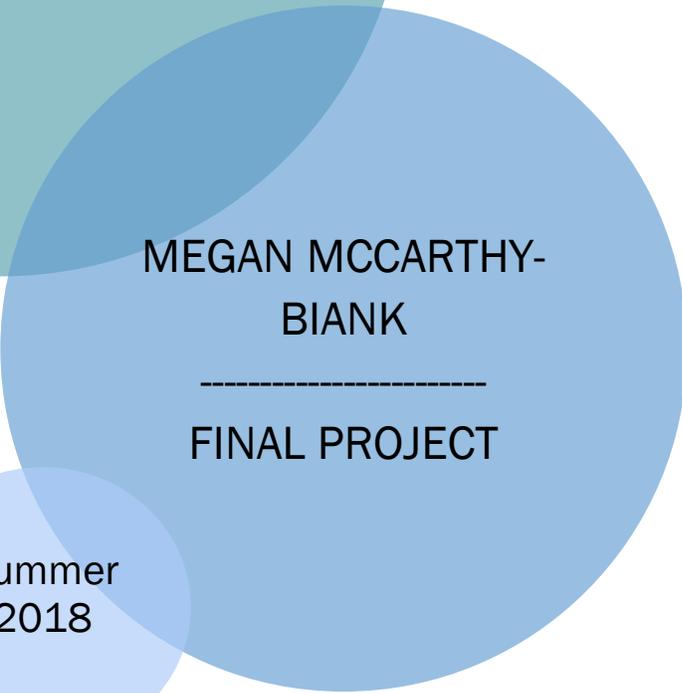




PET HUB INC.
Digital Pet ID Tag



**MEGAN MCCARTHY-
BIANK**

FINAL PROJECT



Summer
2018

PET HUB INC.

Digital Pet ID Tag

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ABOUT PETHUB INC AND DIGITAL PET ID TAG:

- Pet Hub Inc. Background
- Digital Pet ID Tag Description
- Product Success Thus Far

Company Introduction

Pet Hub Inc. was founded in 2010 by Tom Arnold, a former Microsoft employee and “pet parent,” with the goal of impacting the dismal “Return to Owner” (RTO) rate in the United States (“About PetHub”, 2018).

According to the American Society for the Prevention of Cruelty to Animals (ASPCA), approximately 6.5 million pets – about 3.3 million dogs and 3.2 million cats – enter U.S. animal shelters nationwide every year. Furthermore, approximately 1.5 million shelter animals are euthanized each year, while only 710,000 pets (18.8% of dogs and 2.8 % of cats) who enter shelters as strays are returned to their owners. The remaining animals who are not euthanized or returned to their owners are either adopted (rehomed) or placed in foster care situations (“Pet Statistics”).

Additionally, based on PetHub’s internal research with its municipal clients, the average cost to a shelter once an animal enters their system is about \$200/animal – ten days to find the owner or rehome the animal at \$20/day for food, medical needs, kennel services, etc. (“PetHub Inc. on Crowdfunder”).

PetHub Digital ID Tag

Pet Hub Inc. has developed a data-rich digital ID tag for cats and dogs. Pet owners who purchase the tags, equipped with a scannable QR code, can activate the tag and create a free online profile for their cat or dog (with the Basic package subscription). The pet's online profile will contain important information about the pet, including name, breed, age, owner’s contact information, dietary needs, medications, vaccinations, microchip information, rabies tag numbers, and more.

Anyone who finds a missing cat or dog wearing a Pet Hub digital ID tag can scan the bar code to access information about how to return the lost pet to its owner. Owners can also track their missing pet's location with the GPS tracking feature included with the Premium package option.

Since 2010, PetHub Inc. has been helping owners find their lost pets quickly and efficiently – based on internal statistics collected from 2012-2015, 96% of PetHub recovered pets are home within 24 hours or less, and 98% are reunited with their owners without ever entering a shelter (“PetHub Inc. on Crowdfunder”)

Product Success and Market Growth

PetHub Inc. partners with municipalities to replace their old stamped metal tags, and no other company offers a similar product on the market. PetHub has obtained critical market share within the last 15 months – closing 30 new contracts in 2017 and early 2018 – which represent an estimated 6.3% of the available market, or 128 communities nationwide.

