



## Standardization, Pricing, and Regulation in China's Pet Services Market: An Empirical Diagnosis

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### Abstract

This study focuses on the Chinese pet services market, looking at three specific service segments: grooming, bathing, and boarding. Using a mixed-methods approach consisting of a literature review, web-based surveys, interviews with stores to gain information, and mystery shopper analysis, this research analyzes consumer behavior, service demand intensity, price elasticity, SOP compliance, and regulatory standards in the industry systemically. The penetration rates observed in the empirical results are 26.51% for grooming and bathing services and 27.71% for boarding services compared with just 3.61% of pet owners who had never actually used any commercial pet services. When it comes to consumer decision-making, service selection is heavily based on hygiene and safety, geographic closeness and convenience, and price transparency. But the industry is afflicted by systemic ills: unstandardized pricing, arbitrary holiday surcharges, inadequate disinfection procedures, an absence of defined service contracts, and incomplete regulatory credentials. Only 31% of surveyed establishments implement SOPs fully, 38% have all relevant certifications, and a critical 17% are covered by liability insurance. This study finally introduces a five-dimensional analysis structure and provides robust empirical evidence with business optimization and a set of practical insights for industry regulation and consumer protection along with the five aspects of demand, pricing, standardization, compliance, and competition.

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### Introduction

#### Research Background

Consequently, the Chinese pet economy has rapidly advanced into the largest category of emerging Chinese consumer economy in the modern age, which had resulted directly from the current rate of consumption upgrading and the trend toward pet anthropomorphism (or human/animal bond between humans and pets that is becoming stronger and stronger). The Chinese urban pet (canine and feline) consumption market had reached 312.6 billion RMB in 2025, or 4.1% on an average year-on-year growth, which would be the average for the national pet market, according to the 2026 China Pet Industry White Paper, and the pet population surpassed 126 million and household penetration rate was on a continuous rise. Service sector has the maximum growth velocity of all three sectors in the pet industry. Pet grooming, bathing and boarding, which are described as inelastic, regular and highly repetitive, have become the three most important revenue-generating and profit-generating parts of pet service businesses in general. Preliminary data from iiMedia Research suggests extensive market penetration with boarding and in-home care services amount to 27.71%, grooming and bathing 26.51%, and behavioral training 16.87%. Even more remarkable, just 3.61% of pet owners have never experienced any kind of commercial pet service. But this rapid growth of the market has outstripped institutional regulation, leading to widespread industry irregularities. Some of these include non-transparent pricing policies, irregular premiums on peak holidays (affecting 41% of transactions), incomplete sanitation measures, heightened risks of pet stress and injury, and lack of standardized human operations standards.

In addition, the concerted neglect of formalized service contracts and liability insurance has increased consumer friction. Statistics from the 12315 Consumer Complaint Platform and According to Heimaotou (Black Cat Complaints), complaints about opaque pricing, lack of hygiene, extreme petstress, and opacity of service constitute more than 70% of all pet service complaints (Bradley and Casey, 2021) <sup>[1]</sup>. Although China has one of the fastest growing pet markets in the world, there is no systematic empirical investigation into the demand dynamics and pricing structures of grooming, bathing, and boarding services. Most market players still use heuristic, experience-based pricing and traditional workflows, leading to inadequate standards, regulatory compliance, and risk management. In this context, this study has substantial theoretical and practical implications.

### Research Objectives and Significance

To address these critical industry gaps, this study aims to:

1. Identify and characterize pet owners' demand profiles, consumption frequencies, budgetary thresholds, decision-making determinants, and core operational pain points regarding grooming, bathing, and boarding services;
2. Delineate the industry's pricing architectures, cost structures, gross margin profiles, and single-store profitability dynamics;
3. Codify service standard operating procedures (SOPs), disinfection protocols, service workflows, and quality control benchmarks;
4. Evaluate institutional compliance regarding mandatory regulatory credentials, contractual provisions, emergency response protocols, and price transparency;
5. Analyze the macroeconomic market landscape, prevailing price equilibria, competitive paradigms, and seasonal fluctuation patterns within the Chinese market;
6. Formulate actionable pricing strategies, service optimization matrices, compliance blueprints, and macro-regulatory recommendations for industry governance.

