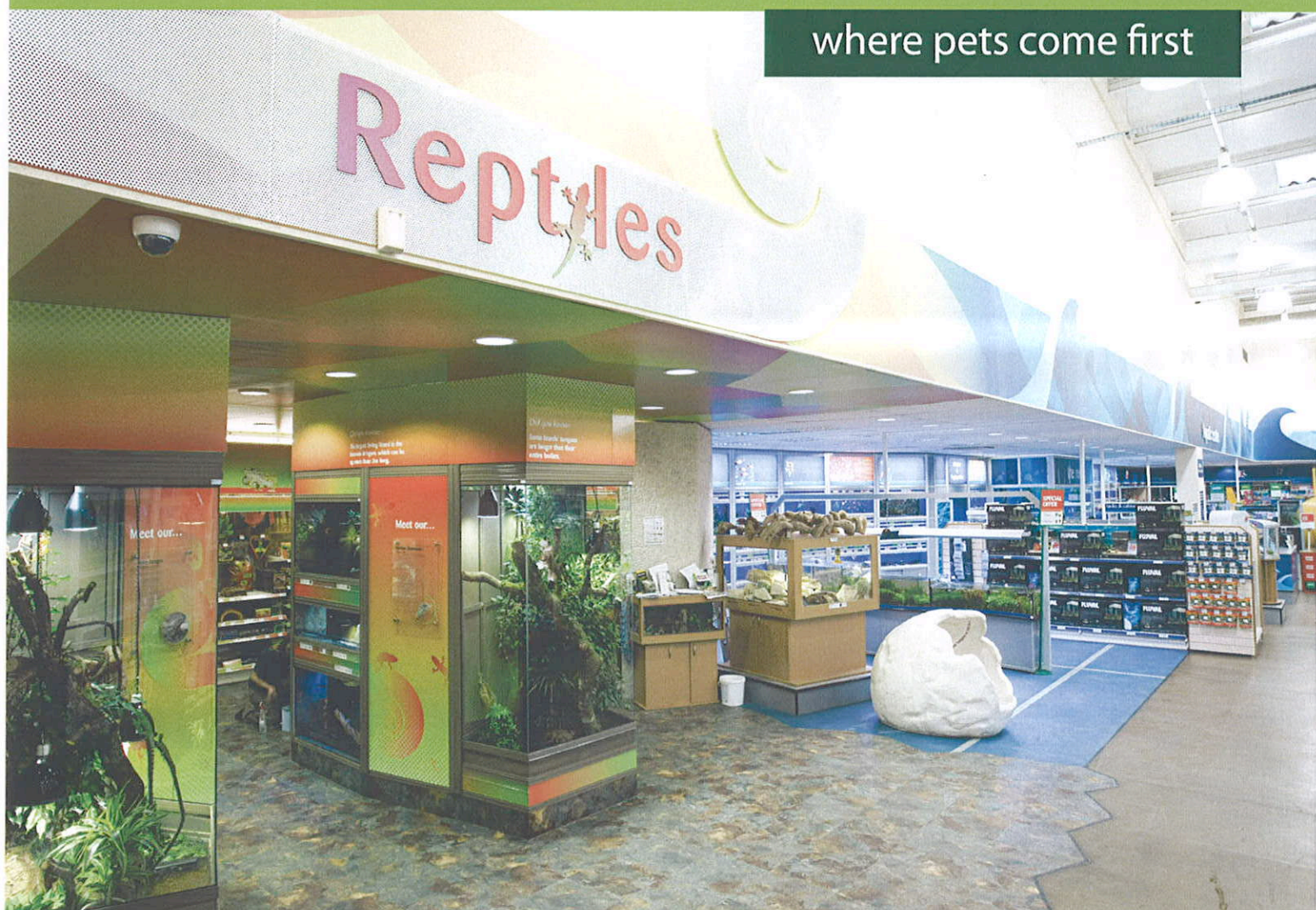




Category: 7.0 Interiors
Sub-category: 7.2 Retail
Client company: Pets at Home
Design Consultancy: 20|20

pets at home

where pets come first





Executive Summary


Private Equity firm Bridgepoint acquired Pets at Home (PAH) for £230 million in 2004 and in 2009 were gearing up to sell the business for maximum profit. In order to achieve this they recognised the need to complete the PAH package with a flagship store in the south. The store would need to reflect the potential of future growth within the pet market in the UK and further afield, thus showcasing the investment opportunity for any potential buyers.


20|20 started work with PAH in 2006, successfully redesigning the brand identity and full store concepts for pilots in Romford and Crayford. Based on the double digit growth of these outlets, the concept has so far been rolled out to 100 of the 266 stores in the estate. In 2009, 20|20 were commissioned to further develop this in-store concept for a flagship in New Malden, concentrating on developing specific departments in the store that were identified as key future growth areas.

