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## BUSINESS WEEK

August 6, 2007

### COVER STORY

By [Diane Brady](#) and [Christopher Palmeri](#)

Americans spend an astonishing \$41 billion a year on their furry friends

If there's still any doubt whether the pampering of pets is getting out of hand, the debate should be settled once and for all by Neuticles, a patented testicular implant that sells for up to \$919 a pair. The idea, says inventor Gregg A. Miller, is to "let people restore their pets to anatomical preciseness" after neutering, thereby allowing them to retain their natural look and self-esteem. "People thought I was crazy when I started 13 years ago," says the Oak Grove (Mo.) entrepreneur. But he has since sold more than 240,000 pairs (a few of which went on prairie dogs, water buffalo, and monkeys). "Neutering is creepy. But with Neuticles, it's like nothing has changed." Nothing, except there's a fake body part where a real one used to be.



[Slide Show >>](#)

Americans now spend \$41 billion a year on their pets—more than the gross domestic product of all but 64 countries in the world. That's double the amount shelled out on pets a decade ago, with annual spending expected to hit \$52 billion in the next two years, according to Packaged Facts, a consumer research company based in Rockville, Md. That puts the yearly cost of buying, feeding, and caring for pets in excess of what Americans spend on the movies (\$10.8 billion), playing video games (\$11.6 billion), and listening to recorded music (\$10.6 billion) combined. "People are no longer satisfied to reward their pet in pet terms," argues Bob Vetere, president of the American Pet Products Manufacturers Assn. (APPMA). "They want to reward their pet in human terms." That means hotels instead of kennels, braces to fix crooked teeth, and frilly

canine ball gowns. Pet owners are becoming increasingly demanding consumers who won't put up with substandard products, unstimulating environments, or shoddy service for their animals. But the escalating volume and cost of services, especially in the realm of animal medicine, raises ethical issues about how far all this loving should go.

It wasn't so very long ago that the phrase "a dog's life" meant sleeping outside, enduring the elements, living with aches, and sitting by the dinner table, waiting for a few scraps to land on the floor. Today's dog has it much better. APPMA reports that 42% of dogs now sleep in the same bed as their owners, up from 34% in 1998. Their menu reflects every fad in human food—from locally sourced organic meat and vegan snacks to gourmet meals bolstered by, say, glucosamine to ward off stiff joints. Half of all dog owners say they consider their pet's comfort when buying a car, and almost a third buy gifts for their dogs' birthdays. Richard G. Wolford, chairman and CEO of Del Monte Foods Co. ([DLM](#)), refuses even to use the word "owner." "Anyone who has a pet understands who owns whom," says Wolford, who is owned by two Jack Russell terriers. His company's pet business has gone from nothing to 40% of overall sales through acquisitions of brands such as Meow Mix and Milk-Bone in the past five years.

The rising status of pets has started an unprecedented wave of entrepreneurship in an industry once epitomized by felt mice and rubber balls. There are now \$430 indoor potties, \$30-an-ounce perfume, and \$225 trench coats aimed solely at four-footed consumers and their wallet-toting companions. Even those who shun animal couture are increasingly willing to spend thousands on drugs for depression or anxiety in pets, as well as psychotherapy, high-tech cancer surgery, cosmetic procedures, and end-of-life care. About 77% of dogs and 52% of cats have been medicated in the past year, according to APPMA, an increase of about 20 percentage points from 1996. Some spending can be spurred by vets who find such services more lucrative than giving shots or ending a pet's life when it contracts a painful or terminal disease.

## **GRAVY TRAIN**

Once acquired as sidekicks for kids, animal companions are more popular now with empty-nesters, single professionals, and couples who delay having children. What unites these disparate demographic groups is a tendency to have time and resources to spare. With more people working from home or living away from their families, pets also play a bigger role in allaying the isolation of modern life. About 63% of U.S. households, or 71 million homes, now own at least one pet, up from 64 million just five years ago. And science is starting to validate all those warm feelings with research that documents the depth of the human-animal bond.

It doesn't take a scientist to figure out that there's money to be made in this environment. Companies from Procter & Gamble ([PG](#)) and Nestlé ([NSRGY](#)) to fashion brands including Polo Ralph Lauren ([RL](#)) and thousands of small

entrepreneurs are sniffing around for new opportunities in the pet sector. After consumer electronics, pet care is the fastest-growing category in retail, expanding about 6% a year. More new pet products were launched in the first six months of last year than in all of 2005. And that doesn't account for the ways existing products are being recast to woo pet lovers. Del Monte has refocused staples to look more like human snacks—from Snausages breakfast treats shaped like bacon and eggs to Pup-Peroni rib snacks so appetizing that Woford had to stop a TV anchor from popping one into his mouth on air. Even Meow Mix now comes in plastic cups rather than cans.

The typical target of such products is a pet lover like Graham Gemoets, a caterer in Houston, who showers luxuries on his beloved "chi weenie" (Chihuahua/dachshund mix), Bradford. "He's my best friend and my best-accessorized friend," says Gemoets, whose splurges for Bradford include a \$1,200 Hermès collar and leash, as well as \$500 Chanel pearls for parties. "I know it's crazy, but I've had him for five years, and if you priced it out per month, it's like a phone bill."

Thanks to passionate consumers like that, the quality gap between two-legged and four-legged mammals is rapidly disappearing in such industries as food, clothing, health care, and services. The race now is to provide animals with products and services more closely modeled after the ones sold to humans. Most of the pet business world's attention is directed at the country's 88 million cats and 75 million dogs. The reason is simple. As Philip L. Francis, CEO of PetSmart Inc. ([PETM](#)), the world's largest pet specialty retailer, explains: "You can't train a fish or groom a snake."

PetSmart, for one, has shifted its mission from being the top seller of pet food to helping consumers become better "pet parents." Along with making his 928 retail locations homier and hosting pet parties, Francis is rolling out blue-shingled "pet hotels" (kennels) in his stores. They feature private suites with raised platform beds and TVs airing shows from Animal Planet for \$31 a night, as well as "bone booths," where pets can take calls from their owners, and porous pebble floors where dogs can pee. Cats get live fish tanks to watch in their rooms and separate air filtration systems so their scents don't drive the dogs crazy. The hotels, along with services such as grooming, training, and in-store hospitals, have helped PetSmart expand its service business from essentially nothing in 2000 to \$450 million, or 10% of overall sales, this year. Pet owners are now less driven by price than "emotion and passion," says Francis, who shares a bed with his wife and their mutt, Bit o' Honey.

Those are the same primal urges that drive the fashion world. Mario DiFante, who staged New York's first Pet Fashion Week last August, has an elevated view of the place of dogs and cats in the family hierarchy. As he puts it: "Many of us consider pets as the new babies." That means clothing furry little ones in an ever-expanding range of sweaters, raincoats, leather jackets, and dresses. For Lara

Alameddine, co-founder of Little Lily, a better word might be "babes." Her four-year-old company clears \$1 million a year selling products including doggie slippers, bikinis, and even canine versions of Oscar-night gowns. It's popular with celebrity dog owners such as Paris Hilton, who often dresses up her Chihuahua, Tinkerbell. "We're catering to the owner's sense of style," says Alameddine. "There are no bones on our clothes."

Pet products now aim to make people feel they're being extra good to their little ones—much as toymakers have long encouraged parents to spoil kids. Along with doggie spas, there are mobile pet-grooming vans, pedicure services, professional dog walkers, and massage therapy for animals. Trainers like Cesar Millan—better known to millions as the Dog Whisperer—find that their expertise is suddenly in greater demand. Along with having the No. 1 series on the National Geographic Channel, Millan boasts best-selling books, DVDs, a line of products, and his famous Dog Psychology Center of Los Angeles that's a favorite with Hollywood clientele (see BusinessWeek.com, 7/27/07, ["A Short Leash on Pet Luxuries?"](#)).