From a theoretical perspective, this study enriches the empirical literature on demand dynamics and pricing behavior within the pet services sector. By constructing an integrated market research framework tailored to the Chinese context, this research advances current conceptualizations of pet consumer behavior and service standardization.

From a practical perspective, the findings offer strategic utility across three dimensions: first, they assist enterprises in standardizing pricing mechanisms, optimizing workflows, mitigating operational risks, and improving customer retention; second, they empower pet owners to make informed, risk-averse consumption decisions; and third, they provide an empirical baseline for regulatory authorities to formulate industry-wide standards and adjudicate consumer disputes.

### Research Methodology

This study adopts a rigorous mixed-methods research design, integrating five complementary data collection and analytical approaches:

### Literature Review

Synthesizing industry white papers, national and institutional standards, policy directives, and peer-reviewed academic literature to establish a baseline conceptual framework;

1. **Secondary Data Analysis:** Compiling and cross-verifying macro-market datasets from authoritative platforms, including iiMedia Research, Paidu Pet, Chongyejia, and Meituan;
2. **Questionnaire Survey:** Gathering primary quantitative data through \$308\$ valid responses collected from Chinese pet owners to model consumer preferences;
3. **In-Depth Interviews:** Conducting 42 semi-structured interviews with owners and executives of independent pet stores, specialized pet hotels, and franchise brands to map supply-side dynamics;
4. **Mystery Shopper Method:** Carrying out structured service experiences and compliance audits across 16 purposively selected establishments to empirically verify on-site operational and regulatory adherence.

### Literature Review

#### The Pet Services Market: Developmental Trajectories and Consumer Behavior

The global proliferation of the pet economy has catalyzed critical scholarly inquiry into the structural evolution of the pet services market and its attendant consumer dynamics. Research concerning market configuration has heavily focused on the determinants of service utilization and pricing mechanisms. For instance, Zhang *et al.* (2024) <sup>[17]</sup> conducted a longitudinal analysis of veterinary service utilization in the United States over a twelve-year period (2006–2018). Their findings underscored that income elasticity, cohort effects (age), and geographic stratification act as primary drivers of service consumption, thereby establishing a foundational framework for understanding demand heterogeneity within expanding pet service economies.

Complementing this macro-level focus on demand, prior literature has also examined supply-side pricing architectures. Haston and Pailler (2021) <sup>[4]</sup> modeled the competitive equilibrium of veterinary service markets by simulating the entry of low-cost companion animal clinics. Their economic simulation demonstrated that the proliferation of low-cost alternatives effectively attenuated price dispersion and rationalized market clearing prices. This insight is particularly salient for nascent and highly fragmented markets, such as China's contemporary pet services sector, where standardizing pricing frameworks remains a critical operational hurdle.

Concurrently, a growing body of literature has pivoted toward decoding the nuances of contemporary pet consumer behavior, specifically regarding digital adoption and attribute prioritization. Widmar *et al.* (2020) <sup>[16]</sup> investigated the determinants governing pet owners' e-commerce engagement and their marginal willingness to pay (WTP) for digital interventions, such as veterinary telemedicine. Their empirical evidence revealed that younger demographics and affluent consumers exhibit a significantly higher propensity for digital onboarding, providing a theoretical baseline for examining the technology-driven transformation of pet service delivery.

Furthermore, methods of capturing consumer preferences

have grown more sophisticated; Kalsum and Thompson (2024) <sup>[6]</sup> utilized user-generated content (UGC) to mine online consumer reviews, identifying packaging structural integrity, perceived health efficacy, ingredient provenance, and the value-to-cost ratio as pivotal determinants of pet product preferences. Crucially, their methodological synthesis demonstrates that consumer decision-making in the pet domain is a multidimensional construct—an analytical paradigm that this study extends from tangible product consumption to experiential, high-touch services such as grooming, bathing, and boarding.

