

Current situation of pet economy development under post-epidemic period

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Abstract: *With the development of economy and the improvement of people's living standards, pet economy is playing an important role in meeting people's growing needs for a better life. The outbreak and spread of the epidemic in 2020 has greatly affected the industry chain and supply chain of the pet industry. In the face of the epidemic, how to turn the crisis into strategic development of pet economy in the post-epidemic period, and how to coordinate epidemic prevention and control and promote the recovery of the industry has become an important topic for our research. This paper collected data through literature review, collected consumer psychology through questionnaires, and visited pet shops and pet related industries on the spot to understand the development status and operation of the pet market in the post-epidemic period. Finally, it analyzes the development prospect and existing problems of pet economy and puts forward forward-looking thinking and reasonable suggestions for the supply side demand of pet market.*

Keywords: *pet economy, post-epidemic period, potential*

1. Introduction

In recent years, the number of families with fewer children and dink families in China has increased, leading to the gradual increase in the number of empty nesters and young people, and the rapid growth of the number of pet owners in China. According to the White Paper on China's Pet Industry, there will be more than 100 million dogs and cats in 2020, and the urban pet (dog and cat) consumption market in China will reach 206.5 billion yuan. Pet owners born in the 1980s and 1990s account for more than 70% of the population, which is the main group in the current and future consumer market. The proportion of people with high education and middle and high income is increasing, becoming a new generation of pet owners. With the improvement of people's material living standard, consumers are more willing to invest energy and money in pets, and the traditional pet industry has been unable to meet the consumer psychology of pet owners. With the development of the Internet, "Internet celebrity economy" has gradually emerged among pet owners. "Cloud cat" and "cloud dog" are all the rage. Based on the "pet +" model, "cat cafe", "dog cafe" and other related industries are developing in full swing ^{[1]-[3]}. The pet economy has been boosted by a steady increase in consumer willingness.

The research significance of this paper is to understand the development status of China's pet economy, study the actual impact of the epidemic on pet economy, explore new formats and models, and standardize and optimize industry management through the segmentation of pet consumption market in the post-epidemic period. To base on the new stage of development, improve the pet market resource allocation efficiency, promote the development of the upstream and downstream related industries, optimize the environment of business, innovation and development mode, for the reform of the pet market supply side demand side and forward thinking for the development of high quality and reasonable Suggestions, in order to better serve the expanding domestic demand strategy, service new development pattern.

2. The current status of pet economy in the post-epidemic period

2.1 Analysis of Consumer Sample Structure

In the post-epidemic era, according to data provided by authoritative papers and journals such as the White Paper on China's Pet Consumption Trends in 2021, it can be found that China's pet owners are mainly distributed in economically developed provinces and regions with strong spending power. Among them, Guangdong has the highest proportion of pet owners, reaching 14.74%. Zhejiang, Jiangsu, Beijing,

and Shanghai are in the second to fifth place respectively. The data samples of this project group are all from Beijing.

Many studies have shown that population aging can drive the growth of pet economy to a certain extent. In countries with a high degree of aging represented by the United States and Japan, the elderly are the main force in pet ownership [4]. In recent years, pet white paper data shows that young, highly educated, female, and unmarried groups have gradually become the main group of pet owners in China. It can be seen from this that in the social context of China, late marriages, low birthrates and the improvement of education popularity are more likely to drive the development of the pet industry than the aging population.

2.1.1 Pet owners tend to be younger

According to the data collected in this work, comparing the number of pet owners in different age groups, the post-90s generation accounts for the highest proportion, reaching 33%, and the post-90s and younger groups account for 47% in total. In the traditional sense, only 6% of the elderly post-75s who love small animals. The results are shown in Figure 1.