The growing willingness of owners to spare no expense for their animals has also made the outsourcing of the yucky aspects a burgeoning business. More than 350 service agencies with names such as Doody Duty, Scoopy-Poo, and Pooper Trooper have sprung up solely to relieve owners of the need even to pick up a pet's waste in their yard by doing it for them. With annual growth nearing 50%, "the pooper scooper industry is now experiencing a lot of consolidation," says Jacob D'Aniello of DoodyCalls, which has 20 locations nationwide.

But few parts of the business have seen as much diversification and expansion as the pet food business. As with humans, there's a growing concern about the nutrition, taste, and even ethical standards of what goes into a pet's stomach. Owners increasingly mirror their own preferences—for vegetarian cuisine, kosher meals, and even locally sourced food—in feeding their pets. And when things go wrong, the reaction is as explosive as if the victims were children. Consumers were outraged by a massive recall of melamine-contaminated pet food that killed or sickened thousands of U.S. cats and dogs. Because pets are now such valued members of the family, says Duane Ekedahl, president of the Pet Food Institute, "it had a higher impact than maybe it would have had 10 years ago."

As food becomes a more emotionally charged issue for people, owners are more inclined to get emotional about what's on their pets' menu. Witness the growth of what one industry executive calls the "Godiva-ization" of food, with a demand for meats fit for human consumption, visible vegetables, and nutritional supplements. It has become common to reach for a canine or cat equivalent of ketchup, such as Iams Co.'s ([PG](#)) popular "savory sauce" for dogs that comes in Country Chicken, Savory Bacon, and Roasted Beef flavor—descriptions that are, needless to say, lost on the actual consumer.

## THOROUGHLY VETTED

Fancy food products are easy targets for critics of indulgent pet owners. But a far more controversial issue is animal medicine, especially at a time of urgent national debate about human health care. Americans now spend \$9.8 billion a year on vet services. That doesn't include the over-the-counter drugs and other supplies, which add \$9.9 billion in costs.

The annual compound growth rate for core veterinary services alone has been about 10% over the past decade, and the menu of services is becoming more elaborate by the month. Much of the inflation in pet care is due to medical advances that have people digging deep for everything from root canals for aging cats to cancer surgery for rabbits. "There has been an evolution of the entire profession," says Tom Carpenter, president of the American Animal Hospital Assn. "Pocket pets and animals who wouldn't even have been taken to vets now go for regular visits."

Suzanne Kramer of Chicago spent close to \$380 on vet visits and drugs to treat a tumor in her hamster, Biffy, before he died last year. "Some might say: Well, he's just a hamster,' but I loved him," says Kramer. Barbara Miers of Rochester, N.Y., also took her son's hamster, Henry, to a vet and bought antibiotics for a tumor, even though the animal was nearing the end of his life span and died shortly after the final treatment. For Miers, the issue had parallels to human health. As she puts it: "Do you not give old people health care because they're old?"

No wonder "it's a good time to be in our profession," as Carpenter says. A vet's job has become more wide-ranging and thus more lucrative. There are even animal grief counselors to help families cope with the demise of beloved pets. Not only is state-of-the-art technology such as magnetic resonance imaging, with costs that range around \$1,500 a scan, now available in small-town labs, but consumers' expectations of medical care have been transformed. They want the same best-in-class care for their pets that they want for themselves.

That's creating a market for new products like Pfizer Inc.'s ([PFE](#)) dog-obesity drug Slentrol, which will cost \$1 to \$2 a day. Reconcile, a new drug from Eli Lilly & Co. ([LLY](#)) for "canine separation anxiety," is based on the active ingredients in Prozac. Lilly has not suggested a retail price for Reconcile, and vets have a lot of latitude in deciding how much to charge for it. Overall, sales of pet health products have grown at a compound annual growth rate of 8.8% in recent years, more than double the rate in the late 1990s.

There's little doubt that human-quality care has helped to extend radically the life span of pets. Dogs routinely live 12 to 14 years now, a big jump from the average a few decades ago. John Payne, acting CEO of Banfield, the Pet Hospital, likes to boast that his cat, Gizmo, stayed perky until he died last November at the advanced age of 23 1/2.. More than 60% of new customers of his chain, which has more than 600 locations nationwide, enroll their pets in wellness plans. One

reason is that standard pet insurance often doesn't cover preventive care. While pet insurance is still in its infancy, with 1% of owners having coverage, the number of clients is growing by double digits each year. Jamie Ward invested in a \$25.77-a-month plan with Veterinary Pet Insurance (VPI) for her American Staffordshire terrier, Loki, only to discover that it didn't cover any of the \$2,000 in expenses for a kneecap injury. (VPI says it abided by the terms of the contract.)

The ever-expanding roster of drugs and treatment can run into tens of thousands of dollars in expenses, creating a dilemma for owners. Steve Zane of Hoboken, N.J., choked slightly when a veterinarian presented him and his wife, Lily, an estimate of \$3,700 to help cure liver failure in their cat, Koogle, over Christmas. "We looked at each other and said: Well, he's family," recalls Zane, a graphic designer who's still paying off the final bill for the recovered cat. "If it had been \$15,000, I think we would almost have had to say no."

The anthropomorphization of pets has also created the perception that they have human problems such as separation anxiety and depression. While a number of vets say such issues are real, especially just after the death of a dog's four-footed chum or the removal of puppies, others say it simply creates yet more opportunities for new products. Americans are expected to spend 52% more on medicines to treat their pets this year than they spent five years ago. Drugmakers love the category because, compared with human drugs, there's less risk of liability, less competition, and less pressure to switch to generics because so few consumers carry pet insurance. Even so, Dawn M. Boothe, a professor of clinical physiology and pharmacology in the Auburn University College of Veterinary Medicine, argues that "the recovery of costs" for drug companies may take a long time as people may scoff at pricey treatments for pets.

Much of the attention is going to the growing problem of pet obesity. As many as 40% of dogs are estimated to be overweight or obese, with similarly high rates among cats, thanks to the indulgent habits of their owners. Being plied with carob bonbons all day while getting rolled around in an all-terrain stroller (retail price: about \$210) is not an ideal lifestyle for any animal. People who overeat or don't get enough exercise tend to draw their pets into the same behavior, vets say, and the growing inclination to regale pets with treats has come at a cost to their waistline. Along with creating interest in new anti-obesity drugs, it's prompting interest in diet pet food. It has also created a market for procedures including pet liposuction, which is becoming more common in cities like Los Angeles where owners are used to getting nips and tucks for themselves.

And for some pet lovers, no medical procedure is too extreme. Plastic surgeons offer rhinoplasty, eye lifts, and other cosmetic procedures to help tone down certain doggy features, from droopy eyes to puggish noses. Root canals, braces, and even crowns for chipped teeth are also becoming more popular.

Some might question whether all this primping and pampering of pets has the

makings of a bubble that could have owners telling Fido to get his own damn bone once the economy takes a turn. After all, Paola Freccero admits that when she grew up in Massachusetts, "Pets were pets. You didn't dress them, you didn't feed them special food, you didn't take them to play dates." But thanks to the advice of her vet and what she read on the Internet, she wouldn't serve up anything but the best for her puggle (pug/beagle mix), Lucy, including treats at \$2 apiece. And from the moment Eric Olander paid \$500 for a plane ticket to get a stray chow chow mix from Atlanta to his home in Los Angeles, the dog has been a focal point of his life. "I call him my 401(k) with paws," he says, "because that's where all my money goes."