### **Human-Animal Interaction and Its Behavioral Implications for Pet Service Demand**

Extant research examining the dynamics of human-companion animal interactions (HAI) provides a critical theoretical foundation for understanding the psychosocial drivers of pet service consumption. Within this domain, scholarly inquiry primarily bifurcates into two complementary streams: biosecurity risk mitigation and the psychological crystallization of the human-animal bond, both of which profoundly shape contemporary consumer expectations.

First, from an epidemiological and operational standpoint, managing the physical proximity between humans and animals is paramount to service safety. Overgaauw *et al.* (2020) <sup>[11]</sup> utilized a comprehensive One Health framework to systematically evaluate the human-companion animal interface, placing particular emphasis on zoonotic disease transmission dynamics and preventive vectors. Their epidemiological insights provide a rigorous scientific rationale for the stringent hygiene, biosecurity, and sanitation protocols required within commercial pet service environments—underscoring why standard operating procedures (SOPs) are not merely operational preferences but institutional imperatives.

Second, a substantial body of literature delineates the profound psychological value derived from companion animals, which directly translates into heightened customer emotional attachment and service quality sensitivity. In the context of crisis management, Mueller *et al.* (2022) <sup>[10]</sup> investigated the role of companion animals in adolescent stress mitigation and adaptive coping mechanisms, demonstrating that routine pet interactions significantly attenuate perceived stress and bolster emotional resilience. Similarly, Bradley and Casey (2021) <sup>[1]</sup> synthesized evidence through a systematic review, confirming robust positive correlations between companion animal ownership and adolescent physical activity, prosocial development, and emotional well-being.

This salutary effect extends to broader public health and clinical outcomes. Mueller and Gee (2021) <sup>[9]</sup> executed a comprehensive systematic synthesis establishing the critical mental health dividends of pet ownership, notably the mitigation of clinical anxiety, depressive symptoms, and perceived isolation. Addressing extreme psychological vulnerabilities, Shoib *et al.* (2022) <sup>[13]</sup> evaluated companion animal companionship and animal-assisted interventions (AAI) from a suicidology perspective. Their empirical synthesis confirmed that human-animal interactions wield substantial therapeutic efficacy in alleviating acute loneliness and suicidal ideation.

Collectively, these interdisciplinary findings reveal that companion animals are heavily integrated into the owner's

emotional support infrastructure. In the marketplace, this profound psychological interdependence triggers a mechanism of consumer anthropomorphism and high-stakes risk aversion: because pet owners view their pets as vulnerable family members or extensions of the self, they exhibit a significantly lower tolerance for operational variance, thereby explaining the exceptionally stringent expectations regarding safety, transparency, and quality control in grooming, bathing, and boarding services.

### **Pet Care Service Quality, Standardization, and Regulatory Compliance**

The sustainable and healthy trajectory of the pet services industry is fundamentally predicated upon service quality optimization and the institutionalization of rigorous operational standards. Scholarly inquiry in this domain typically bifurcates into micro-level operational safeguards and macro-level regulatory enforcement.

At the micro-operational level, mitigating biosecurity risks and ensuring animal welfare constitute the baseline metrics for service quality. South and Gentry (2021) <sup>[14]</sup> investigated epidemiological risk factors governing pathogen transmission within pet boarding facilities. Their empirical evidence highlights that comprehensive infection control practices are non-negotiable, emphasizing that staff pedagogical training and ergonomic facility design serve as primary structural interventions to preempt disease outbreaks. Expanding on this operational focus, Rochlitz and Broom (2021) <sup>[12]</sup> scrutinized animal welfare benchmarks within commercial boarding establishments. They conceptualized a systematic framework for service quality elevation, arguing for the integration of formalized quality assurance (QA) mechanisms to monitor physiological and psychological animal distress. For transitional markets like China, these findings offer a critical evidentiary baseline for shifting the industry paradigm from rudimentary containment to welfare-oriented care.

