

From Technology to Emotion: The Market Strategic Implementation of PetMe

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Abstract. This article explores PetMe's strategic approach to addressing the multifaceted needs of pet owners by blending emotional value, personalization, and advanced digital technology. To meet the growing global demand for pet care products, PetMe has positioned itself in the wearable health monitoring industry, targeting pet owners who put the health and emotional connection of their pets first. Through a combination of data analysis and consumer focus groups, the study highlights how factors such as competitive pricing, battery life, and high functionality are linked to improved customer loyalty and engagement. In addition, insights into market segments and customer preferences show that personalization is key in strengthening the bond between pets and owners and fostering lasting loyalty. PetMe's proposed market strategy not only emphasizes customer-oriented customization and emotional engagement but also aligns with technological advances in health monitoring. Ultimately, the strategy aims to establish PetMe as a market leader, leveraging a unique combination of advanced digital capabilities and emotional appeal to stand out and thrive in the highly competitive pet care industry.

Keywords: PetMe, go-to-market strategy, wearable health monitoring, customization, pet care industry.

1. Introduction

The global pet market has grown significantly in recent years, attracting the attention of investors and industry experts. According to research, the global pet market is expected to grow at a compound annual growth rate of 8.1% to reach a value of USD 153.6 billion by 2021 [1]. These figures reflect the unprecedented demand for pet care and the continued market demand for pet care products and services.

In response to this trend, PetMe, a smart monitoring device specifically designed to improve pet health, has become a solution that not only meets the growing demand for pet health products but also improves overall pet care.

Through a review of current literature and market trends, this paper aims to uncover the importance of emotional value, digital platforms, and personalization in product innovation. It also aims to identify a strategic approach, market analysis tools, and go-to-market strategy to ensure PetMe's success in this growing market.

1.1. Literature review

In the pet market, willingness to pay reflects the value pet owners place on their animals, particularly in terms of health-related expenditures [2]. Emotional connection and a sense of control over the pet greatly influence the owner's willingness to invest in its health and well-being. Holbrook emphasised that the emotional value attached to pet-related products outweighs the material value, which is why pet owners tend to invest in their pets' health [3]. This trend reflects a growing recognition that pets are integral family members, leading to increased investment in their well-being and happiness [4]. This insight suggests that PetMe needs to focus on developing products that strengthen the bond between animal and human, pet and owner. Personalization further strengthens this bond as consumers tend to become more attached to personalized products; Franke, Schreier and Kaiser refer to this as the 'self-design' effect, highlighting that personalization deepens the bond with the product PetMe offers features such as personalized health monitoring settings and pet profiles to increase perceived value and customer loyalty [5].

Furthermore, as Widmar et al. discuss, the shift toward digital platforms underscores the growing importance of convenience and accessibility in the pet care market [6]. PetMe's integration with mobile applications, providing real-time health data, online consultations, and personalized medical records, aligns with the trends toward digitization and personalized services. By following to these trends, PetMe can strengthen its connection with pet owners, ultimately enhancing customer loyalty and driving market success.

2. Segmentation

In 2023, China's total population stands at 1.40967 billion, with a pet household penetration rate of 22%, equating to approximately 310.12 million households [7].

2.1. Geographic

First-tier cities dominate a substantial portion of the pet care market (28.9%, 90 million). Consumers in this area are more likely to choose high-end and personalized pet care products. Second-tier cities have consumers who value both affordability and quality (41.1%, 127.5million) [8]. Consequently, market strategies in these regions should balance price and quality to appeal to pet owners seeking optimal value.

2.2. Demographic

Female consumers (79%, 245 million) dominate the pet care market. Thus, market strategies must prioritize attracting them through emotional resonance and sophisticated product designs. Male consumers (21%, 65.1 million) constitute a smaller proportion, exhibiting an interest in technology-driven or utilitarian pet products, necessitating market attention to cater to their needs with functional [9].

Additionally, PetMe's main consumer base is aged 20 to 55, making up 49.45% of the total (153.4 million) [8]. Older consumers may view pets as family members, demanding high-quality and reliable products. Middle-aged and young adults may favor premium products and services, while younger consumers may prefer digital platforms and innovative pet care products, showing a strong preference for personalized solutions and a keen interest in exploring new technologies.

High-income individuals (20%, 62 million) tend to purchase luxurious pet care products, favoring those that reflect their status and pursuit of quality living. Middle-income groups (40%, 124 million)

are likely to seek an optimal balance between price and quality [9]. In pet care, they lean towards affordable yet quality mid-range products and are open to trying novel approaches within their budgets.

Based on the above geographic and demographic analyses, PetMe should target approximately 55.2 million pet owners residing in first- and second-tier cities, aged 20-55, with medium to high incomes, regardless of gender.