Based on current sales and pending client accounts, PetHub expects to obtain about 12% of the market by the end of 2018 (“PetHub Inc. on Crowdfunder”). Over 967,000 PetHub digital ID tags are currently in circulation – if this momentum continues, over one million pets will have a digital ID tag by the end of 2019. Due to the rapid growth, PetHub Inc. is raising money to meet the needs of pet owners and municipalities, and also to alleviate the toll on the shelter system.

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RESEARCH PROCESS

- Purpose of Study
- Survey Strategy
- Respondent Details
- Error Minimalization

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Purpose of Study

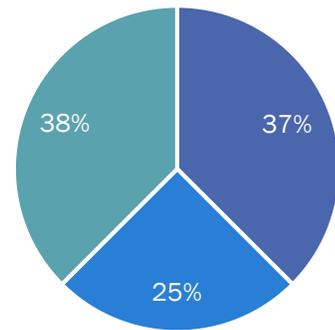
While PetHub’s clients consist of animal shelters and other similar municipalities and communities, one may wonder how successful this product would be on the public market. That is, would consumers i.e. pet owners purchase this product on their own? How valuable would they perceive this product to be? How do we measure that perceived value and potential success?

Research Strategy

For this project, I drafted a survey that consisted of 25 questions and used a mixed-mode method by conducting interviews via phone, in person, and offering an online version of the survey for respondents.

The survey was split into multiple sections to distinct between dog owners and cat owners, as well as to determine the nature of the problem that PetHub is trying to solve. For example, survey respondents were asked details about situations in which their pet has gotten loose or gone missing, and how concerned they are that their pet would “escape” in the future. By learning these details, I should be able to make the connection between the occurrence of the problem and the level of interest in the proposed solution.

Interview Method



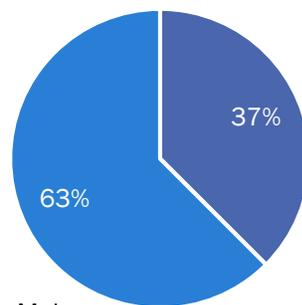
- Online Survey
- Phone Interview
- In-Person Interview

Figure 1

Respondent Details

I surveyed 16 pet owners over the course of two weeks. Demographic details are in Figures 2 and 3:

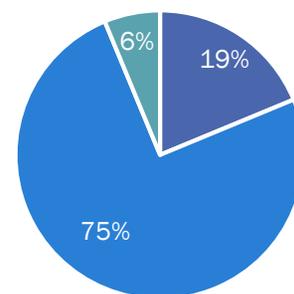
Respondent Gender



- Male
- Female

Figure 2

Pets Owned



- Cat Owners
- Dog Owners
- Both

Figure 3

Error Minimalization

Although the number of respondents was considerably low, there was still potential for data collection errors.

Fieldworker Errors

Interviewer misunderstanding, an unintentional error (Burns, Veeck, & Bush, p. 261), occurred seldomly. I was inexperienced in mixed-mode interviewing and would come across situations where I would have to adjust the flow of questions based on a respondent's answer.

For example, during a phone interview, I was reading the online version of the survey, during which this question came up: "Has your dog ever escaped your house or yard?" To which, the respondent answered "No." The follow up questions then consisted of the following:

- 1) How many times has your dog escaped your house or yard?
- 2) How did your dog escape your house or yard?
- 3) On average, for how long was your dog loose or missing?
- 4) How did you track down your dog after it escaped your house or yard?
- 5) On a scale of 1 to 5, how difficult is it to locate and retrieve your pet after it escapes your house or yard (1 being not difficult and 5 being extremely difficult)?

Because the respondent had indicated that her dog had never escaped her house or yard, the follow-up questions would not apply to her. However, I did not realize this until I had already asked the next two questions and tripped up a little bit before I assessed which question in the survey would be next appropriate. The next time I had encountered this situation with another respondent, I knew exactly which questions to skip and where to pick up again.

Respondent Errors

I encountered several respondent errors in the interview process as well, both intentional and unintentional.

The intentional respondent error, *nonresponse* (Burns, Veeck, & Bush, p. 263), occurred twice among online respondents, on two separate questions. I do not know if they skipped the question on accident, or simply did not want to answer the question at all, but I was still able to use their responses to the rest of the survey.

The two unintentional respondent errors I encountered were *guessing* and *distractions* (Burns, Veeck, & Bush, pp. 264-265). I had tried to prevent respondents guessing answers by including the response option of "unsure" (Burns, Veeck, & Bush, p. 269) on the online version, which helped. However, since phone and in-person interviews tended to be "open-

ended” question-form in which I did not verbally provide options, some respondents began expressing uncertainty. During these situations, I had indicated that it is okay if they are not sure, after which they had either indicated they were unsure or had determined their answer. In the event of distractions, I had used *prompters* (Burns, Veeck, & Bush, p. 269) such as, “Okay, next question” or “We’re almost finished” to recover the respondent’s attention and continue the interview.

