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# **CONSUMER TRENDS AFFECTING**

### LUXURY PET INDUSTRY

#### <u>LIFESTYLE</u>

- BUSY SCHEDULES LESS PERSONAL TIME TO SPEND WITH PETS, FREQUENT TRAVEL FOR WORK OR PLEASURE
- CHILDLESS AND/OR GAY COUPLES INDULGE THEIR PETS AS "CHILDREN"
- CHILDLESS OR "EMPTY NEST" FAMILIES HAVE GREATER DISPOSABLE INCOME TO SPEND ON PETS

#### <u>Wellness</u>

- TRANSFERENCE OF HUMAN TREND TOWARDS HOLISTIC HEALTHCARE TO PETS
- CONSUMER DEMANDS FOR STRESS-RELIEVING, FUN PET ENVIRONMENTS OUT OF GUILT FOR "ABANDONING" THEIR PET

#### DEFINITION OF "SELF AS A PET OWNER" AMIDST GLOBALIZATION

- CONSUMERS AT ALL INCOME LEVELS EXPOSED TO AND FEEL ENTITLED TO LUXURY
- ASSOCIATIONS WITH LUXURY/DESIGNERS SHOW-OFF TO FRIENDS, SOPHISTICATION
- INDIVIDUALISM UNIQUENESS THROUGH DIFFERENTIATION AND CREATIVITY
- EXPERIENCE ORIENTED LUXURY
- SUCCESS AND COMPETITION EXTENDS TOWARDS PET OWNERSHIP

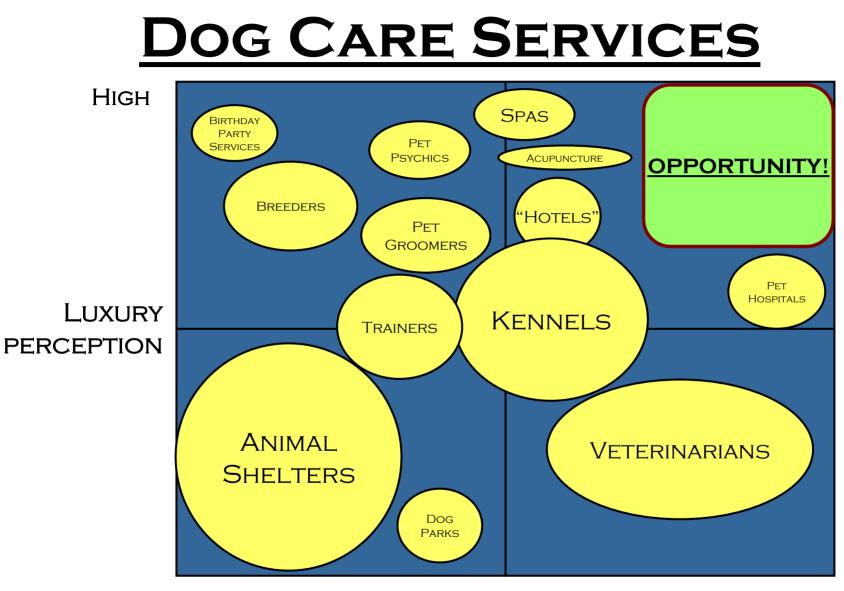
# **LUXURY DOG PRODUCTS**

#### VALUE DERIVED FROM DESIGNER BRAND



#### VALUE DERIVED FROM INGREDIENTS

American Pet Product Manufacturers Association 2005 sales estimate \$36 billion (versus \$17 billion in 1995)



#### TOTAL CARE ENVIRONMENT

HIGH

# **DOG LODGING BENCHMARK**









**OPPORTUNITY** 

LUXURY

SERVICES

FACILITIES IN US



FUNCTIONAL SERVICES

> **TYPICAL ANIMAL SHELTER IN EVERY US COUNTY** (ANIMALS NOT ADOPTED KILLED)