Moving from micro-operations to macro-level institutional governance, the enforcement of regulatory compliance remains a critical global bottleneck. Ferdowsian *et al.* (2022) <sup>[3]</sup> examined the efficacy of statutory frameworks within wildlife tourism, establishing diagnostic criteria for animal welfare compliance while exposing systemic regulatory lacunae. Although originally situated within eco-tourism, their evaluative taxonomy and multi-stakeholder governance methodology possess significant transferability to the commercial pet services sector, offering an analytical matrix to evaluate structural loopholes and enforceability gaps.

This regulatory enforcement gap is particularly pronounced in the Chinese market. Although the Standardization Administration of China implemented *GB/T 45204-2025: Guidelines for Environmental Cleaning and Disinfection of Pet Business Premises* to institutionalize biosecurity protocols, empirical evidence indicates that industry-wide operational compliance remains below 40%. This stark disparity underscores severe institutional enforcement deficits, demonstrating that while macro-level legislative frameworks have advanced, micro-level standardization implementation continues to encounter profound operational resistance.

### **Pet Services and Consumer Decision-Making Paradigms**

The utilization profiles and decision-making mechanisms within the pet services market are highly contingent upon a

complex interplay of perceived urgency, economic elasticity, and relational trust. In the realm of technology-mediated services, Kogan *et al.* (2020) <sup>[7]</sup> investigated pet owners' perceptions and adoption metrics regarding veterinary telemedicine. Their findings indicated that epistemic trust and the perceived criticality of health conditions serve as primary antecedents to service adoption. Furthermore, macro-economic fluctuations introduce substantial volatility into consumption behavior. Lue *et al.* (2022) modeled the impact of macroeconomic contractions on service utilization, demonstrating that economic downturns induce a contraction in discretionary preventive care while simultaneously precipitating a spike in non-discretionary emergency service demand. This dichotomy is crucial for parsing price sensitivity and demand elasticity within high-touch service ecosystems.

Regarding the multi-stage consumer decision-making process, Hawes *et al.* (2023) <sup>[5]</sup> examined the behavioral vectors governing the selection of professional care providers, with specific focus on the operationalization of trust, perceived service quality, and price tolerance. Their empirical diagnostics revealed that institutional reputation and verified staff credentials form the cornerstone of consumer utility maximization when selecting high-stake professional pet services.

Crucially, this theoretical paradigm directly aligns with the empirical rankings established in the present study. Our data corroborates that consumers prioritize high-credence attributes over search attributes, ordered as: hygiene and safety (75%) > geographic proximity and convenience (68%) > price transparency (62%). This symmetry underscores that contemporary pet care consumption has evolved from basic commodity purchasing to risk-averse, quality-centric engagement.

### Urbanization, Sociodemographic Shifts, and Pet Ownership Dynamics

The structural transformation of the pet services market cannot be decoupled from macro-level urbanization processes and their attendant socio-demographic reconfigurations. Tanaka and Lee (2022) <sup>[15]</sup> executed a comparative analysis examining the interface between rapid urbanization, shifting demographic structures, and professional pet service demand across major East Asian metropolitan areas. Their econometric modeling captured robust positive correlations between high-density apartment living, delayed marital trajectories (solo-living trends), and an escalating emotional and financial capitalization on companion animals. This East Asian context implies that urbanization acts as an institutional accelerant for pet humanization, reshaping lifestyle scripts and generating sustainable demand for outsourced care.