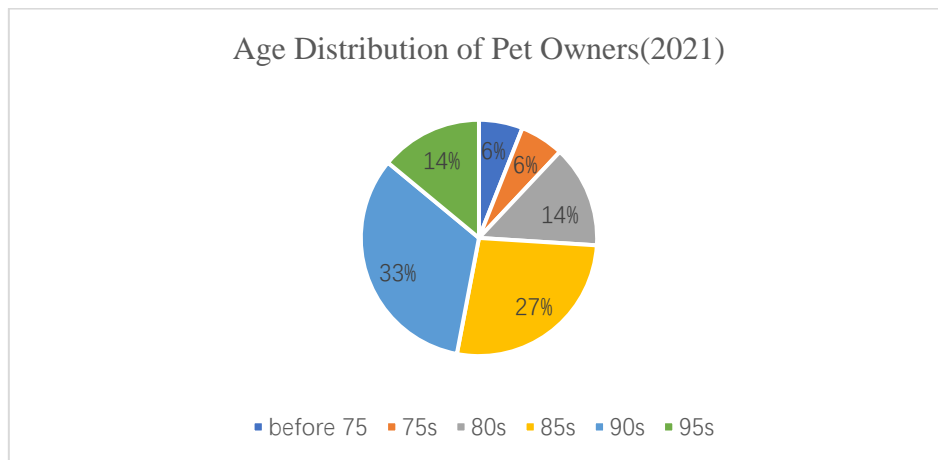


Figure 1: Age distribution of pet owners (2021)

According to the data, the current pet owners in my country are mainly post-90s. With the rapid acceleration of urbanization, a large number of post-90s young people are working hard in the city. In today's society, there is very little communication between neighbors. They are helpless in big cities. Choosing to raise pets is also to add a touch of color to the ordinary life.

2.1.2 Pet owners tend to be highly educated

The 2021 Pet White Paper shows that among China's pet consumers [5], more than 80% of pet owners have a bachelor's degree or above, and 8% have a graduate degree or above. The results are shown in Figure 2.

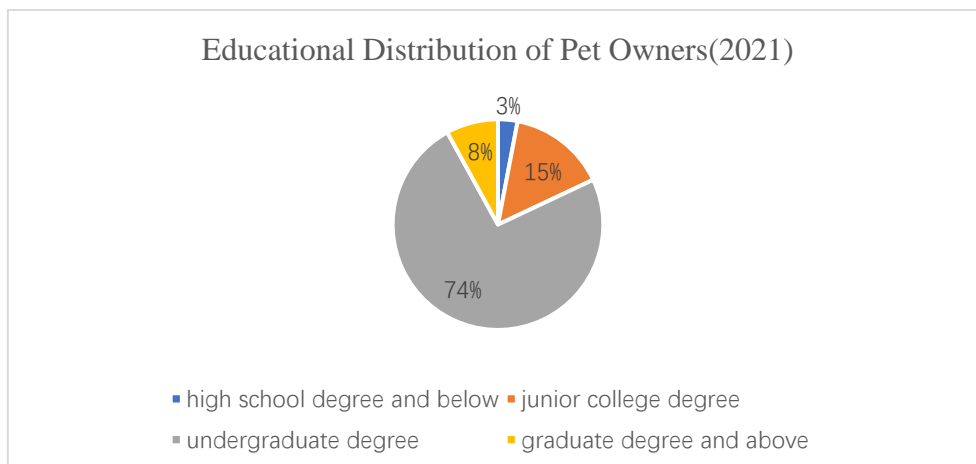


Figure 2: Educational distribution of pet owners

2.1.3 The majority of pet families are middle-class families

The monthly income of 59% of pet-raising families is between 1.5w and 4w^[6], indicating that middle-class families are the main force in pet-raising. The results are shown in Figure 3.

