industry in Finland. It is more beneficial for us to use our competitive advantages to better run a pet vacation hotel.

c) Identify our target customers.

Not everyone in the world is going to be your customer, and it would be a waste of time to try to get everyone interested in your product. Instead, use target market analysis to determine who is most likely to need your product and focus your efforts there. We need to understand the size of your market, who our customers are, where they come from, and what might influence their buying decisions by looking at factors such as:

- **Needs:** We at Pet Resort consider families with pets as our number one target customer group. At the same time, those who want to relax can also come to the resort to spend their relaxing time.
- **Age:** Our target customer age is adults over eighteen years old. Firstly, because they are adults and have the right to make their own decisions and the sense of self-determination. Secondly, they have the right to book hotels and the right to check-in.
- **Gender:** No limitation.
- **Location:** Our hotel is located in a remote suburb relative to the city, because the suburb has large vacant areas where we can create a lawn for the pets to run about freely, and we can also build a swimming pool for the pets and their owners to enjoy. Swimming pools cannot be built only one, because sometimes the owners may mind swimming with the animals. We will also build some play equipment for them to play. That is why a huge open space is very important to us.
- **Occupation:** Our target audience is not restricted to professions, but we provide a destination for those with high-pressure jobs to unwind and recharge.
- **Lifestyle and interests:** Our target customer group is families who are passionate about life and own pets. Their hobbies are closely related to their pets, and they are willing to put effort into their pets.

During our research, we will consider creating a customer profile or persona that reflects our ideal customer as a model for our marketing efforts.

d) Understand your competition.

To be successful, we need to have a good understanding of our competitors, including their market saturation, how they differentiate themselves from us, and their strengths, weaknesses and advantages in the current market. First, we will make a list of all our major competitors, and then with this list, we will do a SWOT analysis of each competitor. What does that business have that we do not have? What would cause a customer to choose that business over ours? We need to put ourselves in the position of our customers.

Then, it is necessary to rank the competitor list from most threatening to least threatening and decide on a schedule to perform regular SWOT analysis on our most threatening competitors.

e) Gather additional data.

In marketing analytics, information can be metaphorically compared to our friends - we can never have too much data. It is important that the data we use is credible and authentic, and therefore that we treat these digital sources with care. We will select the data we need most from these reputable sources of business data: (Retrieved, 11 June, 2022, Reilly Roberts)

- U.S. Bureau of Labor Statistics
- U.S. Census Bureau
- State and local business websites
- Trade magazines
- Your own SWOT analysis
- Market surveys or questionnaires

f) Analyze our data.

After we collect all the information we can and verify that if it is accurate, we need to analyze the data to make it useful to us. Organize the research into sections that make sense to us, but try to include ones for our purpose, target market and competition.

These are the main elements that our research should include:

- An overview of the industry's size and growth rate
- Our business's projected market share percentage
- An industry outlooks
- Customer buying trends
- Our forecasted growth
- How much customers are willing to pay for our product or service

If you through of the website and go around, you will find there are nearly not this kind of pet resort hotel in Finland. There are very few pet vacation hotels in Finland, almost nonexistent. So, we have a very novel idea that our market is less competitive, but we will have a relatively greater challenge because it is a comparatively new industry. We will also use questionnaires to investigate how many people are willing to spend money and to understand the willingness of our main customer groups, which will allow us to better understand our market environment.

g) Putting our analysis to work.

Once we've done the work of creating our market analysis, it is time to make it actually work for us. Internally, looking for areas where we can use our research and findings to improve our business. Are you seeing other businesses doing what you want to implement in your own organization? Are there ways to make your marketing strategy work more effective?

If we conduct analysis for exterior purposes, organize our research and data into a document that is easy to read and digest so that it becomes easier to share with lenders.

Be sure to retain all of our available information and research for the subsequent analysis and consider making an annual calendar reminder so that we could stay on top of the markets.

Conducting a market analysis has seven steps. Start by determining our purpose to maintain our research priorities.

2.2.3 The environment and future trend of pet resort hotel in Finland

We can observe the global macro environment and future trends of the pet industry from the following three aspects, which can be compared to the actual situation in Finland and extrapolated to the environment and trends of pet resort hotels in Finland.