PET HUB INC.

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OUTCOME

- Survey Results
- Implications
- Project Reflection

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Survey Results

Before conducting the survey, I was confident that there would be increasing monotonic relationships (Burns, Veeck, & Bush, p. 349) between the following variables:

- The number of times a pet has escaped and the pet owner's interest in the digital ID tag (Escape Count vs. Interest in Product).
- The number of times a pet has escaped and the dollar amount that the pet owner would be willing to pay for the digital ID tag (Escape Count vs. Payment Cap).
- The number of times a pet has escaped and the level of the pet owner's concern that their pet will escape again (Escape Count vs. Concern About Future Escapes).
- The level of difficulty in retrieving their lost/missing pet and level of interest in the digital ID tag (Retrieval Difficulty vs. Interest in Product).
- The level of the pet owner's interest in the digital ID tag and the dollar amount that the pet owner would be willing to pay for the digital ID tag (Interest in Product vs. Payment Cap).
- The level of the pet owner's concern that their pet will escape in the future and the pet owner's interest in the digital ID tag (Concern About Future Escapes vs. Interest in Product).

Implications

After creating graphs for each of these relationships, I discovered that only half of my predictions were correct. I will begin with my incorrect predictions.

Escape Count vs. Interest in Product

The scatter plot and trendline in Figure 4 indicate a decreasing monotonic relationship between these two variables. In other words, the more often a pet escaped, the less interested the owner was in the digital ID tag.

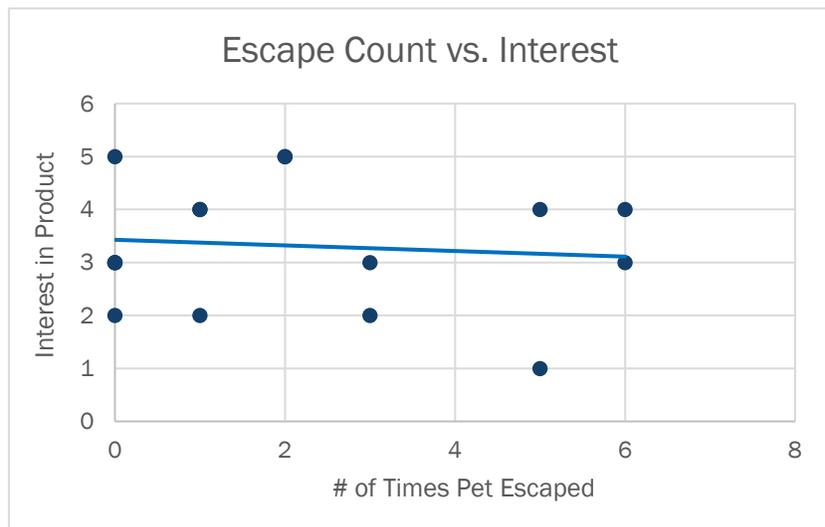


Figure 4

Escape Count vs. Payment Cap

The scatter plot and trendline in Figure 5 indicate only a slight increasing relationship between these two variables. In other words, the more often a pet escaped, the owner was only slightly more interested in the digital ID tag.