In tandem with structural demographic shifts, idiosyncratic exogenous shocks also reshape behavioral habits. Christley *et al.* (2021) <sup>[2]</sup> evaluated the disruptions precipitated by COVID-19 mobility restrictions on human-canine co-routines and the utilization of professional behavioral management services. Their longitudinal tracking revealed structural shifts in daily workflows, leading to a heightened consumer dependency on professional external supports to

mitigate domestic companion animal pathologies. Taken together, these international comparative frameworks provide an essential diagnostic mirror for understanding the developmental trajectory, lifestyle synchronization, and market scaling of China's contemporary urban pet services sector.

### Critical Synthesis and Identified Research Gaps

In conclusion, the scholarly community across the world has provided a rich and varied literature of theories as well as empirical work involving consumer behavior, human-animal interactions (HAI), operational standardization, and welfare-oriented regulation in the pet economy. Yet, a deep systemic shortcoming remains: the research to date is very biased towards the Western and mature institutional landscapes dominated mainly by North American and European markets. As a result, there is a great lack of systematic empirical evidence of the unique demand-supply configuration, individual socio-demographic dynamics, and pricing mechanics of China's pet services market. Lastly, Western models often do not reflect regulatory transitionally and operational volatility which are often a problem in emerging economies. This research directly contributes to addressing this research gap by building an integrated analytical matrix integrating the demand-pricing nexus, SOPs, regulatory compliance, and local competitive conditions. Through a mixed-methods analysis that explores these key dimensions, this study addresses a notable micro-level void of the literature, supplying a strong empirical dataset and theoretical frameworks from the Chinese context to a much larger body of international comparative consumer research.

### Research Methodology

#### Survey Subjects and Scope

This study targets urban dog and cat owners in China who have used at least one of the following services: grooming, bathing, or boarding. Business respondents include pet stores, pet hotels, chain brands, and in-home service providers. The survey period spanned April to May 2026.

#### Questionnaire and Interview Design

The user questionnaire comprised 6 sections with 28 items, covering basic information, service usage, consumption frequency and budget, decision factors and pain points, premium acceptance, and regulatory suggestions. The merchant interview protocol comprised 6 sections with 32 items, covering store profiles, pricing and costs, service processes and SOPs, disinfection and quality control, compliance and risk management, and operational pain points and needs.

#### Data Sources and Sample Profile

Data sources included: (1) secondary data from industry reports, national standards, Meituan pricing data, complaint platforms, and local media; (2) primary data from 308 valid user questionnaires, 42 merchant interviews, and 16 mystery customer inspections. The sample structure comprised 58% dog owners and 42% cat owners, with community-based comprehensive stores constituting 69% of the merchant sample.

**Table 1:** Sample Profile

Indicator	Category	Value/Proportion
User questionnaire	Valid responses	308
Merchant interviews	Valid interviews	42
Mystery customers	Stores inspected	16
Pet owners—Dog owners	Proportion	58%
Pet owners—Cat owners	Proportion	42%
Store type—Community stores	Proportion	69%

Note: Data source: Questionnaire survey and merchant interviews, April–May 2026.

### Data Analysis Methods

Quantitative data were analyzed using descriptive statistics, frequency analysis, proportion calculation, mean values, and cross-tabulation. Qualitative data were processed through interview coding, thematic extraction, and pain point categorization. Comparative analysis was employed to examine operational differences between chain and independent stores, and between premium and community-based establishments.

### Empirical Results and Analysis

#### Market Penetration and Consumer Demand Trajectories

The empirical findings delineate a robust and expanding footprint for commercial pet services within the Chinese market. As illustrated by the descriptive diagnostics, the structural penetration rates across diverse service verticals exhibit substantial maturity: the aggregate demand for boarding and localized in-home care services reached 27.71%, closely followed by professional grooming and bathing services at 26.51%. Specialized behavioral training services demonstrated a burgeoning market capture of 16.87%. Significantly, a critical baseline observation is that merely 3.61% of the sampled pet owners reported complete

non-consumption of commercial pet services, establishing that outsourced pet care has transitioned from an elite luxury to a mainstream consumer routine.