1) Pet Food Market

At \$91.1 billion worldwide, pet food represents the single largest niche within the larger space:

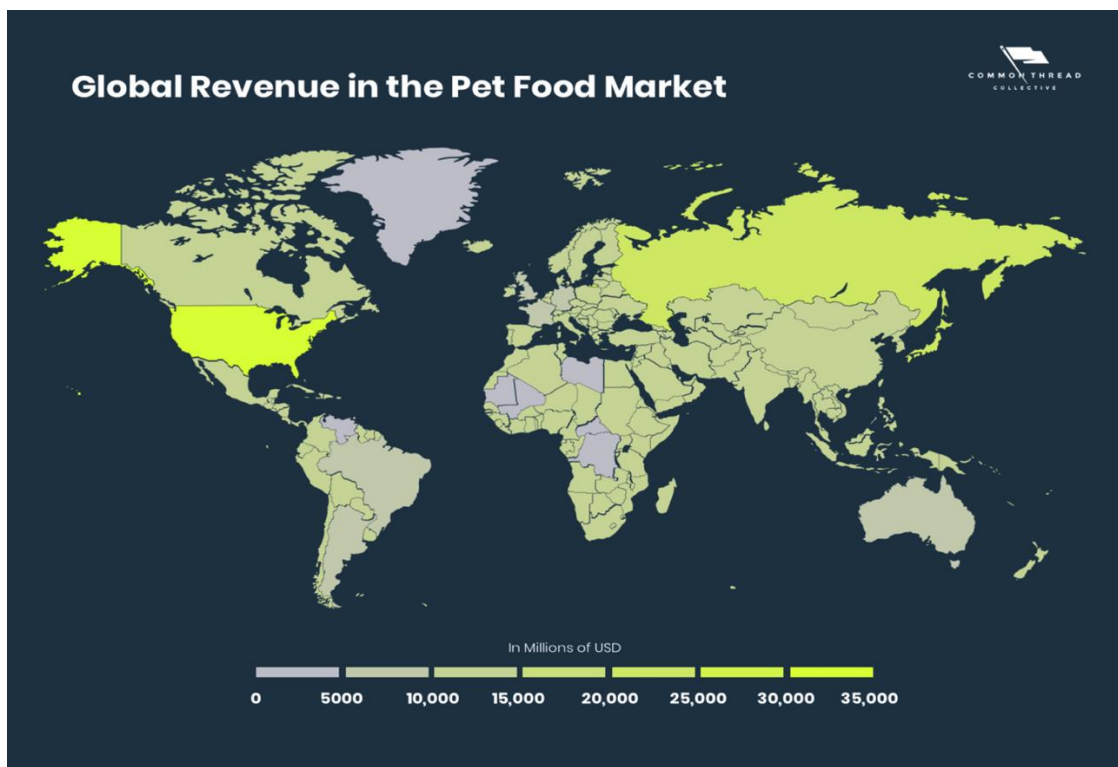


Figure 2: Global Revenue in the Pet Food Market (Retrieved, 2018 Statista)

It is not difficult to analyze this graph and realize that the Finnish pet food market is at an intermediate level compared to the global pet food market. Compared to the American market, the Finnish pet food market has much more potential for enhancement.

2) Pet Care & Services

The increase in the number of owners who consider their pets to be family members has been fueled by a growing interest in pampering and providing special services to furry family members. It is accompanied by the veterinary care industry, which has already experienced growth because of massive household penetration.

This will continue to propel the market as expenditure on pet care increases due to rising per capita income and more people adopting pets for their companionship.

Regardless of the distribution channel, brands which provide high-quality services within the pet care industry are expected to see further benefits.

Because families are obtaining better incomes, they are in a position to afford quality, liberty-choice services. This has as well influenced the lifestyles of pet owners, thus empowering a greater ability to travel, which has increased the importance of the boarding services component.