AMERICA DOG AND CAT HOTEL LAS VEGAS, NEVADA

**BUSINESS FOCUSED** 

CRITICAL SUCCESS FACTORS	We Sleep with Dogs!         We Sleep with Dogs!						
Concept	Dogs are happy when they are free to explore and socialize in sunny outdoor playgrounds while receiving human affection and pampering when away from their families						
STORY	Owner Kristyn Goddard founded the Women's Jockey Association in 1979 & the Paradise Ranch Racing School for jockeys. Due to a riding accident she changed direction to open the Paradise Ranch Country Club for Dogs in 1997, successfully lobbying City Government and boarding industry regulations to allow free roaming on the Ranch.						
ORIGIN	Los Angeles, California – sunny, natural beauty						
USP	<ul> <li>"Free Range Dogs" - First US licensed "cagefree" home-environment and training facility</li> <li>Largest staff-to-dog ratio on US West Coast</li> <li>Bed Buddies</li> <li>Web Cams</li> </ul>						

### PARADISE RANCH COUNTRY CLUB FOR DOGS









Luxury Services Available	$\star \star \star \star$
Rate per Night	\$65.00 private bedroom \$80.00 with Bed Buddy
Limousine Service	\$130.00 RT in Mercedes Mutt Cab
Spa Services	\$35.00 / massage Brushing, bathing and trim costs vary with breed
Private Training	\$110.00 / day \$1950.00 / 3 weeks
Activities	Multiple botanical gardens for playing Swimming pools (costs included)
Gourmet Dining	Personalized meals hand-fed to finicky eaters (costs included)

# **DOG HOTEL COMPETITORS**



 $\star \star \star$ 



 $\star\star$ 



Services Available	Barking Hound Village Atlanta, Georgia	The Dog Spa and Hotel New York, New York	America Dog and Cat Hotel Las Vegas, Nevada		
RATE PER NIGHT	\$32.00 shared room \$47.00 for retro style private suite	\$54.00 for air conditioned (suite) private run / cage	\$49.00 free range \$79.00 private suite		
LIMOUSINE SERVICE	Not offered	Not offered	Transportation available (no limousine)		
SPA SERVICES (costs vary with breed)	Hair Styling Baths Pedicures	Deep tissue massage Conditioning bath Hot oil treatment Pedicure	Not available		
Private Training	\$150.00 / hour	\$150.00 / hour	Not available		
USP Assisted Living Dog Care On-Premise Deli and Bakery		Breeder Referral Service	Book Online with Vegas.com Color TVs in each suite		

## LUXURY HUMAN VS. LUXURY DOG RESORT

	Room Түре	SPA SERVICES	Fitness Center	Restaurant & Bar	Business Center	Concierge Services	LIMO SERVICE	DESIGN
LUXURY HUMAN RESORT	Presidential Suite with designer furnishings	Luxury Amenities, Salon, Hamm am, Massage, Acupuncture	Gym, Pools, Personal Trainers	Celebrity Chef Meals tailored to dietary needs Room Service	Resort WIFI equipped Computers, business machines available	Museum tours, site-seeing excursions, theater and musical events	Airport pick-up Private chauffeur for outings	Architecture & interiors by renown designer; cross-branding with fashion designers
LUXURY Dog Resort	Free range suite with designer furniture and human "bed buddy"	Side-by-side owner + pet services available Luxury Amenities Baths & Hair Styling Hot oil treatment Pedicures Deep tissue massage Acupuncture	Botanical gardens with dog runs, Pools, Private Training	Water bars Gourmet meals tailored to dietary Needs Room Service for shy dogs	"Live cams" allow owners to see their pet 24/7 Petsmobility PetsCell voice enabled waterproof GPS phone allows owner to call pet 24/7	Day trips to the beach, mountains, parks, nursing homes, hospital wards Acting classes to join the Dog Actors Guild Birthday parties, holiday celebrations	Private chauffeur for home pick-up and delivery as well as outings	Architecture & interiors by renown designer; cross-branding with fashion designers

### **DESIGNER-BRANDED HUMAN RESORTS**



Schlosshotel im Grunewald Berlin, Germany Designed by Karl Lagerfeld PRICE PER NIGHT: €415



Vera Wang honeymoon suite Halekulani in Waikiki, Hawaii PRICE PER NIGHT: \$5500



Danai Beach Resort & Villas Halkidiki, Greece Designed by Missoni PRICE PER NIGHT: €9880