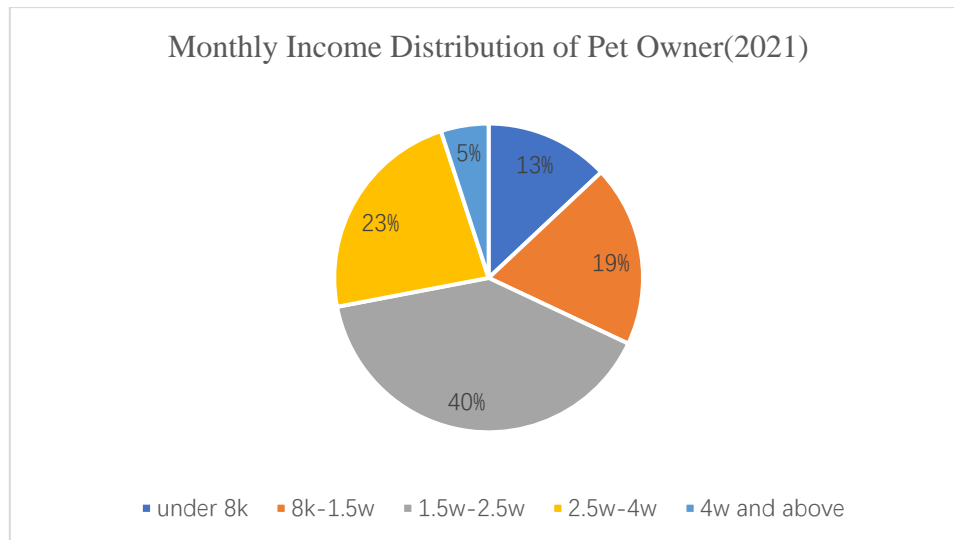


Figure 3: Monthly income distribution of pet owners

According to the data, middle-class families are the main force of pet-raising families. Maslow's Hierarchy of Needs Theory points out that people will pursue higher psychological needs after satisfying the lower physiological needs. Therefore, with the development of my country's economy, most families no longer worry about food, clothing, housing and transportation. They choose to keep pets to meet their psychological needs. Pets can already become one of the family members to some extent, and they can bring us warm moments.

2.2 Consumer Psychology

2.2.1 With a kind heart

In recent years, the concept of "adopting instead of buying" in the pet market has been recognized by more pet owners, and more and more caring people have adopted homeless stray cats and dogs. According to our data, 54.35% of pet owners choose to raise pets out of love motives, of which 34.78% choose the reason to like small animals, and 19.57% choose the reason for the adoption of goodwill.

2.2.2 Emotional sustenance

To a certain extent, pets are the enrichment and development of human emotions. Pets are people's emotional sustenance, filling the emotional hunger of interpersonal relationships, making up for the lack of warmth, mutual help and friendship in interpersonal relationships, and serving the loneliness caused by urban life. Among the collected samples, 17.39% chose pets as spiritual sustenance, wishing pets to accompany the elderly and children, filling time vacancies and other similar options as the reasons for pets. Pets are always with their owners and never betray their owners. Their intimacy and friendliness are the most real and cordial. People can get comfort by getting along with pets when they are frustrated and depressed.

2.2.3 Changes in the channels for consumers to purchase pet-related products

According to the "2020 Pet Industry White Paper", from February to the end of March in 2020, more than 80% of the physical stores have a monthly turnover of less than 100,000 yuan, nearly 60% of the monthly turnover is below 50,000 yuan, and 40% of the monthly turnover is 50,000 yuan. between 10,000 and 100,000 yuan. The normal operation of most pet stores (hospitals) and other stores in this epidemic has been restricted, which has caused offline pet stores to lose a lot of customer traffic. After the epidemic was brought under control, merchants developed different channels to sell various products, striving to better and more conveniently contact customers and sell products, and the channels for consumers to purchase pet-related supplies have also changed.

3. Analysis of the development trend of pet economy

3.1 The huge population drives the number of pets

As the most populous country in the world, China has a population of more than 1.4 billion. As an industry that serves people and solves the needs of human beings for lack of companionship and spending time, the pet industry has a huge population base, which means it has a huge target market.

3.2 National economic growth promotes the development of pet economy

Although the epidemic broke out in late 2019, the domestic economy continued to move forward. Under the influence of the epidemic, although the growth rate of GDP has slowed down, it is still rising. The pet industry, as an industry that provides companionship for customers and services for pets, the growth of the domestic economy will well promote the development of the pet industry.

3.3 Short video self-media software promotes the development of new pet raising methods

Since the epidemic era, a large number of users have poured into various short video self-media software, including a large number of pet bloggers, and pet bloggers in software such as Weibo have emerged one after another. Short video software not only provides a convenient life sharing channel, but also promotes communication and mutual assistance among pet owners, and a new way of pet show "pet live broadcast" has sprung up, enabling all kinds of pets to participate in the training of pet owners. Record life videos such as meals and sports, bring new experiences to the audience in the videos, and promote the development of pet short video advertisements.

4. The development prospect of pet economy

4.1 Promote the development of pet-related industries

The level of per capita income has gradually increased, resulting in a continuous increase in the number of pets and rapid development of the pet economy. From a macro perspective, there is a positive correlation between the number of pets per capita and GDP. Because the needs of pets are diverse, whether it is pet food, pet medical treatment and pet grooming, etc., have been driven by the development of the industry. In this way, the diversified development of pet food has also made people's demand for pet food gradually move from "subsistence" to a higher level of demand.