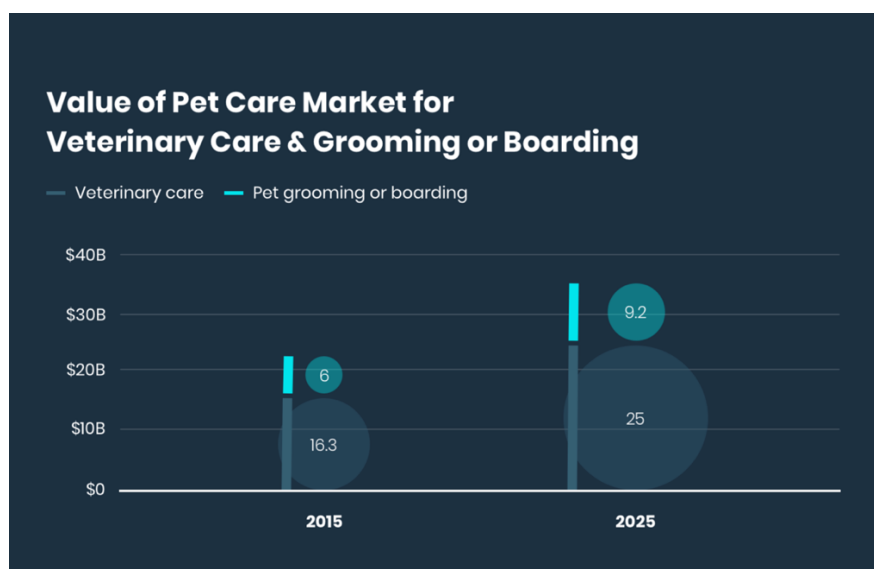


Figure 3: Value of Pet Care Market for Veterinary Care & Grooming (Retrieved, 2018 Statista)

3) Pet Products & Supplies

With food and pet care occupying the upper two positions in industry turnover, more prospects for growth are available within the pet supplies market since it is relatively flat and contains products in niches like clothing, food bowls, collars and carriers.

3. The development characteristics of pet resort hotel in Finland

3.1 The development pattern of pet resort hotel

Since pet resort hotels are a comparatively new industry, I will analyze the business model of pet resort hotels in this thesis in the context of the traditional resort hotel business model and the pet boarding service model. The specifics of opening a hotel business in a resort area require a particularly careful weighing of decisions and a phased course of action, which is essential for an preliminary assessment of supply and demand in the hospitality market, likely costs, and an understanding of the return on investment. A quality business plan for a small or large resort will answer the traditional questions: how many potential customers I will serve, how will I attract them, etc... From there, we will also understand the size of the initial and subsequent investments.

For an upstart industry, I will also use the Business Model Canvas as my framework for navigating the operation of our pet resort hotel.

Divided into nine primary modules: Customer Segments, Value Proposition, Channels, Customer Relationships, Revenue Sources, Key Resources, Key Activities, Key Partnerships, and Cost Structure

- **Key activities:** The activities that are most important in executing the company's value proposition. Our pet resort hotel advocates the idea of creating a space for pets and their owners to recuperate together, and to create a harmonious coexistence between people and nature.

- **Key resources:** The resources that are essential to creating value for customers. They are considered assets of the company and are needed to be maintaining and supporting the business. The key resources for pet resorts hotel are the entertainment venues and facilities, and the staff who provide professional services to the pets.
- **Partner Network:** To optimize operations and reduce the risk of the business model, organizations often cultivate buyer-supplier relationships so that they can focus on their nucleus activities. Supplementary business alliances may also be considered through joint ventures or strategic alliances between competitors or non-competitors. Our resort will work with vendors of pet supplies, such as those who have the option of sponsorship or strategic alliances, and ultimately, we will achieve a win-win situation with our related industries.
- **Value proposition:** According to Osterwalder (2004), a firm's value proposition is what distinguishes it from its competitors. Our pet resorts are not only new types of resorts, but they are also customized for different groups, for example, we offer different programs for pets in different situations. We will strive to focus on the customer experiences and satisfy the needs of our customers as much as possible.
- **Customer segments:** In order to build an effective business model, we have determined that our primary customers to be the households with pets. Various customer groups can be segmented according to the different needs and properties of their clients. For example, we will classify families with pets into different levels depending on their household income, and we provide customized services for families with higher income levels and above, as well as more privileged treatment, such as having a separate venue for their use, or private service by staff with better expertise.