## Why We Spoil Spot So

People naturally love dogs. Or do dogs train us to love them?



[Slide Show >>](#)

When New York psychologist Irene M. Deitch took her boxer, Kayo, along to counseling sessions, the dog would greet Deitch's clients by standing on his hind legs and kissing them smack on the lips. Soon Kayo became as valued a source of therapy as Deitch herself. What gave the dog such healing power? Animals offer people "unconditional positive regard," explains Deitch, now retired and professor emerita of psychology at the College of Staten Island. "No matter how we feel, we will always be valued by our pets."

Ever since humans domesticated dogs centuries ago, scientists have been trying to explain the intense love people feel for their animals. Some believe our pets experience the same emotions we do, so we bond with them as though they were humans. At the other extreme are those who say that animals trained us to become attached to them. But there's one point everyone agrees on: The more disconnected we become from each other because of e-mail, iPods, and work-at-home lifestyles, the deeper the bonds we form with our pets.

At the root of the human-animal love connection is the childlike charm of pets. Take dogs. Judging from various behaviors, such as their ability to understand 160 or so words and gestures, scientists have determined that an adult dog is roughly equivalent mentally to a 2-year-old toddler. Because humans are hardwired to nurture children, we automatically feel an affinity for dogs. But

canines never grow up, nor do they bring the hassles or heartbreaks children do. "There's no deception, no subterfuge, no criticism," says James A. Serpell, section chief of behavior and human-animal interactions at the University of Pennsylvania School of Veterinary Medicine. "Animals don't do that stuff."

Humans find such loyalty irresistible. Dogs are descended from wolves. Even when removed from the wild, they retain an instinctive need to travel in packs. So we have become their new pack, some experts say. That's why dogs whine when we leave for work, making us feel guilty, then wag their tails and slobber all over us when we walk in the door. "You've left the pack, and when you return, they're saying: Thank God you're back," says Jeffrey M. Masson, author of several books on animal behavior.

Skeptics say pets are really nothing more than master con artists, and we their hapless victims. They point to a growing pile of evidence that wolves paved their own way to domestication as soon as humans started forming settlements and discarding food scraps. The closer the wolves approached people to score free meals from the garbage heap, the tamer they became, the studies suggest. Some scientists believe that, even today, dogs are constantly tricking us into believing they love us so we'll reciprocate by feeding them. If Buster cries when his master leaves, say these killjoys, it's not because he's sad to see him go but because he's worried that his meal ticket just walked out the door.

While most animal experts dismiss the meal-ticket theory, there's widespread agreement that people project their own emotions onto pets. That's often what's going on when the dog chews up the couch and his owner gives him antidepressants to cure his so-called separation anxiety. "We're losing a rational perspective on this love," says Jon Katz, who has written several books about his adventures running a sheep farm, most recently *Dog Days*, featuring his border collie, Rose. Katz's fans comment that Rose would be lost without him. But privately he tells his wife that, if something happens to him, she should just throw Rose over the fence of a neighboring sheep farm and the dog will be perfectly happy. "Animals don't make choices," Katz argues. "They react to things that take care of them."

By Arlene Weintraub

Comments:

Mok

Aug 8, 2007 3:05 AM GMT Hey guys and girls. You left out the most innovative product that is going to have a major impact on the pet economy. The 'one-and-only' patented Hey Buddy! pet supply vending machine. You can view it at [www.heybuddyvending.com](http://www.heybuddyvending.com)

Dave

Aug 1, 2007 10:14 PM GMT I'm crazy about my dog and have spent a fortune, but she means the world to me. If you don't understand why we love our dogs so much then please watch this movie [www.TheDogMovie.com](http://www.TheDogMovie.com) - Dog lovers will like it too! My dog's loyal, trusting and always happy to see me.

Jess

Jul 31, 2007 8:07 PM GMT As a pet owner of a rescued pitbull, I agree with the comments made on animals simply reacting to the care they are given. I have never mistreated or let her experience anger directed towards her, as a result she has never shown aggression or bad temperament. A dog is only as good as its owner.

roseanne

Jul 31, 2007 5:34 PM GMT Ya know what? Who cares! My dogs are the best and I DO love them! Nothing wrong with that. I think people who don't get pets and can't bond with an animal are just not right to begin with.

meancreep

Jul 31, 2007 3:56 PM GMT What an uplifting story. I just lost my border collie, of 13 years, Eddie, a few weeks ago, and have recently adopted a 14 week old yorkie to help fill the void. The loss of my loyal and loving companion was devastating, and having someone new to love and take care of has lifted my out of a terrible sadness. Thanks!

robin

Jul 29, 2007 3:01 PM GMT What an odd time to feature the pets story. Contrasts with what must have happened to those dogs at Michael Vick's house. A tiara as opposed to being wet down and electrocuted? Poor timing.

## When To Let Go

Do pets gain from heroic measures?

As with humans, the toughest and most expensive health-care issues arise when an animal nears the end of its life. Rather than opting for euthanasia, once seen as the most humane way to put pets out of their misery, more owners are choosing painkillers, chemotherapy, feeding tubes, extensive surgery, and even hospice care. "Vets used to be into practical care of animals, but now they recognize pets as the special companions that they are," says Alice Villalobos, an animal oncologist and founder of Pawspice, which specializes in providing end-of-life palliative services. "People really value their pets' existence and want to make their last months comfortable."

The costs of care during those last months can add up fast. Michael Tam of Seattle admits spending thousands on cancer treatments for his 17-year-old cat, Cleo, because "I just wasn't ready to let her go." Mari-Lou Powell of Brampton, Ont., paid \$2,000 to buy Spuds, a four-month-old bull terrier, only to discover he had kidney disease. Too attached to pursue a refund, she tapped her retirement savings to pay more than \$7,000 in medication and other expenses before finally deciding to end Spuds' life. "I wouldn't change any of it," she says. None of the vets who tended to the terminally ill puppy ever suggested it might be kinder to let him die. When she did, Powell says, "they all cried, too."

Projecting human needs onto pets in matters of clothing or therapy is one thing. Prolonging their lives through extensive surgery and drugs is another. Arthur Caplan, director of the Center for Bioethics at the University of Pennsylvania, says pets shouldn't be subjected to extraordinary measures that give owners a few extra months of companionship. "What I worry about is the ability of vets to guilt people into spending a lot of money for marginal benefits," says Caplan. He dismisses analogies to old people with terminal illnesses. "Grandma can be self-reflective and enjoy a birthday. A cat just suffers," he says. "They're still pets. They're not the moral equivalent of children."

Even those who devote their lives to animals say such treatments should be used judiciously. "It may not always be in the best welfare of the animal to extend its life," notes Roger Mahr, president of the American Veterinary Medical Assn. If an animal is suffering, if it ceases to take joy in being a dog or cat (or even a hamster or rabbit), it may be time to let it go. Daphna Nachminovitch, a senior executive at People for the Ethical Treatment of Animals says: "A lot of good people are now putting pets through procedures that just subject the animal to more pain." The only one who ends up feeling better, if poorer, is the owner.

By Diane Brady

Comments:

December51

My dad, who is 74, is of the old school: If the dog gets sick, it either lives or dies. He does not believe in any intervention. Money is not an issue; he only pays for shots. He shakes his head when he talks about the \$700 I spent on a puppy several years ago; thankfully, the puppy survived and is now a healthy adult with a personality all his own. I agree I would never put my dog through chemothreapy, I would thank God for the time I had with him and let him go peacefully. I would then give my love to a rescue or shelter animal because there are more pets (and sadly people) who need love than there are people to give love.