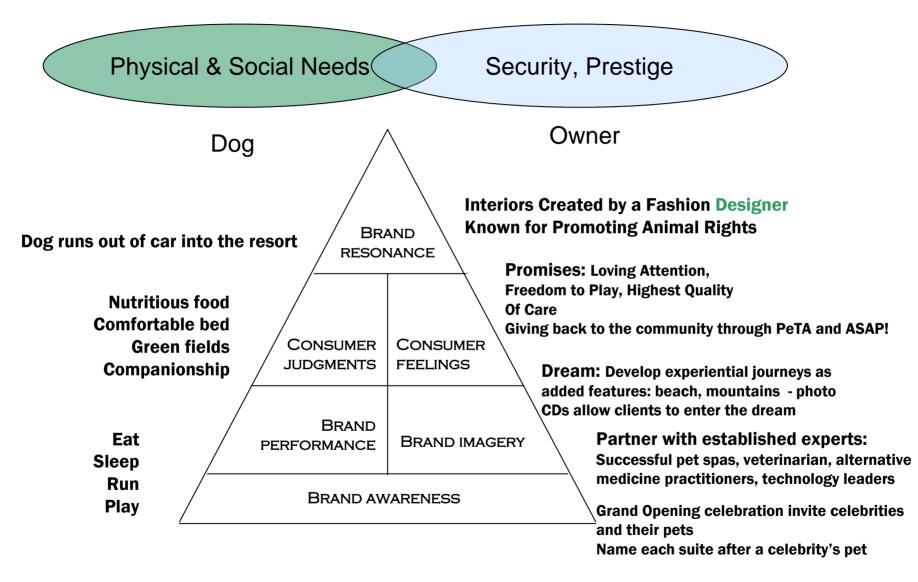
Armani Hotels and Resorts / Burj Dubai Tower (under construction) Dubai, U.A.E. PRICE PER NIGHT: IF YOU HAVE TO ASK THEN YOU CAN'T AFFORD IT



Palazzo Versace Gold Coast, Queensland Australia PRICE PER NIGHT: \$895



#### **DESIGNER-BRANDED DOG RESORT**



CRITICAL SUCCESS FACTORS	<i>Peta</i> Palooza Dog Spa AND Resort ****					
CONCEPT / DNA	<i>PeTA</i> palooza Dog Spa and Resort relieves the stress dogs feel when away from their families by giving them top level holistic care including relaxation treatments, human affection, and freedom to run, play and socialize in a variety of sunny outdoor playgrounds while financially supporting national ( <i>PeTA</i> ) and local (ASAP!) NGOs with their work for animal rights					
Origin	Malibu Beach, California (Los Angeles)* Exclusive community to stars such as Steven Spielberg, Barbara Streisand, Tom Hanks, Julie Andrews and David Geffen * Surfrider Beach: 22 acres of wetlands, gardens and sandy beach					
IMAGE BRAND CULTURE	An upscale, nurturing environment providing only premium care for a dog's total wellbeing while giving back to the canine community.					
TARGET MARKET	Affluent, status-conscious, health-minded and socially responsible pet owners who send their dog to a lifestyle resort while taking their own lifestyle holiday					
USP	<ul> <li>Interiors created by fashion designer Stella McCartney</li> <li>Suites inspired by the dogs of celebrity musicians</li> <li>Partnering with <i>PCTA</i> (People for the Ethical Treatment of Animals)</li> <li>Partnering with ASAP! Association to Save Abandoned Pets</li> </ul>					

#### STELLA MCCARTNEY CUTTING-EDGE

#### FASHION DESIGNER

CHLOE, STELLA MCCARTNEY FASHION HOUSE (JOINT VENTURE WITH GUCCI GROUP), H & M

◆2004: DESIGNED COSTUMES FOR
 MADONNA'S "REINVENTION TOUR" AND
 ANNIE LENNOX'S SUMMER CONCERT TOUR

♦VH1 / VOGUE FASHION AND MUSIC DESIGNER OF THE YEAR AWARD (2000,NY)

♦ WOMAN OF COURAGE AWARD FOR WORK AGAINST CANCER AT THE PRESTIGIOUS UNFORGETTABLE EVENING EVENT (2003, LA)

