

chewy

CASE STUDY

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CHEWY OVERVIEW



- **Business Model**
 - Online retailer of pet products & services
 - \$12B in annual sales
- **Competitive Advantage**
 - 24/7 customer service, Autoship, Connect with a Vet
 - Personalized shopping
 - Membership and offering free shipping
- **Company History + Current**
 - Founded in 2011
 - Acquired by PetSmart (2017)

COMPETITIVE LANDSCAPE

Competitor

Amazon

Walmart

PetSmart/Petco/Pet Supermarket

Chewy

Competitive Advantage

Convenience & Scale

Low Prices

Physical stores & Services

Customer relationships &
expertise

THE PROBLEM

- Online pet retail has become incredibly competitive.
- Competition from Amazon, Walmart, and bricks-and-clicks retailers continues to grow.
- **Market share: 47% → 39% → Projected 37%**



How does Chewy stay different when everyone else is getting better?

OUR STRATEGY



Focus on what makes Chewy different:

- Don't compete on price
- Don't compete on shipping speed
- Compete through customer experience

Build long-term customer loyalty:

- Personalized services
- Vet services
- Compete through customer experience

Grow through Pet Care and Select Markets:

- AI personalization
- Better fulfillment
- Expand where Chewy's strengths create the most value.

How should Chewy rethink how it competes with Amazon?

AMAZON



Chewy's Advantages:

- Experts in pet supplies
- Personalized customer service
- Autoship
- Connect with a Vet services
- Personalized customer relationships (handwritten cards, sending flowers, and custom pet portraits)

Amazon's Advantages:

- Large product selection
- Prime shipping
- Lower prices
- Large fulfilment network
- Customer loyalty

AMAZON ANALYSIS

Competing with Amazon:

- Chewy should not try to beat Amazon on price or speed
- Chewy should focus on creating value for customers instead of competing on cost

Invest in Customer Relationships:

- Expand loyalty programs
- Improve AI recommendations
- Reorder reminders
- Make shopping more personalized and convenient

Expected Benefits:

- Building even stronger relationships with customers
- Increase loyalty and repeat purchases

Take Away: Win by being the best pet company, not another Amazon



How should Chewy change its strategy with "bricks-and-clicks" pet retailers?

Is opening physical stores a bad or good idea?

BRICKS-AND-CLICKS



Bricks-and-clicks Competitive Advantages:

- Buy online or in store
- Same day pick up and access to products immediately
- Grooming, training, boarding, and pet adoption.
- In person product advice

Challenge for Chewy:

- Chewy can't match the convenience that bricks-and-clicks retailers provide.



BRICK-AND-CLICKS ANALYSIS

Don't Copy Competitors:

- Stay focused on Chewy's core competencies
- Focus on Chewy's strengths

Build Stronger Customer Connections:

- Chewy Creator Program
- Partner with pet influencers, veterinarians, and rescue organizations
- Feature more user-generated content
- Introduce Chief Barketing Officer as Chewy's rescue mascot



**How should Chewy position itself
against Walmart?**

**Should Chewy focus more on
premium customers...**

or

**try to become the retailer for
everyone?**



Walmart:

- Lowest prices
- One stop shopping
- Mass Market

Chewy:

- Premium pet care
- Expertise
- Personalized service
- Trust

Compete on value, not price.

How can Chewy create more value for customers through new products, services, or technology?

PRODUCTS, SERVICES, & TECHNOLOGY

Main Problem: Shipping Delays.

Technology

- Personalized recommendations
- Reorder reminders
- Better inventory management
- Pharmacy automation
- Faster fulfillment

Services

- Telehealth
- Pet insurance
- Pharmacy
- Wellness subscriptions

Technology should enhance convenience, not replace customer relationships



**Should Chewy Expand
Internationally?**

Where?

INTERNATIONAL EXPANSION

WHY CANADA?

- SIMILAR CONSUMER BEHAVIOR AS U.S.
- GEOGRAPHIC LOCATION

BEGIN WITH PHASED EXPANSION

- PARTNER WITH LOGISTIC PROVIDERS
& VETERINARY NETWORKS
- UNDERSTAND DEMAND BEFORE HEAVY INVESTMENT

BENEFITS?



RECOMMENDATIONS

- Double down on Chewy's differentiation
- Expand high-value pet care services
- Leverage AI and customer data
- Invest in fulfillment and logistic
- Build a stronger pet owner community
- Pursue measured international expansion

ANYTHING YOU WOULD RECOMMEND?



FINAL TAKEAWAYS

**COMPETITIVE ADVANTAGE ISN'T JUST ABOUT LOWERING
PRICE**

**DIFFERENTIATION CREATES STRONGER LONG TERM
LOYALTY**

**CUSTOMER EXPERIENCE CAN BECOME A STRATEGIC
ADVANTAGE**

**GROWTH SHOULD REINFORCE YOUR STRENGTHS, NOT
DISTRACT FROM THEM**



CHEWY NOW

21.5M ACTIVE CUSTOMERS, UP 3.6% IN SPENDING

STILL #2 IN ONLINE PET RETAIL BEHIND AMAZON;
WALMART CLOSING THE GAP

EXPANDING INTO VET CLINICS VIA MODERN ANIMAL
ACQUISITION + INVESTESTING IN AI/AUTOMATION



A large, bold, blue 3D-style text reading "THANK YOU!" is centered on a light blue background. The text has a slight shadow effect. In the bottom left corner, a cat wearing a red Santa hat is visible. In the bottom right corner, a dog's face is visible.