Date reviewed: Aug 1, 2007 12:36 AM

rhodepop

As a pet owner who recently put our dog down due to a brain tumor and seizures, the decision came down to what was best for our pooch-not our family. She could have lived 4 months with heavy meds, more with invasive surgery but her life would have been miserable-hardly the fun, carefree life she had lived for 10 years. I think we did the right thing for her.

Date reviewed: Jul 27, 2007 3:52 PM

### Online Extra: The Battle to Be Top Dog

PetSmart and Petco have adopted different strategies as each seeks the dominant position in the animal care industry

The news hit the Phoenix offices of PetSmart ([PETM](#)) on a Friday afternoon: The U.S. Food & Drug Administration was recalling tainted pet food manufactured in China. PetSmart's Chief Executive Philip Francis told his team to pounce. The company ripped recalled products from shelves, put up informational signs at stores, staffed up at its customer-service call centers, and gave refunds to folks returning tainted products. In some cases, PetSmart paid vet bills for sick animals.

Francis didn't stop there. He had the company mine its customer database and send warning notices to folks who'd recently bought recalled products. The move prompted grateful letters and e-mails from customers. "For the first time in my life, a company has sent me something of value," one wrote. Says Francis: "I'd prefer the recall hadn't happened, but from a customer loyalty standpoint, you just can't spend enough on advertising to accomplish what it did for us."

Francis has to move quickly these days because he has someone nipping at his heels: His San Diego-based archrival, Petco Animal Supplies. PetSmart and Petco are the two top dogs in the \$41 billion animal care industry. Petco is the older of the two, founded in 1965. It was the first retail chain to take the pet food businesses out of dark, smelly mom-and-pop stores and into a modern category-killer format. Today, both companies operate in about as many locations: 908 for PetSmart, 850 for Petco. But they often have different approaches.

Petco's stores tend to be smaller and more ubiquitous, almost replacing the neighborhood pet store. They're located in strip malls. PetSmart stores are bigger and tend to be in the larger "power centers," alongside other discount chains. According to a recent analysis from JPMorgan ([JPM](#)) retail analyst Nancy Hoch, PetSmart's prices were on average 8% higher than those of Wal-Mart Stores ([WMT](#)), but 11% below Petco's.

**SHIFTING STOCK AND SERVICES.** A former supermarket executive, Francis joined PetSmart when the company was suffering a crisis in 1998. In much the way Toys 'R' Us and Tower Records struggled in their niches, PetSmart's stock-

'em-high warehouse format was no longer working as discounters such as Wal-Mart and Target ([TGT](#)) loaded up on pet supplies, particularly the higher-end products such as Iams dog food that only vets and pet stores had sold previously. Francis shrunk the stores, cutting the typical store size from 28,000 sq. ft. to 20,000 sq. ft. He kept the same assortment of product but stocked less on shelves, sending trucks from central warehouses more frequently to restock and thus avoiding the warehouse look.

Most important, he added services: adoption, training, veterinary, grooming, day care, and pet hotels. Last year the company groomed 7.5 million dogs, a 16% increase over the year before. It provided 378,000 training classes, another 16% increase. Overall, services are expected to generate \$450 million in sales this year, about 10% of the company's \$4.5 billion total, but representing 26% annual growth since the strategy was hatched in 2000.

**ROOM AND BOARD.** Today, the inside of the store looks a lot homier, with a little blue shingled area inside with brick and siding that houses the hotel and day care area. Inside the hotel section, visitors are greeted to slate tiles and wooden reception desk. In the dog area, owners can choose between regular boarding, where dogs congregate in a big room and then sleep alone in kennels, or private suites with raised platform beds and televisions airing the Animal Planet cable network and other pet programming. Since the stores are in strip malls, the company developed a porous pebble floor where the dogs could urinate. There's also a "bone phone" that allows owners to call in and talk to their pets. Cats have quarters with separate air filtration systems so their smell doesn't drive the dogs crazy. The cats also get to watch a live fish tank.

Francis says he can add a pet hotel to an existing location for less than half the cost of building a similar standalone location. Plus, the hotel shares the cost of the heating and air conditioning system, parking lot, employee break area, armor car pickups, and other overhead. Overnight stays start at \$21 a night, \$31 for a suite. Day care starts at \$14 a day. After five years the hotels can help boost a store's sales by 29% and double its profitability, both because the hotels are a high-margin business and because customers come more frequently and buy other things when they do. A typical PetSmart store with a hotel earns \$879,000 on sales of \$7.1 million.

Even with numbers such as those, Francis says he's rolling out the hotel concepts slowly. They're in just 62 of the stores today, although Francis says they could ultimately be in 435 stores, or 40% of the chain, by 2010. He's taking it slow because "people get angrier about bad service than a bad product. It's more personal. We have to make sure we get it right."

**GROSS-OUT PETS.** Petco has a different approach. The \$2.2 billion company still does two-thirds of its business in dog and cat products, but Petco features a broader selection of goods for other animals, everything from hamsters to

tarantulas. The company recently featured a "Reptile Rendezvous" at 200 stores. The events included "in the terrarium" photo contests and demonstrations for products such as a new clay that reptile owners can mold into small hills and caves. Snakes, iguanas, and turtles remain very popular with teenage boys, says Petco's CEO James Myers: "Anything that grosses your parents out."

Petco has not embraced the services strategy quite as aggressively as PetSmart. Its stores do prominently feature grooming services, and the company provides doggie day care at some locations. But Petco stores, at about 14,000 sq. ft., aren't as large as PetSmarts and for now Myers is holding back on overnight pet-sitting. "I'm not sure that plays everywhere in America," he says.

There is another difference: Petco is privately held. It was bought last year by private equity firms Texas Pacific Group and Leonard Green & Partners . Ironically, it was the second time Los Angeles-based Leonard Green had taken the company private. PetSmart's Francis says he gets calls from time to time from people interested in a buyout. So far he's been against the idea. "I've got all the money I need," he says. "Our goal is to keep our stock price up so nobody can afford to take us private."

Palmeri is a senior correspondent for *BusinessWeek* in Los Angeles

## ***Comments on Main Article***

Amy

Ms. Brady has written a very accurate article about the current status of pets in our country. People do want human quality foods and I have found a source for a new cookbook which teaches pet owners how to cook for their pets called: HOW TO COOK FOR YOUR PET, c. 2007. Go to [www.AmiesPetCuisine.com](http://www.AmiesPetCuisine.com) to order. Not available in stores. Written by a licensed vet and expert in pet nutrition. Great delicious recipes that have been taste tested by pets.

Date reviewed: Aug 18, 2007 12:19 PM

Dog Lover

Would also like to add that its not just the pet clothing industry/insurance/medics that is heating up. Social networking websites which has seen an exponential growth/popularity among people in recent years is now also available for pets. A recent one that is taking the world by storm with reviews all over the world is [www.funepets.com](http://www.funepets.com). It is a site worth looking at to relax.

Date reviewed: Aug 17, 2007 6:55 PM

better informed

Please try to be a little better informed when you talk about other countries (as a matter of fact, even when you talk about our own country). Brazil is over \$750 billion, not the \$41 you mentioned.

Date reviewed: Aug 16, 2007 5:19 AM

snowpony

It's great to see people treating their animals as members of the family. To those who say that animals are inferior species or that the money should be spent on helping people, where do you think some of my tax money goes? It goes to the welfare recipients who keep having kids they can't support, the pregnant teens, the jails, etc. There's my contribution!

Date reviewed: Aug 15, 2007 10:00 PM

Libby

Great news for our pets, however what about the millions of dogs and cats that are euthanized yearly in animal shelters? Too many dogs and cats will never know the love and companionship of being part of a family. PLEASE SPAY AND NEUTER YOUR PETS.

