



One of the most popular shops in town, small but well stocked with an experienced staff.



One of the oldest and largest stores in San Juan. Products are well displayed.

For the pet industry Puerto Rico is

An Island of Opportunity

Since 1974 the pet industry has been booming. Business is good, retailers are happy and the future looks even better.

By
Paul Nash



Alex Ramos, one of the area's most active and successful pet retailers.



Isaias Serrano of Hartz Mountain.



Alfredo Gonzalez Vicente, the island's largest independent wholesaler.

SAN JUAN, PUERTO RICO — Deep in the Caribbean lies Puerto Rico, an island where the year around temperatures are the same as those recommended for most aquariums — 70 to 80° F. A U.S. possession, it has the highest living standard of all countries in the area and its economy is growing at a rapid rate. The island is no larger than Delaware, yet it has a population of more than three million, most living in the urbanized coastal areas.

Pets are recent

In 1962 there were no pet shops on the island, but as a result of Operation Bootstrap, an economic program established to encourage new local business Hartz Mountain set up a wholesale operation to supply some of the department stores opening as a result of the program. Pets and supplies were new to the islanders, but they have caught on and now Puerto Rico is one of Hartz' bigger operations.

As the seventies unfolded, a few independent pet shops opened. They prospered and by 1974 there were five.

Then, an interest in pets accelerated, the economy grew and the disposable income of the island population increased. Since 1974 others have seen opportunities in the pet business and now there are no less than 40 pet shops on the island.

On the basis of numbers alone this has caused a supply crunch. Retailers cannot buy merchandise as fast as they sell it nor can they always find the brands they want.

Two wholesalers

Several wholesalers service the island from the mainland (Mickey Klineman was the latest to open a wholesale operation in Miami), but only two wholesalers are based on the island — Puerto Rico Pet Supplies (Hartz) and Alfredo Gonzales Vicente.

As general manager of the Hartz operation, Isaias Serrano has the primary job of keeping department stores well supplied. Independents who rely on Puerto Rico Pets for the bulk of their needs sometimes report the stock situation is short. Some have waited as long as three months for a 29-gallon tank. Others also say they find it difficult to compete with department stores carrying the same label at lower prices.

But retailers buying from the other wholesalers also have problems. Alfredo Gonzales Vicente is a pleasant, affable man, but his main business is wholesale pharmaceuticals. He imports a few of the name-brand pet products on an irregular schedule and is sold out almost as fast as supplies arrive. Large numbers of the island's retailers check daily to see if Vicente has a new shipment on the docks for if a store owner misses one day he could miss out on items not available again for two or three months.

English is spoken by the business community and retail customers accept English on most package labels. Still, the Spanish labels available on Wardley products help to make them a popular item. Hamsters used to be very

popular but the LCM scare has not been forgotten and unlike the U.S., sales will be a long time in returning to normal.