- **Customer relationships:** To ensure the continuation and success of any business, it is important for companies to determine the type of relationship they want to build with their customer base. We will use the internet and new media as a medium to promote our pet resort to a broader audience. These methods will be used to obtain new customers. After gaining new customers, we will provide great service to attract our customers, make sure they feel our service deserves their spending money, try as much as possible to develop them into senior customers. We also use this marketing approach of old clients bringing in fresh clients to appeal further to new clients.

- **Channels:** There are different channels by which a company can deliver its value proposition to its target customers. Effective channels will convey the value proposition of a company in a fast, productive and profitable way. On the one hand, we can do this through our own channels, for example: in-store or through advertising and marketing, and on the other hand, we can do it through partner channels, such as key distributors and suppliers. Or a combination of both is also a valid idea to contact customers.

- **Cost structure:** This describes the most important monetary consequences when operating under different business models.

Our pet resorts are value-driven, and we do not focus too much on costs, but rather on generating value for our products and services, such as the emotional value we can provide to our guests for an exceptional experience while staying at the resort hotel.

- **Revenue streams:** The way a company generates revenue from each customer segment. Our profits are the service fees that our guests give us and the franchise fees from other businesses, etc.

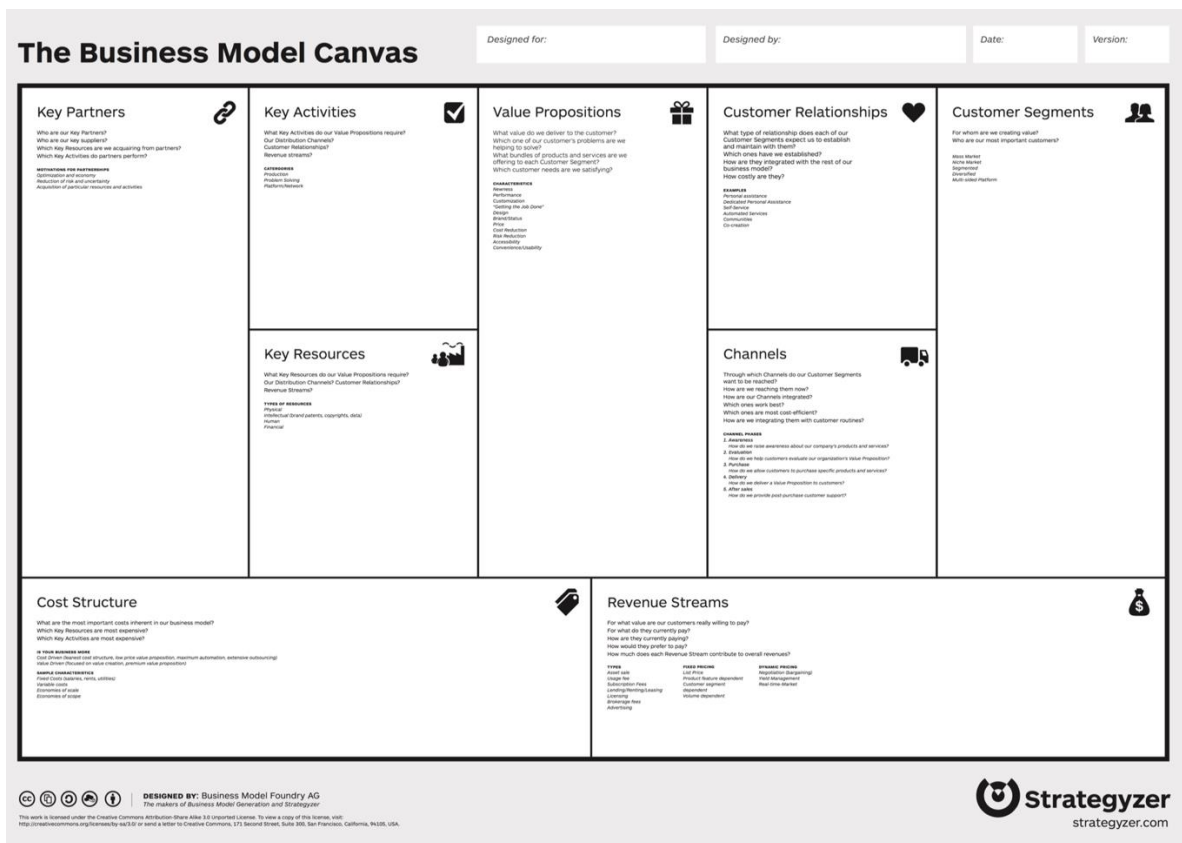


Figure 4: The Business Model Canvas (Retrieved, 20 August, 2022, Strategyzer.com)

3.2 The barriers to entry industry of pet resort hotel

Depending on the type of operation, the barriers to entry can be reasonably minimal. Dog walking and pet sitting may require little upfront investment, but boarding, grooming, and training will require capital for facilities, equipment and healthcare and safety certifications.