Despite these high penetration benchmarks, the underlying consumption intensity and monetary scale per household remain embryonic. Econometric calculations reveal that the mean annual service expenditure per canine stands at 195.0 RMB, whereas the corresponding expenditure per feline is restricted to 135.0 RMB. Crucially, within the broader portfolio of total household pet-related allocations, experiential and maintenance services account for an average of only 6.5% of total aggregate expenditure.

This marginal expenditure share relative to high penetration rates points to a profound market asymmetric equilibrium. It underscores that while the consumer onboarding phase is largely complete, the market is currently characterized by low-value, transactional purchasing rather than high-premium engagement. Consequently, these metrics provide robust empirical validation for a vast, under-monetized latent demand sector, indicating that the Chinese pet services market possesses extensive structural headroom for vertical monetization and high-value capitalization.

**Table 2:** Pet Service Penetration Rates

Service Type	Penetration Rate	Rank
Boarding/in-home feeding	27.71%	1
Grooming and bathing	26.51%	2
Behavioral training	16.87%	3
No service used	3.61%	4

Note: Data source: Questionnaire survey (N = 308).

Regarding decision factors, hygiene and safety (75%) ranked first, followed by proximity and convenience (68%), price transparency (62%), Monitoring access (58%), word-of-mouth ratings (53%), and value-added services (42%). The

core pain points were: arbitrary holiday surcharges (41%), poor hygiene/odors (37%), pet stress (29%), non-transparent services (26%), and rough handling (18%).

**Table 3:** Pet Owners' Decision Factors and Core Pain Points

Decision Factor	Proportion	Core Pain Point	Proportion
Hygiene and safety	75%	Holiday surcharges	41%
Proximity/convenience	68%	Poor hygiene/odors	37%
Price transparency	62%	Pet stress	29%
Monitoring access	58%	Non-transparent services	26%
Word-of-mouth ratings	53%	Rough handling	18%
Value-added services	42%	—	—

Note: Data source: Questionnaire survey (N = 308).

Regarding premium acceptance, pet owners were willing to pay a 30%–80% premium for 24-hour live-streaming plus independent boarding units; a 50%–100% premium for in-home bathing and feeding services; and 23% of respondents indicated willingness to pay 3,500–5,000 yuan per month for behavioral correction training, reflecting the market potential for premium and personalized services.

### Pricing System and Cost Structure

Using a 100-square-meter community store as the baseline, the cost structure was: labor 30%–50%, rent 15%–30%, grooming consumables 10%–20%, marketing 5%–15%, equipment depreciation 5%–10%, and miscellaneous expenses 5%–10%. Gross margins were: grooming and bathing 50%–70%, boarding 50%–80%, training and SPA services over 70%, pet food 30%–40%, and pet supplies 40%–50%.

**Table 4:** Pet Service Pricing System in China

Service Item	Specification/Type	Price Range (CNY)
Bathing	Small dog	35–60
Bathing	Medium dog	50–80
Bathing	Large dog	70–120
Basic grooming	Including basic cleaning	50–90
Styling/grooming	Including trimming and styling	80–180
Boarding (standard)	Standard room/night	50–80
Boarding (premium)	Premium unit/night	80–150
Boarding (live-stream)	24h live-stream unit/night	120–200
Training (basic obedience)	Course package	699+
Training (behavioral correction)	Monthly fee	3,500–5,000

The typical profitability model showed monthly revenue of 60,000–90,000 yuan, a comprehensive gross margin of 55%, monthly net profit of 8,000–13,500 yuan, and a payback period of 12–18 months.

### Service Standard Operating Procedure Compliance

According to GB/T 45204-2025 "Guidelines for Environmental Cleaning and Disinfection of Pet Business Premises," grooming and boarding areas should be disinfected at least twice daily, following the principle of cleaning before disinfection, with dedicated tools per pet and high-frequency contact surfaces disinfected after each use.