According to the "Research Report on the Development of China's Pet Medical Industry", there are currently more than 15,000 pet hospitals in my country, and among them, chain hospitals account for The ratio exceeds 10%, which shows the popularity of pet medical care. In general, people are willing to spend on pet treatment because of their sustenance for pets. Most of my country's pet medical industry uses imported drugs and imported medical facilities, which are more expensive. At the same time, there is still a big gap between the number of veterinary personnel in my country and foreign countries. At present, more attention should be paid to the safety and independent research and development of medical devices and pet drugs, and to cultivate more and more professional pet experts.

4.2 Internet-based pet economy

Affected by the epidemic, people's lives are more dependent on the Internet. When the epidemic was severe, schools changed from offline teaching to online courses, and workers from all walks of life chose to work from home. Figure 4 is a diagram of the scale of China's pet industry from 2015 to 2023 based on the data provided by Guanyanre.com, in which the data from 2021 to 2023 are predicted values.

With the growth of pet penetration rate, the market size of China's pet industry also grows year by year, from 72.5 billion yuan in 2015 to 252.1 billion yuan in 2019. In 2020, the market size of China's pet industry reaches 298.8 billion yuan, with a sequential growth of 18.52%. Some experts predict that by 2023, The scale of China's pet market will exceed 445.6 billion yuan. It can be seen that, unlike other industries, the pet economy has not been severely impacted by the epidemic, but has grown in scale against the current. The 2020 Report on Big Data of China's E-commerce Industry shows that pet e-commerce has become a hot field of vertical e-commerce, and its e-commerce subjects rank second among all vertical e-commerce. All kinds of data show that for pet economy, which has a scale of

hundreds of billions of market, the development of online economy has been the general trend.

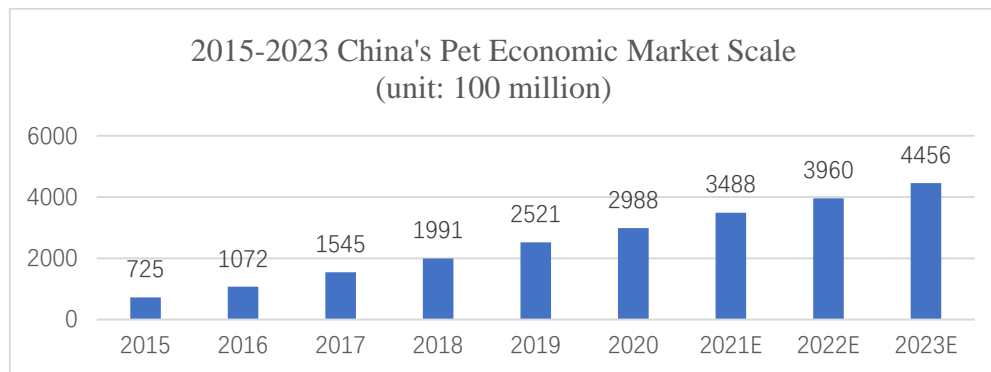


Figure 4: 2015-2023 China's pet economic market scale

5. Problems in pet economic development

5.1. The pet sales market lacks strict supervision

China's pet economy is not fully developed, and the relevant regulations of the pet market have not been clarified yet. There are many problems in the process of buying and selling and after-sale issues without strict market supervision. At present, there are many domestic pets but few high-quality products. Most of the pets in the pet market are mainly kept by individuals. In some places, pet transactions are even secretive. Therefore, many sellers have the problem of not having relevant pet transaction certificates. In order to make a profit, unscrupulous businesses conceal the actual health status of sick pets from consumers, which damages the rights and interests of consumers. At the same time, there are also big problems in the after-sales of pet transactions. Due to the particularity of pets, the scope of after-sales cannot be clearly defined. Some businesses will refuse after-sales to avoid trouble.

5.2. The pet commodity industry chain is not comprehensive

China's pet food and pet supplies in the pet economy accounted for a very large proportion. Pet food is mostly pet snacks, and supplies are mostly toys. The commodities are monotonous, and there is a great space for development. At the same time, compared with foreign countries, my country's pet economy industry chain is very imperfect, such as pet boarding, pet grooming, pet photography, pet matchmaking, pet funeral and other industries are not very developed, the pet economy is also limited to buying and selling pets and pet food and supplies. At the level of severance, pets are not really given the treatment they deserve as companions.