Date reviewed: Aug 15, 2007 7:20 PM

Cat Pers;on

Review: Lets not forget the cats. Although they have a reputatrion for being finicky, cats give a lot of love to their 'people'. I don't own my cat, she owns me. So part of my love and affection goes to her for what she gives to me.

Date reviewed: Aug 15, 2007 11:37 AM

Wlfhund

"If you pick up a starving dog and make him prosperous, he will not bite you. This is the principal difference between a dog and a man." - Mark Twain The "insanity" of spending our money on our pets, is in all honesty: Our business. In more ways than one. I'm in that business. I do spend my disposable income on my dogs. They eat the best food, have the best chewies. So what if I pay \$3 a chew, for four dogs, daily? Beats the heck out of giving that money to McDonalds for lunch and dinner. It's my choice, not to eat out at chain food restaurants and instead, eat at home, with the company of my dogs and spend that money on them. Everyone assumes that the money spent on our canine companions is money that would/could/should be spent on charity, human health care. That is not always the case. I own a small ranch style home, in the country; for a heck of a lot less than we could have spent to live in an affluent neighborhood and drive a \$60K car. We are happier and healthier this way.

Date reviewed: Aug 14, 2007 6:03 AM

Mike

Pet products range from the silly to to the sensible. Some pet products are designed to bring entertainment to the pet owner so what's wrong with that. Other products help take care of chores created by pets like auto watering, auto feeding and a self cleaning litter

box called the Litter-Robot. Anything that helps a pet owner enjoy their pet or handle the responsibilities of pet ownership is a worthwhile expense.

Date reviewed: Aug 13, 2007 8:18 PM

#### Training

As more and more people join in the joy of dog ownership, we need to invest some of the money we spend on pampering our dogs in the area of dog behavior education. The reason our shelters are overcrowded is that the average dog owner has antiquated behavior training knowledge. We are still treating dogs as we did in WWII, which is where traditional dog training originated. Dogs respond better and quicker to positive reinforcement rather than negative correction. Many dog owners still believe the dog must be 'manhandled.' If we can use a treat or his favorite toy or pastime to get our dog to understand what we want, then why would anyone feel the need to utilize a choke chain to yank on his neck? Everyone that owns a dog owes it to their loving companion to invest some of this \$41B into learning how to raise a trained dog in the home so they won't ever think of surrendering the once loved family member to death in our shelters!

Date reviewed: Aug 9, 2007 3:54 PM

#### DogsCompleteFamilies

Current family lifestyles are in desperate need of an overhaul! Dogs have proven over 3000 years to be great companions to people of all ages and countries. Dogs offer a love unequalled by most anything else in our lives. To have a comrade that will provide everything from health benefits to psychological stability is worthy of much more than \$41B. I say we owe them more!

Date reviewed: Aug 9, 2007 3:09 PM

#### carolchip

Having recently founded a non-profit to help families in financial crisis secure the life-saving treatment needed for their pets - I am encouraged by stories such as this! Yes, Vet Care has become a privilege of the wealthy, but if there are those spending this much on their pets, they also have disposable income to donate to animal welfare organizations who can help the less fortunate. I hope our pet guardians read these reports and begin seeking out animal welfare organizations to support financially. Not just rescues and humane shelters who provide animal adoption. We need to look past traditional animal welfare for those organizations who help families become educated about responsible pet ownership, organizations who help pay for vet care, those who provide low cost vet care, and those providing major medical vet care. With less than 10% of American giving dollars being directed to the environment and animal welfare combined, we have a big job ahead of us.

Date reviewed: Aug 9, 2007 2:21 PM

#### jesse

I think that caring for your pet responsibly is a great idea, including preventative medicine, a good diet, toys that will encourage exercise. But when it is in such gross excess I question why the money is not going to help an animal charity instead if you love animals so much? Your cat or dog's treats and excess toys would probably net a

handy donation to help vet a stray animal or fund a homeless cat's spay or neuter to reduce pet overpopulation.

Date reviewed: Aug 8, 2007 6:38 PM

#### ACME CANINE

With dogs being more of a family member than a pet and owners treating them more as humans behavior issues such as separation problems and ill manners are becoming the norm. We expect dogs to respond to human behaviors and feelings and forget their roots. Just as we send our children to school to be educated and teach them manners to live in society, we now need to show the same responsibilities to our dogs. Obedience is the foundation through which we can communicate with our dogs. By developing a means of communication our dogs will not only love us unconditionally but also respect us allowing for a closer bond between human and animal.

Date reviewed: Aug 7, 2007 11:59 AM

#### kitty 1

Review: A most unfortunate consequence of these changes in the pet industry is that vet care for animals has become a privilege of the wealthy. Not so long ago it was possible for people of modest means to take good care of their pets. Now, as the door chimes in most vet's offices have been replaced with the familiar 'cha-ching' of exclusivity, your average Joe can no longer afford basic vet care for Fido. For many people, an after hours emergency vet call that used to be a life saving trip for many pets has become a choice between bankruptcy or euthanasia. Many veterinarians are all about 'billable services' these days and seem to have lost sight of the basics of caring. It is a sad state of affairs and not likely to change for the better.

Date reviewed: Aug 7, 2007 6:49 AM

#### Lora

The article misleadingly states that Petsmart services include "in-store hospitals". The Banfield Veterinary Hospitals located inside Petsmart are not owned or operated by Petsmart. Banfield is a privately-held company, and operates 500+ hospitals in the USA. A large number of these hospitals are partenered by competant, energetic veterinarians interested in providing the best, most advanced care for your Pet.

Date reviewed: Aug 7, 2007 4:45 AM

#### April Pedersen

Pet pampering is ridiculous! What a loss of perspective. How can pet owners be so dumb? Can't they enjoy their pet without viewing it as a child or other person? There's no way a dog or cat or whatever can fathom any of this luxury. It's a total waste of time and money. Just think of how \$41 billion could help libraries, hospitals, schools, and other humanitarian stuff. Instead, it's being squandered on pampering domesticated animals? Hun? Might as well buy pearls for a swine.

Date reviewed: Aug 7, 2007 2:18 AM

soulmooon

Pet pampering is the most ridiculous fad ever. Cultural historians are going to look back on this and wonder what in the world we were thinking: massaging dogs, dressing them in designer garb, and installing testical implants in their scrotums.

Date reviewed: Aug 7, 2007 2:02 AM

Pets are pampered parasites

This article is proof that pet owners, especially dog owners, have lost their minds. It's mass hysteria. People have become servants to a lower species scavenger animal whose brain weighs a mere 3 1/2 ounces. The Founding Fathers must be spinning in their graves. America has its head up a pet's rear.

Date reviewed: Aug 7, 2007 1:59 AM

silveback

41 billion is a drop in the bucket compared to the hundreds of billions we are sending to Iraq (most of which is being ripped off by crooked officials and is being stashed in Swiss banks)! At least pets give us pleasure and don't hate us and want to blow us up!

Date reviewed: Aug 7, 2007 1:10 AM

ZoesMom

I love my dog so much that I started my own company, [www.pupcentic.com](http://www.pupcentic.com). I support both human and animal charities. So for those comments who say we are wasting our money research before you comment.

Date reviewed: Aug 6, 2007 8:49 PM

Barb520

I believe in caring for your pets that you own and are responsible for, in a way where you are giving them attention, walking them and being a member of the family, rather than thrown out the back yard. True, variety is the spice of life, but what variety is there when a dog lives his life as a backyard ornament. What's the purpose of having a pet, if you aren't going to interact (teach & play) with your dog. Is he/she really a pet or backyard ornament? Finally, I find it outrageous to go from this extreme to the extreme of overindulgence.