Venue and climate barriers

In Finland, due to the climate, it is cold and snow-covered for most of the year, and outdoor amusement facilities are basically unavailable from November to April each year. However, we not only build outdoor areas, but also pay more attention to building indoor play facilities so that pets and owners can have more places to play during the snowy season.

Product Quality Barrier

As pet owners pay more and more attention to their pets, they demand more sophisticated pet accessories for their pets. On the one hand, there are many kinds of pets, and their needs are very diversified, so the pet supplies we provide not only need to fulfill the most basic physiological needs of pets, but also to satisfy certain physiological needs of pet owners; on the other hand, many pets have been an integral part of family members and their status is increasingly high. As we all know, the EU region also has quite strict requirements for the quality of products, so the quality of the products provided by our hotels are subject to strict quality control. For the safety assurance of hotel entertainment equipment, we will regularly quantitative inspection to minimize the risk.

Channels of distribution barriers

Pet resorts are a relatively new industry in Finland, and creating a well-known brand requires both significant investment in advertising and a long-term accumulation. Newcomers are at a disadvantage when competing with companies that have a strong brand image in a short period of time. It is difficult for newcomers to enter the existing market system. In addition to passing some certifications and other mandatory conditions, they have to make their product quality and company reputation recognized by their partners and local consumers through long-term trade transactions. Our hotel can cooperate more with local Finnish companies to develop a quality and stable customer base.

3.3 The SWOT analysis of pet resort hotel

SWOT refers to Strengths, Weaknesses, Opportunities and Threats. SWOT analysis is a framework that helps to assess and understand the internal and external forces that may create opportunities or risks for the organization.

Strengths and weaknesses are internal factors. They are the characteristics of a business that give it a relative advantage or disadvantage over the competition.

Opportunities and threats, on the other hand, are external factors. Opportunities are elements of the external environment that management can seize to improve the performance of the business.

Threats are elements of the external environment that could jeopardize a company's competitive advantage, even its ability to continue as a going concern.

Different stakeholders use SWOT analysis in different ways. For example, management teams will use the framework to support strategic planning and risk management. SWOT analysis helps them visualize the company's relative strengths and weaknesses to better understand where and how the organization should allocate resources, either for growth or for risk reduction initiatives. On the other hand, the analyst community may seek to understand strengths, weaknesses, opportunities, and threats in order to more fully assess the business. In general, the SWOT framework is considered by many to be one of the most useful tools in strategic planning and business analysis.



Figure 5: SWOT Analysis (Retrieved, 23 August, 2022, Investopedia)

The following is a SWOT analysis of a pet resort hotel:

STRENGTHS:

Some popular industry trends, such as personalization and customization, are prevalent in this market. Pet owners can customize or personalize the pet hotel

experience for their pets. Pet hotels in the market are offering customized packages to attract a large customer base.

Pet owners can design a customized experience for their pets at pet hotels, which can include a range of activities from pet entertainment to grooming and other services.

WEAKNESSES:

There are many hotels in Finland, but they are more for business travel. On the one hand, if Finnish people are on holiday, they mostly choose to travel to other European countries with warmer climates. On the other hand, the idea of traveling with pets is still relatively new, which some people may not understand traveling with pets.

It's hard for any new business to make a name for themselves, especially when there are many mature brands in the market. Advertising and smart marketing can help increase brand awareness.

The initial launch costs can be very expensive for a new company, especially if you are opening a store. You can look into things like business loans to help get your brand up and running.

When you enter a new market, you will lack experience, so it will take time to find your footing as a business owner. Having a passion for dogs is basic, but you also need to learn how to be a good businessman.