5.3. Hygiene and safety hazards exist

Pets need to be cleaned regularly and frequently, because they spread viruses and bacteria, and have a high probability of causing the spread of diseases, but now domestic pet hygiene issues are not very important, and many pet owners will only give their pets a comprehensive cleaning every day or even a few days, causing a great safety hazard. At the same time, many pets may be biting madly. For example, rabies, which we are more familiar with, needs to be paid attention to. Once many similar diseases occur, it will bring life-threatening to pet owners or people around them. The domestic pet medical development is not comprehensive, and most of the pet clinics on the market are smaller. Many cities lack formal pet hospitals, complete medical equipment and professional medical personnel, so that sick pets cannot receive timely and effective treatment.

5.4. Pets lack training and frequently disturb residents

Pet nuisance incidents occur frequently. Not only is the barking noise at night causing noise pollution, disturbing the rest of the surrounding residents, causing disputes among neighbors, but also the phenomenon of improper care, pets running around on the street, ramming the elderly and children, or biting people. Most domestic pets have not undergone professional training, and sometimes they cannot be controlled by the owner's verbal orders, so there are endless incidents of pets disturbing the people in

society.

6. Relevant countermeasures and suggestions

6.1. Strengthening industry supervision

Relevant departments should strictly supervise the pet market, constantly improve pet industry laws and regulations, and severely crack down on acts of cheating, concealing sales, and using other improper means to increase profitability^[7]. It is necessary to clarify the main body of supervision, establish a pet trading grade access system, strictly control the quality of pet stores, ban illegal businesses, increase penalties, regularly inspect and supervise pet trading venues within the city's jurisdiction, and clarify transaction prices, quantities, and commodities. Industry standards for quality, after-sales and other issues to promote the stable development of the pet market.

6.2. Improve the development of pet-related industries

Increase research and development of pet food and supplies, create local independent brands, seize market demand, analyze consumer psychology, develop pet staple food, medicine, health food, clothing, decorations, cleaning supplies and other products, improve technology Level and industry scale, guide pet production and consumption, and enhance the industry competitiveness of domestic pet products. At the same time, vigorously support the development of pet-related industries such as pet fostering, training, grooming, photography, matchmaking, and funerals, promote the diversified development of the pet market, and improve the domestic pet market economy.

6.3. Improve the level of pet medical care

Publicize the virus and bacterial infections that may be caused by various pets, improve people's awareness of prevention, strengthen the cleanliness and health care of pets, vaccinate pets in a timely manner, and regularly go to the pet hospital to check the pets' health, and find pets in a timely manner. Seek medical attention, try to avoid excessively intimate contact with pets, and reduce the contact between children and pets^[8]. At the same time, the government should support the establishment of large and medium-sized pet hospitals, independently develop new technologies, and increase efforts to develop pet medical-related drugs and equipment to ensure that pets can be thoroughly examined and treated. We should also vigorously cultivate professional talents, support the cooperation between pet hospitals and universities, cultivate outstanding talents in related fields, improve the cure rate of pet diseases, and reduce potential safety hazards.

6.4. Train pets and raise pets in a civilized manner

Pets should be trained before trading to reduce the probability of incidents such as yelling, disturbing people and running around. Pet owners should also raise pets in a civilized manner, and do not keep large or aggressive pets in accordance with relevant regulations. Go to the epidemic prevention department to conduct immunization inspections and vaccinations for pets in time, and lead pets that can cause safety hazards to people or reduce the number of times they go to crowded places. Bring garbage bags, and do pet cleaning work in time to avoid polluting the environment and causing others. Resentment, empathy for the feelings of others. Let alone abandoning your pets due to illness or other reasons, to avoid the widespread spread of viruses and bacteria, causing disease infection, and being a civilized and qualified pet owner.

7. Conclusion

The challenges and opportunities brought by the epidemic to the pet economy market coexist. Based on my country's huge population base, increasing consumption levels, middle-class consumer structure and growing emotional needs, we found that there is a huge consumer group hidden behind the pet economy. In the post-epidemic period, consumers tend to be younger and more highly educated, which allows us to see the potential of the pet economy in the future development of the Internet and sharing economy. We put forward the following suggestions for China's pet economic market. First, we should strengthen industry supervision and clarify industry standards. Second, we should speed up the development of pet-related industries to achieve industrial diversification. We should pay more attention

to pet health and ensure the safety and hygiene of pets. Finally, Civilized pets are required. Compared with developed countries with nearly 100 years of pet industry development history, China's pet economy started late, but the data has proved that my country's pet economy is on the rise. We firmly believe that the pet market will have a broader space for development.

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