Date reviewed: Aug 6, 2007 8:36 PM

Therese Morong

It's a gross understatement to say that the \$41 billion spent annually on pets is obscene. Perhaps the rest of us should consider investing in the companies that cater to this lunacy, so that we can redirect their profits to charities that help PEOPLE!

Date reviewed: Aug 6, 2007 7:16 PM

ori

MatchMyPet.com is the exact place where you can see where technology meets pets. This One-Pet-Stop-Shop is one of the new most interesting ideas flooding this industry.

Date reviewed: Aug 6, 2007 4:28 PM

Jojo

I believe that pets are needed in a home. Pets become a part of your family and become very good companions. After a while, you just treat your pet like it was another child of yours. Pets are smart--all they have needed was to be able to talk. So I disagree with all the pet haters.

Date reviewed: Aug 5, 2007 3:31 AM

Greeklion

We developed all natural probiotic products, minerals and alkaline water to help detoxify and build the pet's immune system, which would help them live longer and healthier lives and were forced to develop the same products for people when the pet owners would tell us that they would not give their pets anything that they themselves would not take also. We are now in the health food industry as well as the pet industry. You are right, price is not a consideration when it comes to the health of their pets.

Date reviewed: Aug 3, 2007 4:37 PM

Ben Hansen

For additional insight on this subject, see the Shopper's Guide to Canine Behavior, published by the Bonkers Institute for Nearly Genuine Research. "Canine Behavioral Disorders Made Simple" [www.bonkersinstitute.org/simplecanine.html](http://www.bonkersinstitute.org/simplecanine.html) "Brought to you by the makers of Anipryl, Clomicalm, Reconcile, and Slentrol."

Date reviewed: Aug 3, 2007 4:17 PM

Moochieandco.com

A lovable pet warms every family member's heart, and brings a family closer together. A house is not a home without a dog or cat.

Date reviewed: Aug 2, 2007 9:21 PM

iconoclast

If you have so much money that you can waste it on things like dog perfume and trench coats, maybe you should consider donating it to starving children.

Date reviewed: Aug 2, 2007 5:07 PM

Iris

Am I the only one who has noticed that much of the data also correlates to "September 11th" or the mass deployment of US troops to war? Maybe much of this is because people are anxious, scared, lonely, or needing sanity or comfort. Or maybe it's because we are afraid to travel now, so we are able to have companion animals without "abandoning" them for vacations because we've cut back on travel, and what was previously spent on vacations is now spent on our furry family members!

Date reviewed: Aug 2, 2007 12:09 PM

Carlean

Great article. However, I was surprised that there was little mention of the end of life phase of the animal lifecycle. Families who view their pets as members of the family suffer enormous grief. The pet death care industry provides many options to help families

memorialize their pets in personalized and meaningful ways, which helps the grieving process. There are 600 Pet Cemeteries in the US. and even more private cremation services that provide private cremations. In some locations, the cremation can be viewed by family members. Pet Mausoleums, Columbariums, and specialized urns are just a few of the possibilities.

Date reviewed: Aug 2, 2007 12:12 AM

JJS

I AGREE WITH THE LAST COMMENT WE HAVE REACH A TIPPING POINT WE ARE EMOTIONALY OUT OF CONTROL. WHY WE EAT MOST ANIMALS AND TREAT OTHERS LIKE HUMANS IS MADNESS!

Date reviewed: Aug 1, 2007 8:57 PM

dbl

As I read the article on the pet economy, I had to wonder if the NFL was reading it, too. Apparently, Nike and Rawlings, two of Mr. Vick's sponsors, are aware of the size and financial resources of the pet owning public and are listening. And I, as the adoptive mother of 5 black children, am sick to death of criminal, hip hop thugs being glamorized in professional sports. More sponsors need to follow the example of Nike and Rawlings.

Date reviewed: Aug 1, 2007 8:28 PM

Diane

Hi, I wrote the story. Just a response to "Clarify" ... We spoke to several pet owners in the story who said they wanted to let go, but their vet kept convincing them that there were other options out there. We even cite one--the owner of Spuds. My sister-in-law is a vet. I think the vast majority truly love animals. The issue here is whether they push people to adopt human-like standards of care instead of offering humane and low-cost options to end a pet's life after pain or serious illness. And there's no question that the cost of care and range of options has increased. Some of that is good, but there can be a downside, too.

Date reviewed: Aug 1, 2007 4:29 PM

[www.Epetwater.com](http://www.Epetwater.com)

Epetwater.com started sell pet spring water in PetPlus chain stores and it sells very well. Healthy pet products are moving the market sales in all stores after the food recall.

Date reviewed: Aug 1, 2007 11:51 AM

Rana

From a business perspective this is a very profitable market that is no longer a niche as more and more people are acquiring this extravagant lifestyle for their pets. But, from a humane perspective there are millions of poor PEOPLE in the world who do not require braces, or new testicles, or designer clothes, but just anything to eat and they are getting none. I am not saying that people should not take care of their pets, on the contrary, it is just the over-doing that shocks me. What kind of society are we to ignore mankind's needs and focus on the luxury (and not the necessity) of its pets; a sorry and selfish one I guess.

Date reviewed: Aug 1, 2007 11:47 AM

B-Fur

It is becoming more apparent that people are spending more time staring into the eyes of their pets than watching the news. If they gave a few moments of thought to people dying in Sudan, they may have a second thought about spending their extra cash on animals. Many of these people who consider pets a member of the family would never think of inviting a person in need into their home for a meal.

Date reviewed: Aug 1, 2007 6:08 AM

DogsRule

Your article is right on the mark. My wife and I do not have kids, nor plan to have kids, and our three dogs are the best thing in the world for our sanity. The dog park is the most democratic environment to hang out in, and we are also lucky to have many wonderful dog beaches in San Diego where we have met some of our best 2 and 4 legged friends. There is a store here called Muttropolis that understands the market very well, and our dogs can't wait to go shopping to their hearts' content (the employees greet our dogs like long lost friends).

Date reviewed: Aug 1, 2007 4:20 AM

gw

Leisureguy, I think the slant toward dogs is because dog owners typically buy their pets more frou-frou stuff than cat owners do. They take dogs out in public more often than cats go out, and they dress them up more.

Date reviewed: Aug 1, 2007 4:02 AM

BarkTalk

Dog birthday parties, new puppy showers, new puppy announcements....why not? Dogs are important members of our families! I sell a distinctive line of Pet Greetings with Panache, available at BarkTalk.com or in upscale pet boutiques across the country. Dogs rule!

Date reviewed: Jul 31, 2007 10:19 PM

Bob

It's the sleeper industry, we've been in this biz 35 years it just gets better. Bob Novak Ceo PetsWarehouse.com

Date reviewed: Jul 31, 2007 7:59 PM

mudd

"Equally ridiculous are the recent protests at Michael Vick's court appearances!! This is a very good example of monumental hypocrisy!!! " I fail to see how treating a pet humanely (kudos on the hypocrisy on consuming meat) but to link protests over Michael Vick with treating pets humanely? Obviously you need to read up on the link between the defectives that abuse animals and those that abuse humans. One in the same. You can't abuse one life form and respect another. Evil and hatred have no place in this world and

the quicker that people who support dog abusers understand this, the quicker humans can hopefully evolve. Although I'm not holding my breath.

Date reviewed: Jul 31, 2007 7:03 PM

Emily

It is disgusting to overindulge your pets but not give a thought to the millions of unwanted pets that languish in shelters every day. It's far kinder (and more ethical) to provide your pets with adequate but loving care but give more of your disposable income to animal welfare causes. You are not an animal lover if you buy your purebred pedigreed pet from a breeder--you are a hypocrite.