OPPORTUNITIES:

According to a new report from Grand View Research, Inc., (Retrieved, August 2022, Grand View Research) the global pet services market size is expected to reach \$50.1 billion by 2030. From 2022 to 2030, the market is projected to expand at a CAGR of 9.1%. The key factors driving the market include the increase in the number of pet owners and spending on pets. According to the 2020 report from FEDIAF, 33% or 88 million European households own a pet. This number is

expected to increase due to declining human birth rates in key markets, rising disposable incomes, and pet humanization.

The concept of pet hotels is becoming more and more prominent in the market. The market is currently in a growth phase with much untapped potential. As the market becomes more aware of the concept, it will open new doors of opportunity for the players.

In addition to this, internet penetration is expected to drive the market growth in the coming days by increasing online booking of pet hotels. Increasing awareness of furry guests in developing regions is likely to create more opportunities.

THREATS:

As today's pet parents are more concerned about their pets, the concept of home boarding has become more prominent, and this has indirectly affected the market for pet hotels.

In the case of a covid-19 outbreak, the risk of the virus spreading between animals is also high. The current fear and panic caused by the spread of covid-19 has temporarily affected the market as pet parents are reluctant to give their pets away. In this situation, pet hotels need to ensure maximum hygiene.

3.4 The Porter's five forces analysis of industry of pet resort hotel

In his revolutionary article in Harvard Business Review (HBR) - "Five Forces that Shape Strategy", Michael Porter observed five forces that have significant impact on a firm's profitability in its industry. These five forces analysis today in business world is also known as -Porter Five Forces Analysis. The Porter Five Forces (Michael E. Porter, 1979, Harvard Business Review) are Threat of New Entrants, Bargaining Power of Suppliers, Bargaining Power of Buyers, Threat from Substitute Products, Rivalry among the existing players. Porter's Five Forces is a comprehensive strategic framework for strategic decision making that extends beyond the

analysis of current competition. The Porter's Five Forces focus on how to build sustainable competitive advantages within the industry. We can use Porter's Five Forces not only to develop a competitive position strategically in retail, but also to explore profitable opportunities across the consumer services sectors.

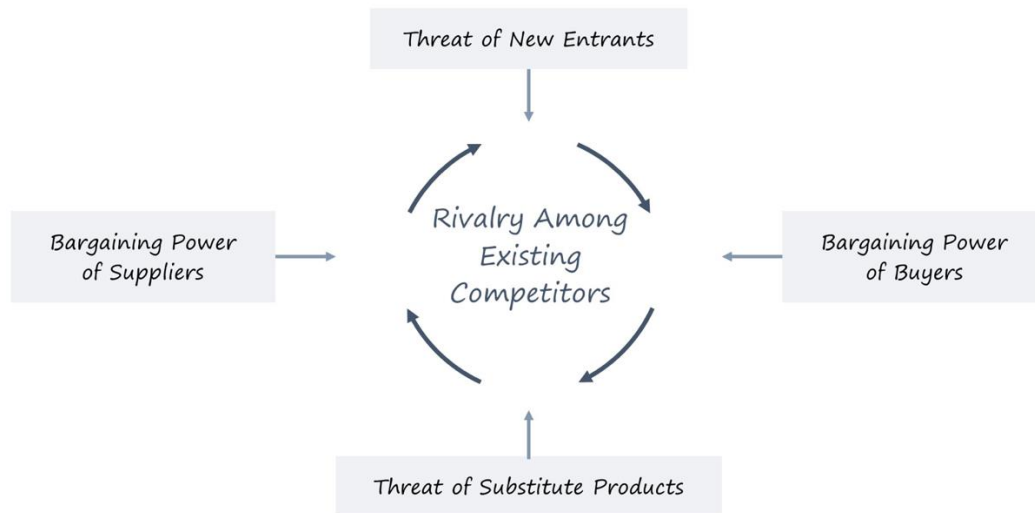


Figure 6: Porter's Five Forces (Retrieved, 25 August 2022, Wikipedia)

Threat of New Entrants

Due to the innovative nature of pet resort hotels, once our pet resort hotels are profitable, other entrepreneurs will consider the industry profitable and they will enter the industry one after another, and the pet resort hotel market will be saturated quickly. At that time, we need to innovate by new products and services. New products will not only bring in new customers, but also give old customers a reason to continue to come to our hotels.