♦ GLAMOUR AWARD FOR BEST DESIGNER OF THE YEAR (2004, LONDON)

♦ ORGANIC STYLE WOMAN OF THE YEAR AWARD (2005, NY)



### STELLA MCCARTNEY ANIMAL RIGHTS ACTIVIST



CUTSPOKEN ANTI-FUR ADVOCATE WHO REFUSES TO DESIGN WITH ANIMAL SKIN SUPPORTER OF PeTA (People for the Ethical Treatment of Animals)

**VEGAN BOOTS** 





Fur-Farming Expose Video Narrated by Stella McCartney

### **STELLA MCCARTNEY**

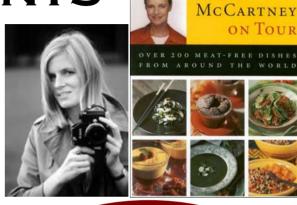
#### LET IT BE

Beatles

### **FAMOUS PARENTS**

PAUL MCCARTNEY MUSICIAN THE BEATLES, WINGS

> LINDA MCCARTNEY PHOTOGRAPHER, VEGETARIAN COOKBOOK AUTHOR



LINDA





LINDA AND PAUL, LONG-TIME *PC TA* ADVOCATES



STELLA WITH HER PARENTS AFTER A CHLOE FASHION SHOW

### **Peta:** People for the Ethical Treatment of Animals

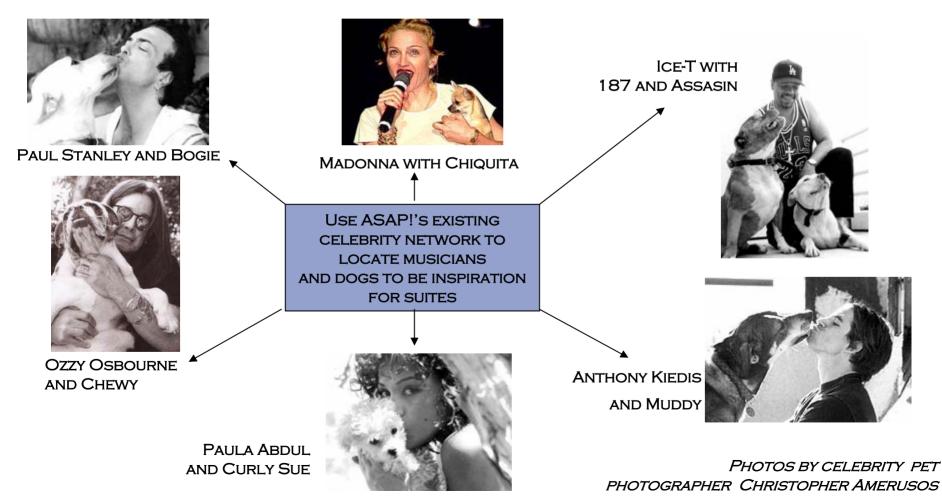


- ✤ THE LARGEST ANIMAL RIGHTS ORGANIZATION IN THE WORLD
- ✤ FOUNDED IN 1980, *PeTA* is dedicated to establishing and protecting the rights of all animals
- ✤ PeTA OPERATES UNDER THE SIMPLE PRINCIPLE THAT ANIMALS ARE NOT OURS TO EAT, WEAR, EXPERIMENT ON, OR USE FOR ENTERTAINMENT

### **Petapalooza Spa and Resort**

#### **ASAP!** Association to Save Abandoned Pets

ASAP! MISSION: HELP THE CITY OF LOS ANGELES ANIMAL SHELTERS REDUCE AND HOPEFULLY ELIMINATE THEIR EUTHANASIA RATES.