2.3. Behavioral and psychographic

Owners who are "health enthusiasts" (approximately 65.1%, 35.9 million individuals) not only regularly purchase health-related products but also tend to invest in smart health monitoring devices like PetMe, ensuring their pets remain in optimal condition [1]. They often regard their pets as cherished family members, favoring products that embody love and care. Busy pet owners (approximately 40%, 22.08 million) seek convenience and technological advancements due to their fast-paced lifestyles [10]. Their pursuit of efficiency and convenience is paralleled by the responsibility towards their pets' health and safety, embracing technology to enhance their caregiving.

In addition, families with multiple pets (30%, 16.56 million) are a potential consumer base for smart devices [10]. For these owners, these devices will become invaluable assistants in continuously managing their pets and improving their quality of life. While potentially facing greater management pressures, they are also prone to developing brand loyalty, potentially relying on proven products for the long term. Less experienced pet owners (20%, or 11.04 million) may be cost-conscious and influenced by price fluctuations or purchase offers [1]. However, as they gain experience, they may become health-conscious and efficient pet owners.

Thus, the behavioral and psychological characteristics of pet owners determine their preferences for pet health and grooming products. Whether they prioritize health, convenience, or technological sophistication, pet owners demonstrate their love and commitment to their pets through specific actions.

3. Positioning

3.1. Perceptual map

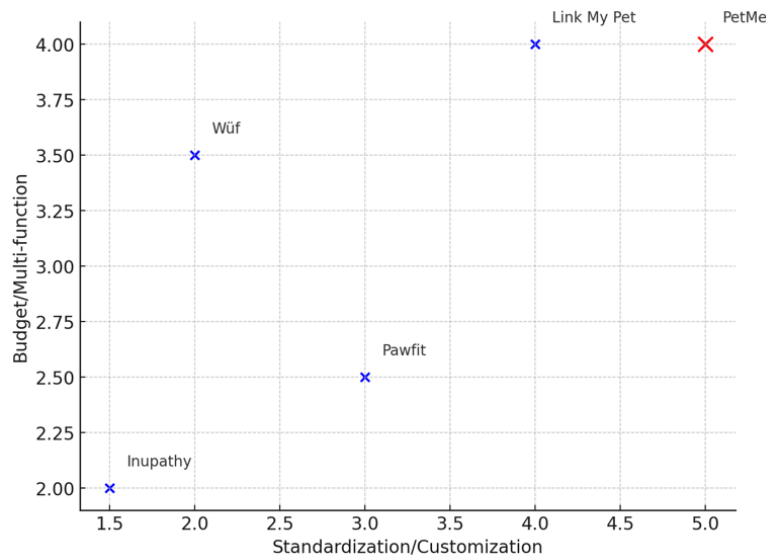


Figure 1. Perceptual map of PetMe market positioning

This perception map (Figure 1) compares different pet-related products based on their degree of standardisation and personalisation, cost-effectiveness and versatility. PetMe is placed in the top right corner, reflecting its high degree of customization and broad functionality. Wüf, on the other hand, is a balanced product with less emphasis on customization and appeals to those who want a good mix of features without extensive customization [11]. Pawfit reflects a medium level of customization and functionality and may appeal to a broader but less demanding market segment [12]. Inupathy, on the other hand, has a lower level of customization and functionality and was likely developed for a more specific market [13].

3.2. Main competitors

3.2.1. Pawfit vs. PetMe

Pawfit also offers features such as audible alerts and warnings, which are particularly useful for hunting dog owners who need reliable location tracking in different environments. However, Pawfit mainly focuses on basic functions such as location tracking and is not a comprehensive tool for health or environmental monitoring [12].

Designed for pet owners seeking personalised care, the PetMe device features a unique health monitoring function that collects and analyses detailed health data from pets. By analysing health indicators for different pets, PetMe can accurately assess each pet's physical condition. Similar to humans, a pet's heart rate can vary due to stress or exercise, and existing health monitoring systems cannot accommodate some pets' innate health index abnormalities (e.g. fast heartbeat) [14]. PetMe can record and analyse each pet's unique health indices to provide more targeted monitoring. Early detection of health problems can promote active care for sick pets, and if the device detects any concerning changes, it promptly notifies the owner, enabling immediate contact with a veterinarian [15]. At the same time, the medical record enables veterinarians to quickly view a pet's medical

history, including past treatments, vaccination records and any ongoing health issues, thus reducing duplicate queries and facilitating timely diagnosis and treatment [16]. This efficient process not only benefits veterinarians, but also enhances the overall experience for pet owners, enabling them to provide faster service and better quality care for their pets. Therefore, personalized monitoring not only helps prevent potential health problems but also alerts owners to take timely action.