Date reviewed: Jul 31, 2007 5:26 PM

The Pet Realty Network

This article is absolutely correct about the love Americans have for their pets. Pets are part of the family and therefore taken into consideration in every aspect of pet friendly living. Pets have now become involved in an owner's professional life as well from photos on business cards to inclusion on Web sites and Blogs. Having been in the pet industry for over 10 years and recently read that over 10.7 million people move with their pets annually in the United States, we launched The Pet Realty Network and Your Pet Friendly Community this year to connect pet friendly people in the United States and around the world.

Date reviewed: Jul 31, 2007 2:16 PM

Lady B

I thoroughly enjoyed this article as I too have fallen prey to the wonders of Pet Frivolity. I have opened a Canine Boutique specializing in High End Couture and Accessories for Dogs and Cats...and couldn't be happier getting into this business. It's no secret that working with the "four-legged" is far more gratifying than the "two-legged."

Date reviewed: Jul 31, 2007 2:09 PM

amourelavie

A very thought-provoking article but where does one draw the line? Even in a country like India, the pet market is growing at upwards of 10 pct. Ridiculous when the country does not even have a proper healthcare system akin to the UK's NHS!!

Date reviewed: Jul 31, 2007 10:54 AM

animal bug

With the exception of family members and good friends, my pets are the best. As I get older I find animals (in the pound etc.) most every place I go to be so loveable, understanding, forgiving and one of life's pleasures more so than most people. It angers me so much when I see and hear all of the suffering that dogs, cats and others go through because of cruel sub-humans. I really don't think that pets have to have diamonds, gourmet foods and some other sky high priced priced stuff. I do think they should be loved as a family member and treated with the same comforts as well--not left tied outside forgotten and to suffer. Anyone who mistreats animals should face the same charges that they would for doing it to a human. I also have to say if a dog is attacking a

person or another dog /cat it has to be put to sleep asap, even if it means shooting it to save the life of the other person/animal.

Date reviewed: Jul 30, 2007 9:11 PM

R Brown

All this reminds me of the old saying "If your dog is fat, you're not getting enough exercise." Decent pet care is one thing, over indulgence is another. As much as I like my dogs, what they like most is a long walk - and the idea of catching a squirrel or rabbit.

Date reviewed: Jul 30, 2007 9:05 PM

Laura Bennett with Embrace Pet Insurance

Michael Dillon, a leading pet industry consultant, told me that childless consumers accounted for 60% of pet-related expenditure in America in 2005 (from the Department of Labor statistics), which just goes to show that pets often substitute for our own children in many ways. On the comment about pet insurance, it's a pity the article only focused on one instance where the claim wasn't paid. I wanted to point out that not all pet insurance policies work this way. Many knee issues are considered hereditary and VPI doesn't cover hereditary conditions. There are several other companies however (Embrace Pet Insurance, Pethealth, and Petplan) that do cover these conditions as long as they haven't shown themselves before you buy the insurance.

Date reviewed: Jul 30, 2007 8:29 PM

mrkshpntf

How ironic that many or most of the people who make up the spenders of the 41 billion dollars to "maintain" their pets, don't even think for a millisecond before gorging on the meat of another domesticated animal. Equally ridiculous are the recent protests at Michael Vick's court appearances!! This is a very good example of monumental hypocrisy!!!

Date reviewed: Jul 30, 2007 8:25 PM

Sarrrrrra

My cats (read: surrogate children) are worth every penny and deserve the very best I can give them.

Date reviewed: Jul 30, 2007 7:50 PM

www.zipdrugs.com

I wonder what the total market is for pet medications.

Date reviewed: Jul 30, 2007 7:45 PM

rfer

These people are quite mad, have more money than sense and are disgusting. Sleeping in the same bed indeed!!!

Date reviewed: Jul 30, 2007 5:37 PM

DennisQ

I am glad to see numbers backing up this amazing new trend. I'm a huge advocate of treating pets with the same dignity we do for people. While some of the luxury goods seem excessive, I have to agree that health care for pets is a terrific trend to see emerging. I only wish we would have had better care in the past for my dog Hershey who had to be put to sleep for cancer years ago.

Date reviewed: Jul 30, 2007 5:20 PM

Shure Pets Rep

Great Article, And I love doing my Pet Parties with my Shure Pets Products.  
[www.catalog.shopshurepets.com](http://www.catalog.shopshurepets.com)

Date reviewed: Jul 30, 2007 5:18 PM

MJ

All that I can say is: I have pets and they are worth every penny I spend on them! They bring so much joy into my life! Every day!

Date reviewed: Jul 30, 2007 4:20 PM

GeoRoam

I like animals as well as any other person, but to spend \$41B in a single year for unquestioning loyalty, companionship, and love is a bit outrageous. Especially when it comes to plastic surgery or diets for obese pets. Think of the vast number of better uses for this enormous amount of money - charity, education, medical research, etc. These expenditures are not only a disservice to humanity, but a disservice to these animal species. Think of how you're changing the basic nature of the beast. This goes far beyond domesticity. No wonder other members of the global community look upon Americans with disdain.

Date reviewed: Jul 30, 2007 4:19 PM

Edward from Brazil

Excellent!!! It's the same here in Brazil, I mean, the pet economy is growing every year.

Date reviewed: Jul 30, 2007 4:12 PM

wiggum

I simply can't believe people are wasting so much money on pets. They're great and all, but \$1000+ on a collar? That's absolutely, inexcusably insane. How about a \$20 collar and the rest can go to something beneficial for the world, like helping homeless, hungry, at risk humans? How about we stop pretending pets are more important than real issues, issues that we could solve without question, if we could just give up our need to pamper those who can neither notice nor appreciate the difference between human quality food and their own feces. Priorities continue to shift, and not for the better I'm afraid.

Date reviewed: Jul 30, 2007 2:56 PM

Kevin

Great Article! Being in the pet industry, I was glad to see such an article let alone a full cover devoted to the pet economy! Not since the rise & fall of Pets.com, has the pet

industry received so much press. It is great to see and amazing to be a part of! Our pets deserve nothing but the best and it's great to see so many services/products that help them get what they want... or what we think they want! Kevin O'Brien [www.petrelocation.com](http://www.petrelocation.com)  
Date reviewed: Jul 30, 2007 2:46 PM

Clarify

I would like to see the evidence in support of the following claim made by the writers of this article: "Some spending can be spurred by vets who find such services more lucrative than giving shots or ending a pet's life when it contracts a painful or terminal disease." If such support for this claim cannot be provided, I suggest it be retracted.

Date reviewed: Jul 30, 2007 2:02 PM

Leisureguy

Why is there a slant towards dogs? There are 5 images of dogs, 1 image of a cat, a sidebar on dogs, and a statistics image in the form of a dog bone. For your information, the current pet ownership in the US: 90.5 million cats, 73.9 million dogs. I think if you were going to have a slant within the article, it should have been tilted towards cats.

Date reviewed: Jul 29, 2007 4:36 PM

Tuscarora

As the owner of Tuscarora's Country Club for Dogs, everything you have written is so true! We cater to the upper-class that want it all for their pets. We have 33 acres of club grounds and no cages. For our guests there are individual suites with doggy doors to a covered outside scenic view. There are also nature trail walks, play arenas, birthday parties, spa and golf cart rides especially for the elderly or handicap pets! There is 24 hour room service and not one request is ever denied by our loving caretakers! Thanks for all the great reading!

Date reviewed: Jul 29, 2007 4:11 PM

flex

I think Redstone's change of management for those two big names in the media is absolutely right for investors. Because if we forecast for the next five years cbs, Viacom will gain more value on their portfolio.