### **Petapalooza Rockin' Suites**



CAMELOT DEN \$200

QUILTED PILLOW TOP COIL SPRING DOG BED \$135

# **Petapalooza Holistic Spa**







ROYAL TREATMENT ALMOND EXFOLIATING SCRUB



MASSAGE: HOT STONE, LYMPHATIC, DEEP-TISSUE, CRANIOSACRAL AND SHIATSU



AROMATHERAPY OILS

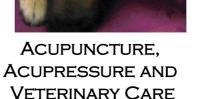
POP ARTIST HAIR STYLES





**PRE-EVENT PREPARATION** 







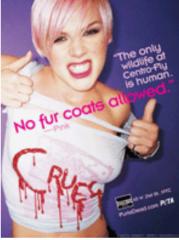
WATSU WATER MASSAGE PET SWIM THERAPY

DRESS-UP OUTFITS

# *Pe TA*palooza Lounge and water bar







RelaxationMusic FOR DOGS AND CATS VOLUME 1 Southing Music For Pets

CONCEPT CD CURATED BY PINK RELAXATION MUSIC FOR DOGS



LOUNGIN'



"*P*@ TA BREAD" DOGGIE BAKERY FOUR-STAR RAW FOODS DINING

### **Petapalooza Concierge Services**



LIMO SERVICE FOR ALL FIELD TRIPS

DOG PSYCHIC READINGS ASTROLOGY DOG BIRTH CHART AND REPORT

Discover the true personality of your lovable pooch. Learn how to work with your pet's inborn traits to increase your enjoyment of each other.

PSYCHO/

SPIRITUAL

#### PLAY



CELEBRATION OF SPECIAL EVENTS



Frisbee



CATCH SOME RAYS

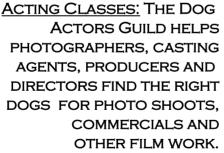
SURFING FIELD TRIPS



PHYSICAL



CONSULTATIONS WITH LA-BASED CESAR MILAN, INTERNATIONAL DOG BEHAVIORAL EXPERT FROM THE NATIONAL GEOGRAPHIC SERIES, "THE DOG WHISPERER" AND FOUNDER OF THE DOG PSYCHOLOGY CENTER





TRAINING

#### AGILITY COURSES





FLYBALL COMPETITIONS

## *Pe TA*palooza + Malibu Kennel Club & SCDOC

Partner with Malibu Kennel Club
 to create the "Westminster Dog Show" of the East Coast

Create breeder referral service with Southern California
 Dog Obedience Council (SCDOC), made up of 26 breed and obedience dog clubs

Westminster Kennel Club 2006 Best In Show Trophy "Ch Rocky Top's Sundance Kid," a.k.a. "Rufus," a Bull Terrier Breeders: Rebecca P Poole & Robert S Long & William F Poole



### **Pe TAPALOOZA RETAIL BOUTIQUE**

DESIGNER CLOTHING AND JEWELRY





#### GUCCI SUN VISOR



TAKE HOME SPA PRODUCTS





#### KATE SPADE DOG BOWLS

PURCHASE FAVORITE RESORT FURNISHINGS FOR HOME-USE

## **CONNECTION TO HOME**

MUSIC TO SOOTHE DOGS SEPARATED FROM FAMILY



WATERPROOF GPS CELL PHONE





Favorite blankie from home





SLUMBER MATES: WAKE-UP NEXT TO SOMEONE

VIDEO MESSAGES FROM FAMILY, HOME VIDEOS, FAVORITE MOVIES





WEB CAM

#### FAVORITE TOY FROM HOME





DIGITAL CAMERA WITH TIMER

# **Petralooza Dog Spa and Resort P& L Statement**

	YEAR I	%	% chg	YEAR II	%	% chg	YEAR III	%	% chg
	8 rm/nt			<b>16 rm/nt</b>			<b>24 rm/nt</b>		
Unit Sales Volume	2816		-	5632		+100%	8448		+50%
Value Sales Income	844,800			1,689,600			2,534,400		
<ngos, margins=""> = Gross Sales</ngos,>	422,400			844,800			1,267,200		
Net 1 Sales Income	422,400	100		844,800	100	+100%	1,267,200	100	+50%
C. O. G.	126,720	30		253,440	30	+100%	380,160	30	+50%
Net 2 Gross Margin	295,680	70		591,360	70	+100%	887,040	70	+50%
ATL: Media		-			-			-	
BTL: P.R., Buzz, P.O.S., Promotions and Sponsorship	126,720	30		253,440	30	+ <b>100</b> %	380,160	30	+50%
DPP	168,960	40		337,920	40	+100%	506,880	40	+50%

