

Pet Food Express Takes Top Honors

By Devon McPhee

Pet Food Express, a 32-store pet retail chain, prides itself on the service it provides customers in the San Francisco Bay Area. It was no surprise, then, that locals were very impressed by how the store handled the recent pet food recalls. What was a little surprising—and gratifying—was that consumers across the nation turned to the company for the latest information on the pet food scares.

Pet owners from Utah to Illinois and places in between wrote to founder and president Michael Levy to thank him for the way his store handled the recall. They found out about the store's actions through its website, www.petfoodexpress.com. On the site, the store not only informed customers about its actions in response to the recalls, but also explained its actions. It also devoted a section of its website to the latest news about the situation.



What really impressed consumers was the store's decision to pull from its shelves all products from manufacturers affected by the recall, not just those that required removal. The store enacted this policy because the extent of the contamination was unclear, Levy says.



Founder and president Michael Levy expresses joy at his win.

"Everything regarding the recall was constantly changing," he says. "First the FDA thought it was rat poisoning, then melamine; first it was found in one product, then it was found in another. Because of the uncertainty, we felt that if the problem was with several SKUs, we needed to pull all the SKUs from that manufacturer. We wanted to take the safest route for our customer, and if there was any doubt as to a product's safety, we didn't want to sell it."

Pet Food Express reinstated products once it received proof from manufacturers that their products were contaminant-free. It kept an updated list of products it was and was not selling on the website. It also posted letters and tests from manufacturers that backed their products' safety in addition to news about the recall.

"There was a lot of information and misinformation circulating during the recall and a lot of panicky people," Levy says. "We felt it was our responsibility to give customers as much information as possible to help them make buying decisions and calm their fears."

Despite the momentary panic, Levy sees a silver lining to the recent pet food scare. Customers are now more concerned with what they're feeding their pets, he says.

"The recall has heightened everyone's awareness of pet foods and safety concerns," he says. "People are more interested in knowing what ingredients are in the food. At Pet Food Express, we have always talked to customers and encouraged them to read the ingredient panel. What's different now is that people have begun asking us about ingredients as opposed to us bringing it to their attention."

Retailer of the Year

Pet Food Express' calm, reasoned response to the recall was one of several reasons the editors of Pet Product News International chose the business as Retailer of the Year 2007-2008.

Kong, maker of the famous Kong toys, sponsored this year's contest and, in lieu of flying the winner to SuperZoo, the company will present Pet Food Express with a donation for one of its favorite animal charities. This presentation will take place at a party at SuperZoo.

A look at some of the chain's other consumer-focused practices helped illuminate the judges' decision.

Pet Food Express locations average 7,000 square feet in size. Each outlet carries the same product mix and has similar signage. "When you have a chain of any size, it necessitates continuity," Levy says. "It's not a great experience if a customer goes to a different location and cannot find a product that is in their usual location."

Most locations also include self-service pet washes, low-cost vaccination clinics, seminars and training sessions. None of these services operates as a profit center for the business, Levy says. The stores offer them because consumers want them.

"What's good for the customer is good for us," he says.

Stores also place a strong emphasis on pet adoptions. Pet Food Express runs a program called "My Mutt" to help raise money for local rescues and shelters. The program rewards consumers who make at least a \$250 donation to a shelter or rescue by creating professional posters of their pets.

Stores use the posters as decoration. After about a year, consumers get to keep the poster.

At about \$500 a pop, the posters represent a huge negative cash flow for the company, Levy says, but they do have intangible benefits.

"Well, we get to decorate our stores, and not only do the pet owners come in to look at their poster, they send others to the store to see it," he says. "We don't directly profit from the program, but it's part of how we do business. It makes a statement about what we do and who we are."

Making It Personal

Focusing heavily on customer service allows Pet Food Express to retain the feel of an independent shop, Levy says.

"The strength of an owner who operates a single store lies in his ability to personally know all his customers and employees and to offer exceptional customer service," he says.

Levy and his business partner, Mark Witriol, strive to maintain a level of intimacy at their stores by devoting two days a week to visiting different Pet Food Express locations.

"We're extremely hands on," he says. "On Fridays and Saturdays Mark and I go out and visit stores to help give that personal touch. It lets employees and customers see our constant care and concern."

Additionally, Levy says he and Witriol remain as accessible as possible to employees.

"All employees can reach us by e-mail or phone," he says.

The partners agreed that they would not expand the business beyond the ability to give each store personal attention. That means all stores must remain within a day's driving distance from company headquarters.

"We've got to be able to visit the store and still get home in time for dinner," Levy explains.

It also means a limited number of locations. Pet Food Express will likely top out at 100 stores in the greater San Francisco Bay Area, Levy says. The company added an outlet to its empire in August and plans to have another one completed by the end of November. In 2008, five or six stores will be added.

These strategic moves should help Pet Food Express—and any independent retailer—compete with the big-box retailers, Levy says.

"What makes this industry so great is that it's about the pets, which have become members of the family," he says. "Customers want to take the best care of their family as possible and choose stores that are able to provide them exceptional service. If retailers focus on this area, they can go against stores of any size."

At a Glance

Location: 2131 Williams St., San Leandro, Calif. (corporate headquarters)

Owner: Michael Levy and Mark Witriol

Size: 32 stores averaging 7,000 square feet

Employees: 210 full time, 160 part time

Years in Business: 20

Products and Services Offered: Full line of products for dogs, cats, fish, birds and small mammals. Services include self-service pet washes, low-cost vaccination clinics and mobile pet adoptions.