Bargaining power of suppliers

All companies in the retail industry buy raw materials from many suppliers. A dominant supplier can reduce the profit our hotels receive in the marketplace. Powerful suppliers in the consumer services industry use their bargaining power to extract higher prices from companies in the retail industry. The overall effect of higher supplier bargaining power is that it reduces the overall profitability of the retail sector.

We need to build an effective supply chain by working with multiple suppliers so that if one supplier's prices go up, our company can move to another supplier. It is necessary to form our own supply chain. Not only in the service sector, but we also need to develop third-party manufacturers whose business depends on the company's specialized suppliers. At a later stage, we cannot entirely rely on additional suppliers.

Bargaining Power of Buyers

Our customers tend to be a discriminating group. They want to buy the best product by paying the lowest possible price. In the long term, this puts pressure on our profitability. The smaller and stronger our customer base, the more bargaining power our customers have, and the more they are able to seek increasing discounts and offers. By building a large customer base. This will help in two ways. It will reduce the bargaining power of buyers, and it will provide an opportunity for companies to streamline their sales and production processes. We can also offer more special offers so that customers think they are getting a good deal on our services.

Threat of substitute products or services

When a new product or service meets similar customer needs in a different way, industry profitability is impacted. The threat of an alternative product or service is high if it offers a value proposition that is uniquely different from the industry's current offerings. The attitude as well as the degree to which service is provided is often the core competency of a hotel. We need to do this by being service-oriented, not just product-oriented. We need to understand the core needs of our customers, not what they are buying, and provide them with what they really want.

Competition among existing competitors

If competition among existing competitors in an industry is intense, it will drive down prices and reduce the overall profitability of the industry. Our hotel has a competitive advantage over other hotels, and this competition does have an impact on the overall long-term profitability of the organization. To guarantee our competitive advantage as a hospitality company, we also need to continue to

innovate and build a sustainable differentiation. And we need to continue to expand to enable us to competitively better. It is also not a bad idea to partner with competitors to expand the size of the market rather than just competing for small markets.

4. The risks analysis of pet resort hotel

Unfortunately, there are still some risks associated with staying in a pet hotel. Discover the most common risks when using animal hotel services.

The risks of pet safety

First of all, the gathering of many pets at our pet resort inevitably will cause stress reactions among some pets. Some animals are so timid that they will feel uncomfortable in an unfamiliar group. You cannot eliminate this risk, which is why it is best to stay with a pet trainer, as they will be able to tell you how to avoid this sort of thing from happening, or how to handle it if it occurs. In addition, pet owners can bring some of their pet's favorite toys to the hotel to make the animal feel more comfortable in a new and unknown place.

The Risk of Losing Your Pet

This sounds like a nightmare for any compassionate pet owner. Because you cannot really know what your pet is thinking, even at our pet resort there is a risk of getting lost, so our hotel advocates that owners and pets should be accompanied as much as possible and try to guard their pets while enjoying themselves at the hotel.

The risks of employee hazards

Whether it's dog sitting, training, or pet grooming, working in a pet care facility puts workers at risk. If an employee happens to be allergic to an ingredient, the product itself can pose a threat to the groomer. Animals can be aggressive and cause physical harm to employees.

The risks of Cybersecurity

It has become common practice for most companies to accept online payments for goods and services. While it can make transactions easier, businesses face the possibility of cyber-attacks to gain access to customers' financial details. Even the smallest businesses can experience invasive and disruptive cyber-attacks.

These are just a couple of the most common risks that pet care businesses can encounter. Fortunately, there are solutions to each of these risks and ways to minimize liability. Obtaining comprehensive insurance coverage is the first step in reducing risk for any business. Some companies have specific policies regarding the pet care industry. The general rule of thumb when buying any type of insurance is to buy a little more than you think you need. It is better to have coverage and not need insurance than to need it and not have it.

A risk management plan should be the second step. Knowing exactly what can go wrong and the liabilities associated with your business is critical to developing a solution. Safety procedures should be strictly enforced and refined.