### **POTENTIAL BRAND NAMES**

#### TOO GENERIC

#### ESOTERIC/ WRONG IMAGE



### Why "*PeTA*palooza"?

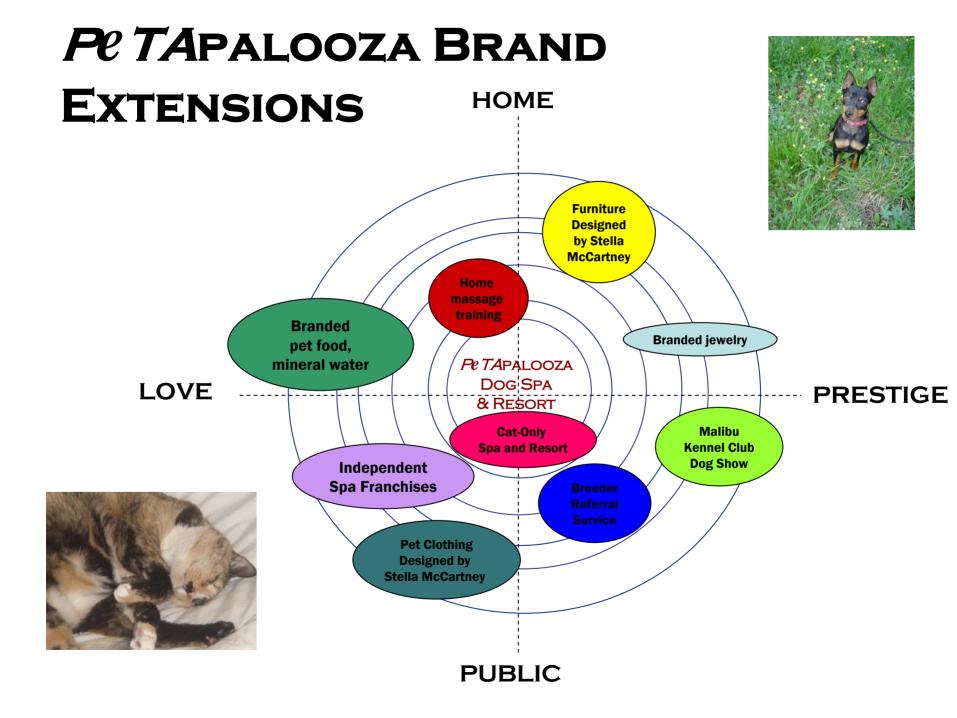
- ✤ PeTA BEGAN IN 1980 AS AN UNDERGROUND MOVEMENT CHAMPIONING ANIMAL RIGHTS BY USING "BUZZ" MARKETING TO GAIN EXPOSURE FOR ITS THEN-"RADICAL" POINTS OF VIEW
- LOLLAPALOOZA IS A COUNTERCULTURE AMERICAN TRAVELING MUSIC FESTIVAL ORGANIZED IN 1991 BY PERRY FARRELL, SINGER FOR THE BAND JANE'S ADDICTION. DISBANDED FROM 1997-2003, IT HAS RETURNED INTO 2006. WWW.LOLLAPALOOZA.COM



- \* "LOLLAPALOOZA": WONDERFUL THING; SOMEBODY OR SOMETHING THAT IS WONDERFUL OR A PARTICULARLY REMARKABLE EXAMPLE OF ITS KIND Encarta Dictionary: English (North America)
- ✤ PeTAPALOOZA DOG SPA AND RESORT PROVIDES RADICALLY SUPERIOR DOG CARE, FEATURES THE DOGS OF FAMOUS MUSICIANS FOR DESIGN INSPIRATION WHILE SUPPORTING ANIMAL RIGHTS ORGANIZATIONS

# THE *Pe TA*PALOOZA STORY BRAND ARCHITECTURE





### **Petapalooza Spa and Resort**

#### POTENTIAL INVESTORS





CESAR MILAN, INC. DOG PSYCHOLOGY CENTER SRAND EXTENSION BEYOND BOOKS & CDS

FROMM FAMILY FOUR STAR NUTRITIONALS ENTERING INTERNATIONAL DISTRIBUTION & BUILD BRAND AWARENESS

> PETSMOBILITY INC. PUBLICIZE PETSCELL RELEASE IN 2006