Each new area achieved the following excellent commercial results:

 **The new reptile area experienced an increase in sales of 569%**

 **The store saw an increase in sales of small pets in the new 'Woodlands' area of 245%**

 **The introduction of a 'Wildlife' section helped sales of wildlife products to increase by 49%**

 **Sales of aquatics increased by 38%**

All of the above contributed to proving the growth potential of the business to prospective new owners and Pets at Home was sold shortly after the New Malden store launched for £955 million: over four times the purchasing price.

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Bridgepoint sold Pets at Home for £955million

**a 415% increase on the
original investment**

"We are delighted with the new look and feel of our New Malden store and the way it presents both our products and services. The store has proved a great success exceeding our expectations both in terms of its continuing improved sales performance and the Pets at home experience it now provides for our customer."

**Sally Hopson,
Customer Director, Pets at home**

"Much of what has been done in-store at Pets at Home is the result of the collaboration between design consultancy 20|20 and the retailer. Its success must, in part, be the outcome of consistent design work, putting the retailer in a position to take advantage of conditions during 2009, rather than bemoaning changed economic circumstances."

**John Ryan,
Retail Week**

Project Overview

1. Outline of project brief

Pets At Home's growth strategy since Bridgepoint bought the company has been to create destination stores that provide clear differentiation from their competitors. The ultimate goal of this growth strategy was for Bridgepoint to sell the retailer for considerable profit.

20|20 and PAH created a flagship store for the South where pet lovers can enjoy, learn about and buy everything they need for their pet with a particular focus on significantly increasing sales of reptiles, aquatics, small animals and wildlife products.

Objectives:

- To capitalise on the increasing sales and availability of reptiles by designing a **new reptile area**

- To improve sales of aquatics by taking our previous aquatic concept and giving it a **new look and feel**

- To incorporate a **new 'Woodlands' area** that would act as a 'natural habitat' for the pets albeit indoors and thus increase sales of small animals

- To improve sales of 'Wildlife' products through **product display** and merchandising

- To create a **permanent events area** that gives PAH the opportunity to promote their expertise and to work with the community and local schools.



Sea water
contains every
natural element
known.

Project Overview

(continued)



2. Description of the project

To achieve clear market differentiation and demonstrate potential growth, it was clear that the store needed to focus on its core strengths: useful information, fun interaction and great service.

Information: PAH are passionate about sharing their expertise with their customers - a fundamental part of their offer - therefore this knowledge needed to be incorporated in all elements of the new store.

Interaction: PAH wanted to be able to offer customers and particularly children an opportunity to get to know the animals before they buy them.

Service: PAH offer a service that is second to none which needed to be on show throughout the store



3. Overview of market

PAH's main competitors continue to be the convenient big supermarkets chains. This competition has been reduced over the last six years since the acquisition of the business by Bridgepoint, which has allowed PAH to develop and extend its product range and to collaborate with 20|20 to create the best possible store experience for its customers. PAH are now the UK's only national 'total' pet retailer and in the last six years have grown from 186 stores to 266 today, located in edge of town or out of town retail parks.



4. Project launch date

5th December 2009



5. Size of design budget

£70k



Project Overview

(continued)

6. Design solution

Completely new to the store is a reptile experience. Previously PAH only sold reptile products that were housed in two of the bays within the aquatics department. It was traditionally seen as quite a masculine and geeky pet area, so in order to make it more intoxicating and appealing to women and children, the merchandising was made softer and more exotic. Inspiration for the motifs and patterns designed was taken from the reptiles' natural habitats and their skin colours and textures are abundant throughout the cavernous enclosure. Lettering is based on the beautiful curved shapes of the geckos and other such reptiles to make it softer. Informative reptile facts have been incorporated into the communication.

To enhance the live pet experience and increase the sale of small animals, 20|20 brought the outside in and created an experience that positioned the animals in a more natural habitat placing the emphasis on them and their behaviour. This was done by creating the new 'Woodlands' area, which incorporates a walkway through newly designed animal enclosures. Different shapes and materials, such as layered wood, were used to resemble the animals' natural homes and the enclosures have been placed on a low level for customers of all ages to look into. There are 'familiarisation' tables and chairs made out of the trunk of a woodland tree where prospective pet owners can interact with the animals before they buy them. The area now incorporates the first stand-alone Pet Adoption House, a chicken shack and a Degu (part of the rodent family) enclosure, all designed by 20|20.



Wildlife products had previously not been selling well. To combat this, 20|20 gave the department more theatre and appeal by creating hedgerows made from wood and bunting and using the Woodlands characters to impart expert advice to customers on feeding the wildlife in their gardens.