5. Advise for pet resort hotels

Focusing on the safety and well-being of the customer's pets is critical. The first step in creating an effective, meaningful marketing message is to list all the steps you are taking to make your pet safe.

Other categories you can and should trumpet include the number of years you've been in business, safety measures, cleaning agreements, staff professionalism, recommendations from satisfied clients and local veterinarians, the quality of the facility your pets have access to, and more.

Once the list is complete, you need to write content for all of your marketing tools. This includes your website, brochures, flyers, Facebook page, Twitter feed, etc. When writing content for any marketing tool, try to answer the question: Why

should loving pet parents choose my pet care facility over other, less expensive, inferior options?

Successful marketing is an important skill. Learning how to market yourself to others was not easy, and it required continuous knowledge to keep up with the numerous and rapid changes occurring in the marketplace.

Another important threat is inadequate or ineffective marketing efforts. This industry is full of passionate people who love pets. However, they are frequently not great marketers. I agree that providing quality pet care is critical but being great at pet care is not the most important part. We need to have communication with our clients and enabling them to trust us and choose us is an important step. If we really want to grow our business, we should keep stepping up our marketing efforts. The key to effective marketing is to think like our customers. What TV shows do they watch? What newspaper sections do they read? Where do they congregate? What pet-oriented activities do they engage in? Are there local events they attend, such as pet parades, dog park Olympics, talent shows? Find these channels and use them to our advantage.

One of the keys to possessing a thriving pet industry is the ability to gain the trust of potential pet parents. In a recent independent survey, we found that the vast majority of pet owners are concerned about leaving their pets in kennels when they take a trip somewhere else. They are also concerned that they have not found a suitable place where they can enjoy spending time with their pets.

These fewer desirable options are taking over a huge percentage of our market share. How do we attract these pet parents to us? Gaining the trust of potential customers through employee training and promoting our employee training is a great way to highlight our company's strengths. We will also share the valuable information necessary to provide quality care for pets and to establish the trust pet owners have in us.

As a single small business owner, time is money. If you spend most of your time on things that don't contribute positively to your bottom line, you may barely get by

each year, but you'll never grow your business to true profitability. Up front, we can do a little more advertising and marketing to make our presence known to the public. Then we need to increase the efficiency of what we do and dig into existing customers for additional revenue, such as up-selling beauty services or cross-selling free products like toys, snacks and other supplies.

Investing in timekeeping software is also an important thing to do. Keep track of everything you do and how long it takes you to do it. This includes bookkeeping, meeting with clients, caring for animals, dealing with staff issues, etc. Review your notes and see how much time you spend doing what you do. There is a very good chance that you will find there are tremendous opportunities to improve your efficiency and effectiveness.

As our business grows, we will likely need to become increasingly dependent on others. Whether that means hiring employees or relying on relatives, one thing is for sure: you must delegate wisely. Think of it as outsourcing within your own company. One of the golden rules of outsourcing is to do what you do best and let others do the rest. To do this, we must first assess our own skills. For example, if you really know how to "complete the deal" when talking to a prospect, you should handle all the inquiries and not ask your receptionist to do so.

Just breaking even is not good enough. We need to accumulate savings in order to run a sustainable business over the long term. These savings will help cushion us in the event of a disaster and will provide us with the capital we need for future expansion. A solid business plan is a good place to start, but we should also set and do our best to meet monthly financial goals. And these financial goals should grow over time. Doing so will force us to do better in your business. We will find ways to be more efficient, more effective, and build profit centers that we would otherwise ignore.

Of course, we should hire people who love animals. But we should also screen applicants for prior experience, personality type, and how well they fit in with our existing team. Unlike other, more "structured" businesses, our hotels tend to

operate like small families. Once we have a solid staff, we should make every effort to retain them. This may include using technology to engage them, offering performance incentives, surrounding them with their personal lives, or simply showing our appreciation for them.

Most importantly, what makes our hotel unique from the competition is our passion. Pet owners put the well-being and health of their furry friends above all other priorities, and they don't want to unpleasantly upset their family members.

We can also make sure our potential clients know that their animals are just as important to you as our own. This dedication must be evident in everything from our marketing to your facility and especially in our face-to-face consultations. When we bring our passion to the table, our pet business will be more likely to be able to take flight!

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