3.2.2. Link My Pet vs. PetMe

LinkMyPet uses GPS, Bluetooth, Wi-Fi, and mobile phone technologies to enable real-time tracking, for example. It is ideal for owners of multiple pets, as it alerts you if the animal leaves a designated safety zone. It also has useful features, such as an LED light and a photo and video recording function that can be used as a training tool. This combination simplifies the management of pet owners' safety and well-being and provides a seamless user experience [17].

PetMe offers highly customized management solutions. Regular medical visits, vaccinations and the provision of proper nutrition are identified as important components of preventing disease and extending the natural life of pets [18]. Therefore, including features like vaccination schedules and parasite control reminders in health track device can ensure comprehensive pet care. Additionally, PetMe fosters an online community platform, enabling pet owners to share experiences, seek advice, and build a supportive network.

In summary, PetMe stands out as a highly customizable, multifaceted device. It appeals to modern pet owners prioritizing their pets' health and happiness, catering to a wide range from health-conscious to tech-savvy enthusiasts seeking holistic care.

4. Data analysis

4.1. Conjoint survey

Table 1. Conjoint survey sample

	Values
Attribute 1: Battery Life	7/10/15 days
Attribute 2: Functionality	Basic/Advanced/Premium
Price	300/450/600/750/900/1050/1200/1350/1500RMB

This survey (Table 1) focuses on consumer preferences with different battery life (7-15 days) and function level (basic to premium) options, combined with the corresponding price range (300-1500 RMB).

4.2. Data analysis

4.2.1. Customer choice and price

Table 2. Data analysis of customer choice and price

	Buyer	Price
Buyer	1.00000	-0.57904
Price	-0.57904	1.00000,
	Buyer	Price
Buyer	0.000000e+00	6.677387e-81
Price	6.677387e-81	0.000000e+00

As Table 2 shows, a clear negative correlation (-0.57904) has emerged between product pricing and customer choice. This underlines that as prices rise, customer selection decreases, indicating a highly sensitive market response to price fluctuations. Furthermore, the exceedingly low P-value of 6.677387e-81 establishes the statistical significance of this negative relationship, virtually eliminating the possibility that it is a mere coincidence.

We have identified a crucial price range of RMB 450 to RMB 600 as the most favored among customers. While higher-priced products at RMB 900 and RMB 1050 offering advanced features do attract a segment of customers, they do not represent the dynamics of the mainstream market. As a result, our pricing strategy should be tightly aligned with this optimal price range, ensuring coherence between product pricing, customer expectations, and current market trends.

4.2.2. Customer choice and battery life

Table 3. Data analysis of customer choice and attribute 1

	Buyer	Price
Buyer	1.00000	0.127179
Attribute 1	0.127179	1.00000,
	Buyer	Price
Buyer	0.000000	0.000141
Attribute 1	0.000141	0.000000

Table 3 reveals a weak positive relationship, with a correlation coefficient of 0.127179. This indicates that battery life (Attribute 1) does have an influence on consumer choice to a limited extent. The low p-value (0.000141) conveys the statistical significance of the relationship despite its weakness. This finding aligns with consumer preference data, where most respondents (133 individuals) expressed a preference for a battery life of 15 days. Therefore, emphasizing extended battery life in our products can enhance product attractiveness, positioning it as a key feature to be considered in our product's value proposition.

4.2.3. Customer choice and function

Table 4. Data analysis of customer choice and attribute 2

	Buyer	Price
Buyer	1.00000	0.243767
Attribute 2	0.243767	1.00000,
	Buyer	Price
Buyer	0.000000e+00	1.610475e-13
Attribute 2	1.610475e-13	0.000000e+00

It is evident that functionality (Table 4) plays a pivotal role in shaping consumer preferences. The moderate positive correlation (0.243767) suggests that as functionality improves, the likelihood of consumers selecting the product also increases at a moderate degree. The low p-value (1.610475e-13) indicates that the correlation is not spurious. Furthermore, the majority of consumers prefer advanced and premium features. This insight underscores the importance of emphasizing high-functionality features in our products to cater to consumer preferences and enhance market appeal.

5. Conclusion

In summary, PetMe is aiming to make a significant impact in the rapidly expanding global pet market by addressing the core needs of pet owners. Our comprehensive data analysis shows that to attract and retain market interest, PetMe must focus on delivering features that resonate with the deep emotional bond between pet owners and their pets. The product's advanced health monitoring features and customization options align perfectly with these consumer preferences. Additionally, maintaining a competitive pricing strategy while increasing functionality will ensure that PetMe appeals to a wider audience.

To further refine PetMe's market position, it is critical to enhance its product by incorporating features that reflect customer feedback and current trends, such as real-time health monitoring and a robust online community platform. By continuously adapting and innovating based on these insights, PetMe can become a leading player in the pet care industry, providing emotional and practical value to pet owners around the world.

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