Need organization

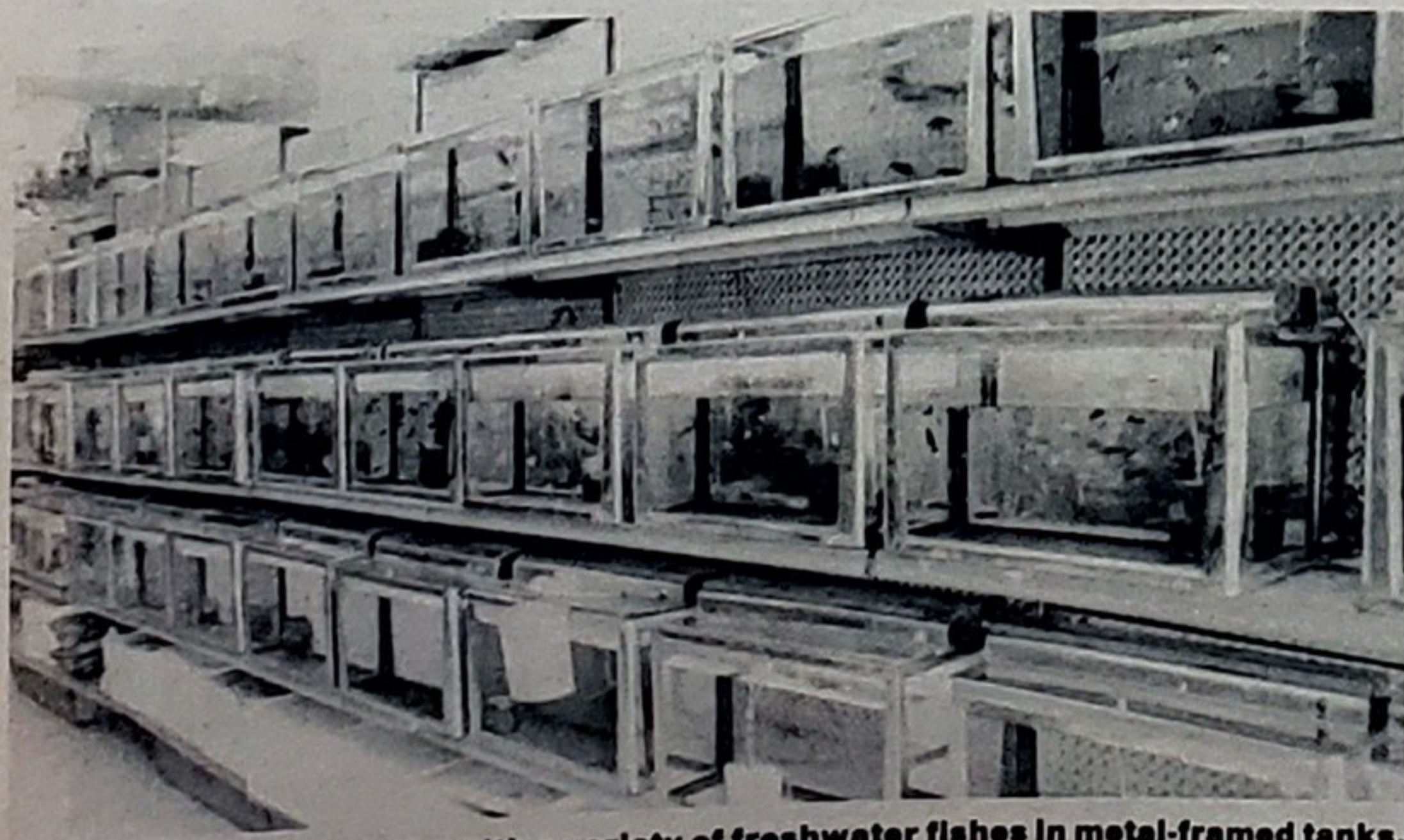
Native finches, which are beautiful, do well and are inexpensively priced but parakeets are slow movers and larger birds are almost never seen mostly due to import restrictions.

Local legislation is currently being proposed to bar the importation of most cichlids and since the Oscar is one of the most popular fishes on the island, retailers are disturbed. Unfortunately, retailers are not united enough to be an effective force. Many are neither aware of their common problems nor of the actions available to them. PIJAC, too, seems unaware of the threat of local legislation.

But with all of its problems, Puerto Rico is an area full of opportunity, an island with room for growth in all segments of the pet industry.

One retailer I met, Mr. Serrano, says, "We had a 25% increase in business this year and I feel the trend will continue for four or five years. Even then it may simply level off."

Alex Ramos, a well educated and articulate retailer, told me, "We have customers with money and retail outlets to service them, but supplies are the problem. The pipeline is only trickling. We have no aggressive wholesaler to tell manufacturers that we are in desperate need of supplies — and we need someone to do that." M



Typical aquarium display with a variety of freshwater fishes in metal-framed tanks.



Typical store sign.