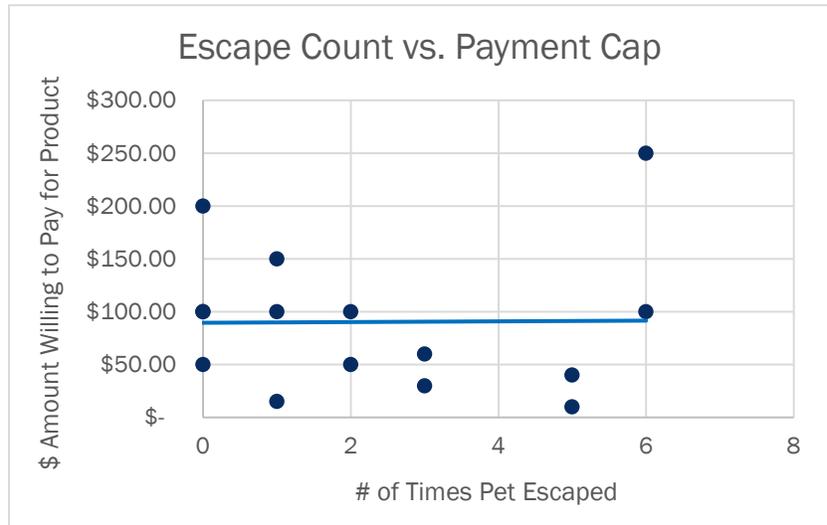


Figure 5

Retrieval Difficulty vs. Interest in Product

The scatter plot and trendline in Figure 6 indicate almost no relationship between these two variables. In other words, the more difficult it was to retrieve the missing pet, the owner was no more or less interested in the digital pet ID tag.

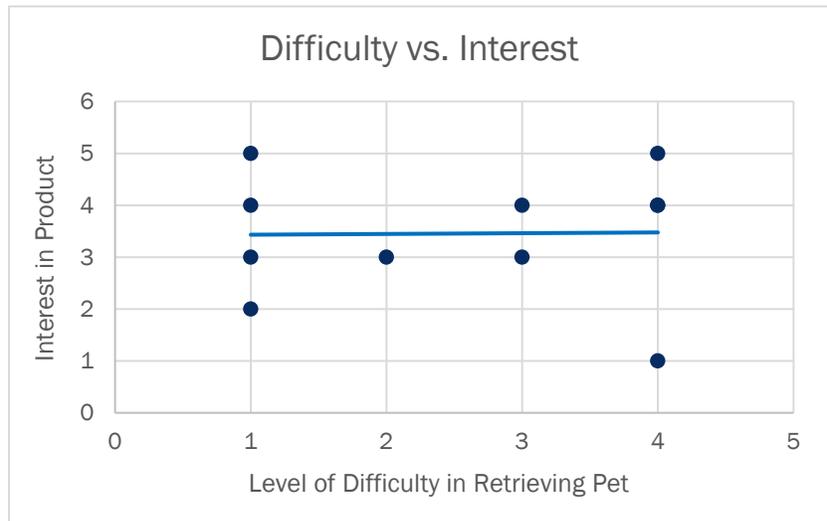


Figure 6

Escape Count vs. Concern About Future Escapes

The scatter plot and trendline in Figure 7 indicate a strong increasing relationship between these two variables. The more often a pet had escaped, the more concerned the owner was that their pet may escape in the future.

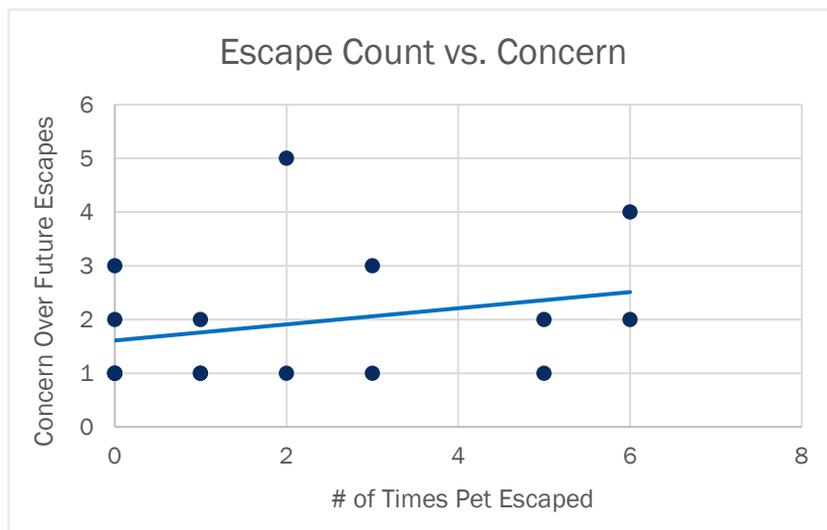


Figure 7

Concern About Future Escapes vs. Interest in Product

The scatter plot and trendline in Figure 8 indicate a strong increasing relationship between these two variables. The more concerned the owner was that their pet may escape in the future, the more interested the pet owner was in the digital ID tag.

