



Vertical Market Selling Guide

Pet Grooming



Purpose

This guide is provided to you at no charge to create awareness for the needs of a payment terminal solution within a specific vertical market that may be less penetrated than traditional retail stores.

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Market Segment: Pet Grooming

MCC: 7299

SIC: 0752

NAICS CODE(S): 81290

Market Overview

The Pet Care industry in the United States is a large market with a number of distinct segments. Included are veterinary services, retail pet stores, pet breeding, boarding, training, grooming, walking and sitting. Retail sales and veterinary services are not included in the services categories. There is a distinct category in the NAICS coding system (81290) for this group. Almost eighty percent of the companies and revenue in 81290 are related to grooming and boarding. The SIC code, used by the US Department of Labor and other business entities, includes these services in a broader category which also encompasses many services related to farming and farm animals. The financial community places pet care service activities in one of their catchall groups, MCC 7299, miscellaneous personal services - not included elsewhere. Besides pet care this grouping includes such businesses as diet and weight control, formal wear rental, dating services, etc.

There are approximately fifty thousand companies involved in these businesses; about 80% are classified as non-employee companies (no payroll). The vast majority of the companies in this segment have only one location (industry average is 1.05) and annual revenues are in the \$50,000 range. The larger companies (those with employees) are still fairly small with less than eight employees and annual revenues averaging \$180,000. There are two major players in the industry, Petsmart and Petco. Since the majority of their revenues fall within the retailing categories they are excluded from the financial numbers (MCC 7299) and not covered in this analysis.



Sales & Marketing Insights

The Pet Services market segment is primarily composed of small, low annual revenue, mom-and-pop entities. Financial transactions are of low to moderate size. Whereas boarding services obviously require a brick-and-mortar establishment (this could be in the proprietor's home) the other services are far more mobile. Many companies in this business provide in-home training or classes performed in a parking lot, municipal park, etc... There are even mobile grooming services that come to the customer's home. Pet sitting and pet walking are two other services that require no facilities and little overhead that are growing in popularity. These characteristics lend themselves to a payment solution that requires little or no upfront cost, minimal fixed fees, and wireless capabilities.

Marketing to this group presents some challenges. These individuals working in this segment don't usually have the resources to travel to elaborate national trade shows, but many attend local and regional dog shows. The major trade associations do not appear to sponsor local chapters. The AKC is a major organization that does cater to individuals that are likely to be engaged in dog related services.

Both the Pet Care Services Association and the National Dog Groomers Association of America provide some opportunities for financial services providers. The PCSA sponsors an annual meeting and offers suppliers access to their members through associate memberships. The NDGAA also has an annual show and provides an opportunity to market products through a suppliers section of their web site. The organization appears to have a partnership in place that offers credit card services to their members.



Market Characteristics

(State information, see Exhibit A)

- Estimated total firms: 47,500
- Estimated firms with payrolls: 8,200
- Estimated total locations: 50,000
- Average locations per company: 1.05

Payment Characteristics

- Average ticket size of card transactions (MCC 7299): \$140
- Estimated average ticket size of card transactions (Pet care only): \$45
- Card payments, estimated percent of total payment volume : 15%



Market Resources

- Associations
 - The Pet Care Services Association (PCSA)
 - <http://www.petcareservices.org/>
 - The Pet Care Services Association is a non-profit trade association for nearly 3000 pet care service businesses in the United States and around the world.
 - Web Site Listing for financial services - only Credit Card Merchant Services is listed (for FL)
 - Associate membership for suppliers: offers discounts on advertising in association publications, discounted exhibit fees, literature distribution at the national and regional meetings, inclusion in Association's Membership Directory, access to association's mailing list of all member and non-member businesses
 - National Dog Groomers Association of America (NDGAA)
 - <http://www.nationaldoggroomers.com/>
 - A professional membership association of persons engaged in the grooming and care of dogs for the promotion of excellence in professional standards.
 - Activities include educational workshops and certification testing, conduction of meetings, seminars and grooming competitions.
 - Offer Electronic Credit Service for accepting Credit Cards
 - American Kennel Club (AKC)
 - <http://www.akc.org/>
- Trade Shows
 - NDGAA Seminar & Trade Show: 2010 Conference: Ramada Orlando Resort & Convention Center, Oct 30 - Nov 1, 2010
 - PCSA Annual Convention and Expo – Fall 2010
- Journals
 - Pet Age Magazine: offers practical ideas for the busy pet retailer of today and tomorrow.
 - Pet Services Journal: (PCSA)
 - Groomers Voice: (NDGAA)
 - Pet Product News International: Monthly business newsmagazine that informs, educates and entertains the professional pet industry

VeriFone Solutions

Pet Groomers would need to have a portable payment device to accept payment at the point of service which can lower current overall payment costs and can also be used for remote shows. VeriFone offers a variety of portable devices, including the new PAYware Mobile for iPhone.

- PAYware Mobile
- Nurit 8020S
- RoamPay Swiper



PAYware Mobile

PAYware Mobile for iPhone™ allows for payments to be accepted anywhere, anytime in a secure manner via card swipe.

PAYware mobile is a PA-DSS approved payment application for iPhone™. Accepting credit card payment via PAYware Mobile comes with a variety of benefits including higher security and increased transaction savings.

Exhibit A

State	Employer Firms	Est. Total
Total	8,167	50,002
Alabama	62	380
Alaska	22	135
Arizona	152	931
Arkansas	40	245
California	869	5,320
Colorado	204	1,249
Connecticut	148	906
Delaware	33	202
District of Columbia	11	67
Florida	580	3,551
Georgia	185	1,133
Hawaii	15	92
Idaho	31	190
Illinois	396	2,424
Indiana	169	1,035
Iowa	75	459
Kansas	62	380
Kentucky	91	557
Louisiana	70	429
Maine	68	416
Maryland	194	1,188
Massachusetts	231	1,414
Michigan	283	1,733
Minnesota	141	863
Mississippi	29	178
Missouri	171	1,047
Montana	39	239
Nebraska	52	318
Nevada	57	349
New Hampshire	68	416
New Jersey	325	1,990
New Mexico	68	416
New York	402	2,461
North Carolina	251	1,537
North Dakota	24	147
Ohio	306	1,873
Oklahoma	84	514
Oregon	139	851
Pennsylvania	363	2,222
Rhode Island	35	214
South Carolina	130	796
South Dakota	14	86
Tennessee	117	716
Texas	480	2,939
Utah	55	337
Vermont	27	165
Virginia	283	1,733
Washington	247	1,512
West Virginia	47	288
Wisconsin	204	1,249
Wyoming	18	110