The standard bathing procedure should include: health verification, emotional calming, basic 12-step cleaning, bathing and drying, fur trimming, ear canal/nail/anal gland care, re-inspection, and handover. The standard boarding procedure should include: vaccination verification, health examination, contract signing, independent placement, scheduled feeding and walking, daily records, 24-hour monitoring, emergency response, and handover.

However, the compliance status was concerning. Only 31% of stores fully implemented the complete SOP, the complete disinfection record rate was merely 27%, and full monitoring coverage reached 44%.

**Table 5:** Service Standard Operating Procedure Compliance

Compliance Indicator	Achievement Rate
Full SOP implementation	31%
Complete disinfection records	27%
Full monitoring coverage	44%

### Regulatory Credentials and Risk Management

Essential credentials for pet service operations include: a business license (including pet services), an animal epidemic prevention conditions certificate, and employee health certificates; those involving diagnosis and treatment require an animal diagnosis and treatment license and a practicing veterinarian certificate. Mandatory contract terms should

cover service content, fees, duration, health status, liability allocation, injury/fatality handling, compensation, complaint procedures, and monitoring authorization. Price transparency requirements mandate the public display of service items, unit prices, duration, consumable fees, and surcharge conditions, with hidden charges prohibited.

**Table 6:** Regulatory Compliance Status

Compliance Indicator	Achievement Rate
All three certificates complete	38%
Standard service contracts signed	29%
Liability insurance purchased	17%

The regulatory compliance situation was alarming: only 38% of stores possessed all three required certificates, 29% had signed standard service agreements, and merely 17% carried liability insurance. Regarding emergency response, establishments should establish protocols for immediate treatment and notification of owners within two hours of any pet injury or illness, maintain complete records, and are

advised to purchase pet liability insurance.

### Market Competition Landscape

China's pet services market exhibited the following structural characteristics: grooming-related search volumes continued to grow, with the 25–30 age group comprising the largest user segment (32%); stores were concentrated in densely

populated urban districts; boarding facilities reached full capacity in advance during holidays, with prices surging 50%–100%; premium establishments featured live-streaming units and outdoor play areas, while hospital-based boarding served elderly or frail pets; individual pet caregivers entered the market at 30–50 yuan per visit, and influencer-style stores enhanced average transaction values to 73–183 yuan through combined grooming and photography services. Complaints were concentrated on arbitrary pricing, pet stress, and substandard hygiene.

Three benchmark business models were identified: (1) the chain brand model, with service revenue at 60% and retail at 40%, standardized SOPs with centralized training, dense community-based deployment, and monthly per-store sales of 60,000–150,000 yuan; (2) the premium boarding model, featuring independent units with 24-hour live-streaming, daily video updates, and outdoor exercise, with average transaction values of 120–200 yuan per day and repeat purchase rates exceeding 60%; and (3) the in-home service model, with cat feeding at 30–50 yuan per visit, dog services at 50–80 yuan per visit, holiday surcharges of 30%–50%, and platform guarantees with video check-ins.

## Discussion

### Diagnosis of Core Industry Problems

Based on the above findings, China's pet services industry faces five core problems. First, pricing opacity is widespread, with arbitrary surcharges commonplace and holiday prices often spiraling out of control without public disclosure; 41% of pet owners identified holiday surcharges as their primary pain point. Second, SOP compliance is poor, with only 31% of stores fully implementing standard procedures; simplified disinfection, process shortcuts, and weak quality control create significant stress and safety risks. Third, regulatory awareness is weak, with only 38% of stores holding all required certificates, 29% signing standard service agreements, and merely 17% carrying liability insurance. Fourth, customer loyalty is low, with membership systems largely absent, repeat purchases driven by price, and private domain operations lacking. Fifth, homogenized competition is severe, with insufficient specialization and a lack of differentiation and branding.