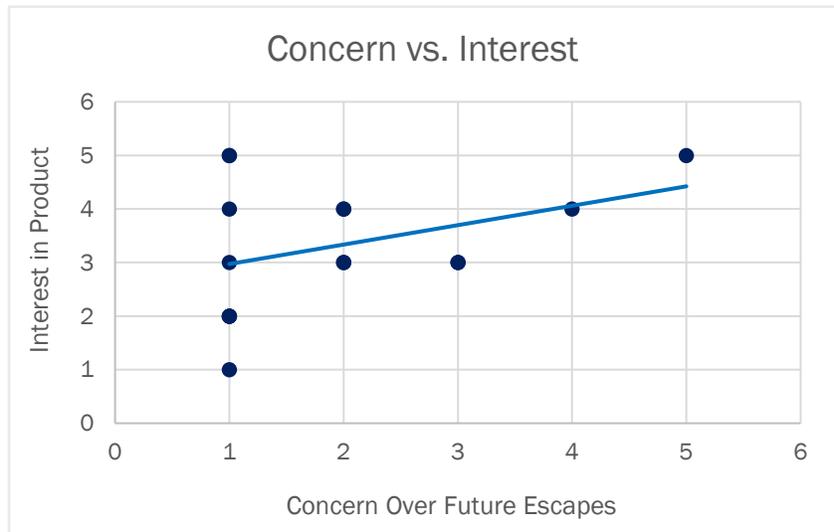


Figure 8

Interest in Product vs. Payment Cap

The scatter plot and trendline in Figure 9 indicate a strong increasing relationship between these two variables. The more interested the pet owner is in the digital ID tag, the more money they were willing to pay for the product.

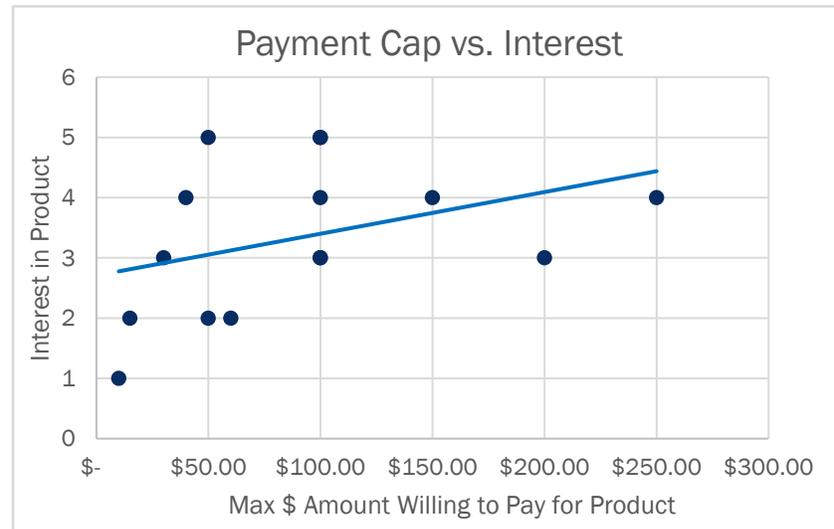


Figure 9

In short, the following relationships ended up being weaker than I had initially predicted:

- The number of times a pet has escaped and the pet owner's interest in the digital ID tag (Escape Count vs. Interest in Product).
- The number of times a pet has escaped and the dollar amount that the pet owner would be willing to pay for the digital ID tag (Escape Count vs. Payment Cap).
- The level of difficulty in retrieving their lost/missing pet and level of interest in the digital ID tag (Retrieval Difficulty vs. Interest in Product).

However, the following relationships proved my predictions to be correct:

- The number of times a pet has escaped and the level of the pet owner's concern that their pet will escape again (Escape Count vs. Concern About Future Escapes).
- The level of the pet owner's concern that their pet will escape in the future and the pet owner's interest in the digital ID tag (Concern About Future Escapes vs. Interest in Product).
- The level of the pet owner's interest in the digital ID tag and the dollar amount that the pet owner would be willing to pay for the digital ID tag (Interest in Product vs. Payment Cap).

Project Reflection

After conducting the mixed-mode interviews, analyzing the results, and visualizing the data, I am confident that I have a comprehensive understanding of the marketing research process. Not only have I confirmed what methods made this process successful, but I also recognize where my process falls short.