The aquatic centre is based on the successful concepts that were used in the Romford store but were taken to a new level in terms of scale - it now includes the largest tropical fish tank in the country outside of an aquarium centre. More emphasis has also been placed on live aquatics over dry goods and accessories.

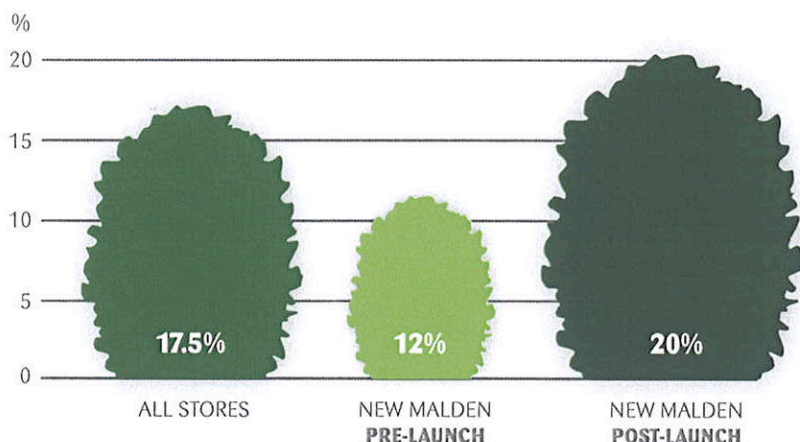
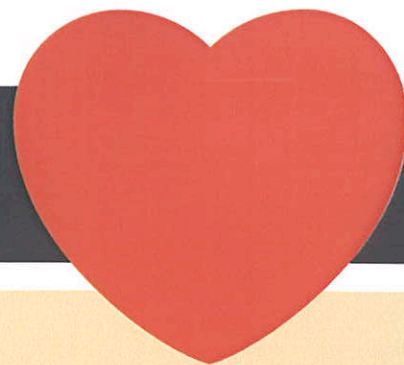
A 'Park' area was designed and introduced to allow demonstrations and events to take place in-store, everything from puppy training to school parties. This is the first PAH store that had room for such an area and is an extension of the store's promise to be informative, interactive and offer a service. It is also a way of getting new customers through the door for reasons other than just to purchase goods.

An 'Avenue' was created that runs through the store, connecting all the new departments together. It is lined with wooden trees and in-store communication and literally takes the customer on a Pets at Home journey making their shopping experience enjoyable, accessible and hassle-free.

20|20 also developed and introduced a new strapline for the brand - **"Where pets come first"**.

(Word count 494)

Summary of results



Overall LFL sales

♥ **Average weekly sales during the first four months after the new store was launched increased by 20.75%, compared to the same period the previous year.**

♥ **Overall LFL sales have increased** from 12% to 20%, this means the New Malden store has performed +14% on a LFL basis on the other stores.

♥ **Reptile sales have increased by 569%** per month. Because of the commercial success of the area, the graphic elements of the new concept have been rolled out to 80 other stores.

♥ **Pet sales have increased by 245%** per month since the refurbishment. Pet sales in other stores for the same period have remained static.

♥ **Wildlife sales have increased by 49%** per month, compared to other stores that have seen a 32% increase.

♥ **Aquatic sales have increased by 38%** per month, sales for this department have stayed the same across other stores.

♥ **The average number of weekly transactions has increased by 16%.** Transactions for other stores in the same period have seen little or no increase. The average **value of these transactions has increased** by 3.85%.

Bridgepoint sold Pets at Home to KKR for £955 million in January 2010.

“We are delighted to have the opportunity to invest in this exceptional company. “Pets at Home leads the UK pet market with 4,200 passionate and expert colleagues and a well-differentiated retail proposition. We are enthusiastic about the significant further potential for Pets at Home to grow, develop and continue to deliver its unmatched breadth of products, store environment, competitive pricing and customer service.”

John Pfeffer
Executive, KKR

Table removed



Other influencing factors

Launch Campaign

- 🌿 **Advertising on buses** from 23rd Nov – 20th Dec Leaflet drop w/c Nov 20th
- 🌿 **Further leafleting** in and around local shopping centres, golf clubs etc
- 🌿 Advertising was placed in the December issues of Practical Fishing and Practical Reptile
- 🌿 **10% vouchers** off Nestle Purina products were given out during launch weekend
- 🌿 **A blimp** was used for two 4-day periods during December
- 🌿 **A schedule of events** took place in The Park throughout the launch weekend

The standard campaign took place leading up to the launch weekend and for 2 weeks after. Sales have still significantly increased since then so despite some of these initiatives initially getting the customers through the doors, it is the store design, layout and offer that has kept them coming back in increasing numbers. Bad snow conditions towards the end of 2009 and start of 2010 impacted on the entire estate including New Malden but the new flagship continued to see a rise in footfall and still outperformed the other stores.