These problems are corroborated by international research findings. Hawes *et al.* (2023) <sup>[5]</sup> identified trust and perceived quality as key factors in consumer decision-making, while non-transparent pricing and non-standardized services in the Chinese market directly undermine consumer trust. South and Gentry (2021) <sup>[14]</sup> emphasized the necessity of infection control in boarding facilities, yet the 27% complete disinfection record rate in China's market indicates that service standardization implementation remains a formidable challenge.

### Recommendations for Business Operations

Recommendation for business operators (1) Provide open pricing with fixed price lists, public surcharge disclosure and no ad hoc price variations in response to the 62% of pet owners who demand price transparency; (2) Ensure SOP compliance through accurate execution of disinfection, grooming and boarding procedures, with full records, increasing full implementation from 31% toward industry standards; (3) Improve regulatory compliance, with all necessary credentials obtained, service agreements signed, liability insurance purchased and emergency response

mechanisms in place; (4) Improve customer experience and retention, through visual monitoring, frequent follow-ups, community engagement and membership reward programs; and (5) Act differentiated by targeting niche segments of pet buyers, e.g. cat-specific grooming, premium boarding, in-home services and combined grooming-photography packages.

### Recommendations for Industry Regulation

At the regulatory level, the following measures are recommended: (1) Promulgate pet service price transparency guidelines and crack down on arbitrary holiday surcharges; (2) Develop and promote unified service contract templates and SOP templates to raise standardization levels; (3) Establish personnel training and certification systems for industry practitioners; and (4) Create a red-list/black-list mechanism with expedited consumer complaint resolution processes. Drawing on the regulatory framework assessment methodology proposed by Ferdowsian *et al.* (2022) <sup>[3]</sup>, China should accelerate the construction of a comprehensive regulatory system encompassing pricing, service standards, and compliance requirements.

### Consumer Protection and Social Coordination

The following recommendations are made for consumer protection and social coordination: (1) Disseminate consumer guidance encouraging pet owners to choose establishments with proper credentials, monitoring systems, service contracts, and insurance; (2) Encourage the formation of industry associations to develop regional service standards and price guidelines; and (3) Promote the adoption of pet insurance to reduce both consumer and operational risks. Widmar *et al.* (2020) <sup>[16]</sup> have demonstrated that the adoption of pet insurance can effectively increase service utilization rates and consumer confidence.

## Conclusions and Future Research

### Major Findings

This study yields the following major conclusions. First, pet grooming, bathing, and boarding are essential high-frequency services with high penetration rates and stable growth; pet owners prioritize safety, transparency, and standardization. Second, the industry offers attractive gross margins (grooming 50%–70%, boarding 50%–80%), yet problems of pricing disorder, standard absence, and compliance deficiency remain prominent. Third, the Chinese market demonstrates robust demand with holiday-driven surges, with premium services, standardization, and online-offline integration representing the dominant trends. Fourth, establishments can significantly improve retention, reputation, and profitability through standardized SOPs, transparent pricing, compliance and risk management, and membership-based operations. Fifth, the healthy development of the industry requires the combined efforts of business self-regulation, regulatory guidance, and social coordination.

### Limitations

There are several limitations of the study: (1) the sample was concentrated in select urban areas, limiting national representativeness; (2) the cross-sectional design precludes observation of long-term trends; (3) no in-depth cost and efficiency comparison between chain and independent stores was conducted; and (4) the limited sample size means some

analyses remain descriptive, without structural equation modeling to establish causal relationships.

### Future Research Directions

Potential extensions for future research should include but are not limited to (1) expanding the geographic scope to multiple cities for cross-regional comparative studies to enhance the generalizability of findings; (2) adopting longitudinal tracking designs to observe the long-term effects of service standardization interventions; (3) incorporating long-term indicators such as consumer satisfaction, pet abandonment, and stress; (4) conducting comparative studies of online platform versus offline store service models; and (5) constructing structural equation models of pricing determinants to reveal causal relationships among influencing factors.

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