What Worked

My professional background is in marketing communications, I have considerable experience in market research and survey results analysis and I also received positive feedback on a previous survey assignment in this class. Therefore, I had a significant level of confidence going into this project. Below are the following techniques that helped me to obtain concrete, measurable answers:

- Scale responses
- "Negative" response options (e.g. "I do not own a dog")
- Short answer response for highest amount of money willing to pay for the product (i.e. allowing the streamlining between phone, in-person, and online interviews)
- Logical flow of questions
- Section descriptions to help respondents understand the purpose of the study

What I Would Do Differently

My professional experience with survey collection and analysis was ongoing; I had multiple opportunities to distribute the same surveys and collect responses, meaning I also had multiple opportunities to evaluate responses and revise surveys to improve them. If I had more opportunities to conduct more rounds of interviews and distribute more surveys, I would be able to improve upon my process for this particular project. Below are the following areas that could use improvement:

- Expand upon the GPS functionality and how PetHub could take advantage of top concerns of pet owners when locating their pet.
- Streamline online questions with in-person and phone interviews to obtain more specific data (e.g. “11+ years” as a pet owner vs. “16 years” response).
- Ask more questions about pet owner’s familiarity with the product (i.e. if they have ever heard of a similar product on the market before).
- Expand sample size to include respondents who may not be current pet owners but have owned pets in the past to determine if the perspectives differ.

Potential Consumer Market Performance

Based on the survey results, I believe that consumers would purchase this product with the Basic subscription, although not all may pay for the Premium package option. Pet owners recognize the value of the digital pet ID tag and are interested in the GPS functionality.

However, the perceived reliability and usefulness of the product would be subjective and depend on the habits of both the pet and the owner. Based on the survey results, the frequency of escapes influences concern over future escapes, which influences interest in product, which influences the amount of money owners are willing to pay for the product. Pets who do not escape often or are trained to remain near their owners will not require the GPS technology equipped with the paid subscription service – therefore, owners will not find the product as valuable as owners whose pets escape often.

In any case, pet owners will find this product useful and valuable, and will become a long-term household item – but possibly only for the right price.

PETHUB INC.

Digital Pet ID Tag

SOURCES

- Works Cited
- Survey Description and Questions

4

Works Cited

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Survey Description and Questions

Product Survey: Pet Hub Inc Digital ID Tags

Pet Hub Inc. has developed a data-rich digital ID tag for cats and dogs. Pet owners who purchase the tags for their pets can activate the tag and create an online profile for their cat or dog. The pet's online profile will contain important information about the pet, including emergency contacts, dietary needs, medications & vaccinations, microchip and rabies tag numbers, and more.

Anyone who finds a missing cat or dog wearing a Pet Hub digital ID tag can scan the bar code with their smart phone to access information about how to return the lost pet to its owner. Owners can also track their missing pet's location with the GPS tracking feature that is activated once someone scans the tag, which is available at an extra cost.

The following questions will help researchers determine the pet owner's level of interest in this product, how likely pet owners are to purchase this product for their pet(s), and how useful pet owners will find the product.

- 1) What is your first name?
- 2) What is your age?
- 3) What is your gender?
- 4) Do you live in a house or an apartment?
- 5) Are you one of the primary purchasers/renters of your residence?
- 6) How many people (of any age) live in your residence (including yourself)?
- 7) How many dogs do you own?
- 8) How long have you been a dog owner (include dogs previously owned)?
- 9) Do all of your dogs have a collar with an ID tag?
- 10) Do the ID tags have your contact information?
- 11) How many cats do you own?
- 12) How long have you been a cat owner?
- 13) Do all of your cats have a collar with an ID tag?
- 14) Do the ID tags have your contact information on them?
- 15) Does your place of residence have a yard?
- 16) Does the yard have a closed fence and/or gate that closes off the entire yard (include invisible fence)?

- 17) Has/Have your dog(s) or cat(s) ever escaped your house/apartment or yard?
- 18) How many times has/have your dog(s) or cat(s) escaped your house/apartment or yard?
- 19) How did your dog(s) or cat(s) escape your house/apartment or yard (check all that apply)?
- 20) On average, for how long was/were your dog(s) or cat(s) loose or missing?
- 21) How did you track down your dog(s) or cat(s) after it escaped your house/apartment or yard (check all that apply)?
- 22) On a scale of 1 to 5, how difficult is it to locate and retrieve your pet after it escapes your house/apartment or yard?
- 23) On a scale of 1 to 5, how worried are you that your pet might escape your house/apartment or yard in the future?
- 24) On a scale of 1 to 5, how interested would you be in purchasing technology that would allow you to track your lost/missing pet via GPS when/if someone finds them?
- 25) What is the HIGHEST amount of money that you would be willing to pay for a digital pet ID tag that allowed you to track your lost/missing pet's location via GPS when/if someone finds them?

[Link to Online Survey](#)