In only four years, Pet Circle has gone from an online start-up to Australia’s top e-commerce retailer for all pet needs, turning over more than $15 million a year.

Pet Circle is one of the fastest growing e-commerce businesses in Australia, established only four years ago by a former investment banker with a simple idea. Mike Frizell was collecting a large bag of dog food for his golden retriever and straining under the weight when he had a light-bulb moment. There had to be a simpler way to shop for your pet, especially for bulky or heavy items like food. With that, Pet Circle was born.

Mike, founder and CEO of Pet Circle, started his career in a different sector. “I studied both engineering and finance at university, but decided to give management consulting a try as my first job out of university. It was a great precursor to starting my own business, as I worked with many businesses across Australia and internationally helping them to become more profitable and efficient. I also worked as an investment banker at Macquarie and Greenhill Caliburn.”

Despite the dramatic change in career paths, Mike says that his varied résumé helped him to establish Pet Circle and grow it into the thriving business it is today. “Both consulting and banking were very useful backgrounds to have, and engineering is as well. From the consulting side, I spent many years working with dozens of companies with their various business problems. We would look at a business, understand what makes it tick, what makes it successful, and then come up with ways for it to improve further.

“We are continually looking at ways of improving Pet Circle, whether it be profitability, efficiency, or customer experience.” — Mike Frizell

Although online businesses are popping up everywhere, running a successful e-commerce business is no easy feat. Although there was a clear gap in the market, Pet Circle’s rapid growth can be largely attributed to careful logistical planning and positioning the business to ensure its maximal growth. “In the early days, the major difference between us and many other e-commerce businesses would have been that our focus was on what I call the back end of the business—for example, the warehousing, distribution, logistics, and supply chain of Pet Circle,” Mike says.

“Secondary was the website. Once we had the warehousing, distribution, logistics, and delivery working well and in an efficient way, we knew that a sophisticated website and effective marketing would allow us to grow very, very quickly by attracting and retaining a strong customer base.”

Pet Circle’s strategy was certainly a success: while other e-commerce businesses starting from scratch found it difficult to get going, Pet Circle hit the ground running. “It
“A lot of the staff love animals and enjoy the opportunity to work with animals, but others love what they do because the team is great and the challenge ahead is fun and rewarding.” - Mike Frizell

allowed us to go from zero to where we are now, which is well north of $15 million a year in turnover. Many of our competitors are struggling to move past the $1 million a year mark. We credit our success and edge over our competitors to our efficient and scalable logistical operations.”

Forming quality relationships in a short time with suppliers was also key. Mike says that honesty and openness with suppliers about what their intentions were as a business and the partnerships they were seeking to form were an important first step in Pet Circle’s growth. “From day one, we worked on building relationships and partnerships with one or two suppliers. We met with them and made it clear that we had very specific goals as a company. If we could show that we could deliver on certain targets and promises, we would hope that they would then be ready, willing, and able to work with us as a partner going forward.”

This approach was very successful for Mike and Pet Circle. Suppliers agreed and were receptive to the possibility of a partnership. Mike went about working to keep those promises he had made to suppliers. “We went away, built the business for six months, and then went back to our suppliers and said, ‘We’ve done what we said we would do. Now we’d like to talk about building a closer partnership.’ From there, that kind of opened the doors for us.”

The other key partnership for Pet Circle is with its people. “It’s a small company, with fewer than 30 full-time staff, and all of them are passionate about the business and upholding Pet Circle’s values. Many of us are animal lovers, but as an organisation, the culture is really about honesty and respect. You respect the people you work with, you respect your customers, and you’re always honest and upfront.”

As CEO of the company, Mike believes it’s his job to set the culture and act in a way he wants to see his employees replicate. “If you make a mistake, be honest and own it. The culture of a firm is driven by its leaders, but only if the leaders live and breathe it themselves,” Mike says.

“For us, it’s about the integrity, trust, and respect for everyone we work with: each other, our suppliers, and our customers. When you lead like that from day one, which was a priority for myself and James, the co-founder, the culture of the business grows along with you.”

This, along with the fact that his employees really love what they do, gives Pet Circle a competitive edge. “I’d say it’s a cultural strength to say you love what you do. A lot of the staff love animals and enjoy the opportunity to work with animals, but others love what they do because the team is great and the challenge ahead is fun and rewarding.”

“The culture is very high performance, but a friendly, fun, and enjoyable place to work. My core belief has always been that if I expect people to work hard and do a good job, I need to create an environment that is enjoyable for them to do so. I want everyone coming to work to be happy each day.”

As for the future, Mike says the e-commerce sector will only continue to grow in Australia as more and more people look to online shopping for convenience, stock range, and price. “I think e-commerce in Australia is following similar trends to major markets in the US and Europe. We’re certainly behind in our perception as a consumer of what e-commerce is in Australia. We’re seeing that actually changing quite a lot in the past six months.”

“People are now seeing e-commerce as an easier way to shop, and the e-commerce firms that are doing very well are realising that your quality of service is really what’s going to attract and retain good customers. I think we’re going to see really good e-commerce firms focus on improving their service to their customers—things like delivery and tracking to your door, which make shopping online easier. In the pet space, I think it’s still only one or a bit per cent of the market that is online in Australia—that’s going to gradually catch up with the rest of the world, which is 10 per cent, and we hope to be one of the main drivers of that.”

Connecting brands with pet specialty market opportunities

Pet Brands Connect is a brand management company specialising in equine and pet products. Providing strategic insight and brand management expertise in connecting the right brands with the right market opportunity. We work hard for our clients to establish their brand, grow their business, increase their market share, improve their profile, and heighten their success in the market space.

For information contact: www.petbrandsconnect.com.au

"Our longstanding relationship with Pet Circle was founded on the shared value of outstanding customer experience and providing a broad range of products for pet lovers. We are extremely proud to have been their pet industry partner of choice for many years.” - Darren Forner, General Manager Sales, Animal Supplies

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