Date reviewed: Jul 29, 2007 12:10 PM

Jon

I love my three cats. And, they are a big stress reducer. The human-animal bond is strong. So, I don't see any reason why the pet economy, including pet health care, won't continue to grow faster than the general economy for many, many years into the future. And this is true for most developed economies around the world, not just North America.

Date reviewed: Jul 29, 2007 11:44 AM

gsanders

Just as in our species, some of the extreme medical care can be avoided with extreme nutrition. As mentioned in the article, we've seen the upsurge in business for our Alaskan Salmon oils and treats (AlaskanDogTreats) because they're organic, biologically

sophisticated, and apparently very tasty (not that I could personally know that). Lots of customers report substantial health improvements after their pets have been on these for a little while.

Date reviewed: Jul 28, 2007 10:49 PM

tim

Can anyone connect the ridiculousness of these expenditures with the horrific need for medical care for such a large part of our population. If the free market truly believes we should allocate \$52 billion for our pets while dumping psychiatric patients on skid row in Los Angeles then there is a reason our economy is not truly "free" but a "mixed economy." Laughable as it seems, here is where America should call for price controls.

What is wrong with society when we treat animals better than the poorest humans

Date reviewed: Jul 28, 2007 6:06 PM

S.A. Toujours

Well, I admittedly think these people are crazy for spending so much on their pets, but I do understand the love of a pet. I didn't buy drugs for my depressed dog when our other dog was hit by a car. However, I did spend a large amount of time consoling and "emotionally nursing" my dog. Also, I have purchased specific toys or things that I know he would enjoy (i.e. a "durable" tennis ball). Would I purchase the Neuticles for him? Ummm... NO. However, I would have compassion and probably let him stay in the house most of the time during the healing process, maybe even give him table scraps. Maybe not even scraps... but a full steak to himself! So, the only difference between me and these people is how much I spend on my dog. All that to say... yes, I think these people are crazy, but to only a different degree than all pet owners are crazy (myself included). You saltwater fish owners... you're the craziest! :-)

Date reviewed: Jul 28, 2007 5:18 PM

Dickma

I recall watching a newscast of displaced persons in a refugee camp in the Middle East and one of these people said to the reporter, "I understand, in America, they pay people to wash dogs". The ragtag crowd laughed in disbelief.

Date reviewed: Jul 28, 2007 5:05 PM

Dejavue

Good article, however, it avoided another aspect of this subject: "The death of a dear pet." When our precious shepard of 16 years died we looked for a suitable means with which to remember her. Our initial search turned up the "tin can, cardboard box" approach, to cremation. But, we found a wonderful company, Eternal Images, that has quality Pet Urns. This company was exactly what we were looking for:

[www.eternalimage.net/petretailers.html](http://www.eternalimage.net/petretailers.html) They have a wonderful selection of items. On a side note my husband is a huge baseball fan and is now adamant that he be buried in one of their baseball themed coffins. I was thinking more in line of matching urns on the fireplace. (Kia on one side him on the other). Hopefully this is something we won't have to deal with for a very long time. In the meantime we now have a wonderful way to remember Kia and have her near us always.

Date reviewed: Jul 28, 2007 2:55 PM

Jester

Unfortunately most pet owners haven't planned to keep their pets safe in disasters despite the fact pets are one hundred percent dependent on their owners for their survival. The all volunteer Pet Safe Coalition, Inc. in Nassau County, NY. is helping residents prepare for disasters with their pets. Please log onto [www.petsafecoalition.org](http://www.petsafecoalition.org) to learn how to support these efforts.

Date reviewed: Jul 28, 2007 12:39 PM

Delnov

I live in Africa and this story would seem obscene to many, as much as it is interesting and informative. I am in business development and have always argued that if people were to commit themselves to buying products and services from each other, then more and more money would fly around and improve everybody's life. But our selfishness drives us to do the most weird things in this beautiful world that is supposed to be dominated by the human being. David M Njau Nairobi, Kenya

Date reviewed: Jul 28, 2007 12:00 PM

Estrella

This is all very nice and touchy-feely but I wish people took time to think about those other animals around them -- the chicken they deny normal living conditions on the farms, the geese and ducks they force to eat to death to produce foie gras for them and all those other animals around them who people have deprived of a natural habitat. Pet care has nothing to do with care for animals but is just another way for people to showcase their own wealth.

Date reviewed: Jul 28, 2007 11:21 AM

Jen

Review: I'm all for better pet health care and higher quality food, but I just can't wrap my head around liposuction and nose jobs. Ah, America...ya just can't match it...

Date reviewed: Jul 28, 2007 10:17 AM

Vivek

This is one more example of how the haves of the word indulge in extravagance on the cost of have nots. If only Americans could save half of the money they spend on helping there poorer brethren in the underdeveloped word, the world would change for good. Unfortunately, however this money does get spent, it is not for helping but creating hegemony. Americans are only using there economic and military powers to intimidate smaller and poorer nations and boosting their own egos . What a shame for a nation, which truly had a potential to be great! Vivek Kuala Lumpur

Date reviewed: Jul 28, 2007 7:33 AM

Don

This is great!

Date reviewed: Jul 28, 2007 7:18 AM

Amit Shah MBA

I think the U.S. Government should tax the people who keep pets at a higher rate and also the ancillary articles should be taxed marginally higher than other items. A fund can be created with these taxes and should be used to feed people in Somalia and other poor countries.

Date reviewed: Jul 28, 2007 6:03 AM

Robert

I have nothing against pets - I own two English bulldogs similar to the one depicted on BW's cover, but as a member of the Boomer generation, I am a practical kind of guy and am amazed at the growth of the pet care market when so many other components of our public health, education, and child care systems have been marginalized by lack of funding. I sat down with my two dogs recently and gave them the "facts of life" speech. I will take care of them until it hurts, but I am not going to put my retirement at risk doing so.

Date reviewed: Jul 28, 2007 5:12 AM

vivek

That is the greatness of American people barring few. I admire the article and the way research has been put forward. In the world where an uncountable number of people are hungry, in the so-called developed world (although not mentally) people are hiring vallets for their lucky dogs and cats but are not ready to adopt poor, unfortunate and malnutralioned kids. I would be happy if similar articles focus on the counterside of the abject poverty in the world.

Date reviewed: Jul 28, 2007 5:11 AM

What?!

Waow! If people put that much time, attention, and affection into each other: spouses, parents to children, family, friendships, the homeless, orphans, the elderly, a widow, a rebellious child, the sick, etc., I suppose the world would be a better place. And then maybe it wouldn't matter if the dog slept outside....

Date reviewed: Jul 28, 2007 3:06 AM

blackbeered

If this isn't a sign of a decadent society, what is? There are millions without health coverage, millinos of homeless, etc. \$41B would go a long way to reducing this misery.

Date reviewed: Jul 28, 2007 2:53 AM

mc

hmmmmm

Date reviewed: Jul 28, 2007 1:58 AM

Socrates

While it is so admirable to see the love and care that people genuinely have for their pets, it also raises a pertinent question in my mind: Just how nice it would be if some of these

over-indulgent pet-owners cut back on this garish display of wealth and divert that excess towards great causes in the U.S. - and other needy parts of the world! Think about how many lives that could touch - and change!!

Date reviewed: Jul 27, 2007 7:25 PM

meiser

I'm guessing it isn't all that necessary that doctors make as much money as they do either. I mean really, i feel no less important than a doctor and yet more than half of the top 25 paying jobs are doctors. So to help make my job even less likely to ever be one of the top 25 paying jobs a portion of my paycheck will go toward a healthcare system I rarely use and a doctor's check to help him send his kids to elitist schools and further keep every family in their place. Yay?

Date reviewed: Jul 27, 2007 3:58 PM

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