

Attracting and Maintaining Owners
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Over the past five years, horse racing has seen steady growth in numerous areas including the number of breeders of starters (3.8%), owners of starters (3.4%), starters (13.2%), added money (49.3%) and gross purses (9.6%). With the addition of monies from alternative gaming and the increased exposure of marketing tools such as TVG Network, youbet.com and other internet racing information sources, the industry appears to have a solid future. However in states or provinces where alternative gaming may never be on the political horizon, the future looks less promising as owners take their business to move lucrative venues.

Regardless of the situation in your area, it is vital for racing associations to focus on recruiting and retaining racehorse owners to keep the business alive. Before beginning on an ownership development plan, we must understand our “customer” and his/her characteristics.

Customer Profile

The following information on our “customer” was derived from focus groups and a survey sent to racing industry participants. The following characteristics can be used to describe a racehorse owner:

- Is a lover of horses
- Has a connection to family atmosphere
- Enjoys hands-on situations
- Thrives on fast horses
- Enjoys friends
- Feels he/she is a horseman
- Connects with western heritage/lifestyle
- Loves the racing game
- Even though the prospect of earning money racing horses is conceivable, most owners are involved and stay involved because of the above reasons or what we call the Three F's (Friends, Fun and Feelings)

The following statistics show us more about owners' involvement in the industry:

- 72% have been involved with American Quarter Horse racing for more than 10 years
- 69% were introduced to racing by family or friends
- 31% got involved with racehorses because of the excitement of the sport
- 75% are over the age of 45
- 78% live in a rural area
- 58% achieved some level of a college education
- 51% have a yearly income between \$50,000 US and \$150,000 US
- The most common occupation (22%) was in the professional/technical field, followed by retired (19%), rancher/farmer (15%) and equine related (15%).
- 40% have participated in partnerships

- 67% would be willing to serve as a mentor to a new owner

Owners participate in the industry in other ways as well:

- 76% own broodmares
- 31% own a Thoroughbred as well
- 15% own a Paint as well
- 52% purchase race-bred yearlings at auction
- 50% paid an average of less than \$7,500 US for a yearling
- 39% sell race-bred yearlings at auction
- 92% are members of their state/provincial racing association

Potential Customer Obstacles

We must understand what obstacles potential owners experience as they try to become racehorse owners. By understanding their obstacles, we can bring forward the assistance potential owners need to become involved.

- Do not know who to contact to become involved
- Feel as they must find their own way to locating a horse, a track, a trainer, etc.
- Do not understand rules of racing
- Need information on state/provincial racing programs and opportunities
- Are not aware of tax issues for racehorse owners
- Do not understand licensing procedures
- Do not feel included in backside society
- Written assistance may be available via the Internet or books, but these options are not as effective nor as rewarding as face-to-face help
- Feel intimidated if they do not have a direct connection through friends or family

AQHA's Ownership Development Plan

After looking at the customer profile and obstacles, we decided to focus our efforts on personal contact. The first phase of the Ownership Development Plan focuses on recruiting new owners with events that bring potential owners and mentor owners/trainers/racing professionals together. Pilot programs were held in 2004 to determine the most successful strategies. The following information will highlight actions that were successful.

The Overview

- Focus on the Three F's – Friends, Fun and Feelings
- Provide personal contact for new and potential owners
- Include potential owners in a supportive network of owners and trainers
- Help potential owners to become better informed
- Make potential owners less likely to have bad experiences
- Provide investment options (partnerships, claiming, auction, etc.)
- Help potential owners in making more educated investments while enjoying the fun,

friends and feelings of racing

Promotion Strategies

Targeted mailings

1). AQHA members who exhibited in AQHA-approved shows in barrel racing, pole bending, roping, cutting, working cow horse or halter classes. These members were believed to have similar ownership characteristics. However a minimal percentage of these people expressed interest by attending the event (1.7%). This further supported our finding that 66% of owners have never exhibited at AQHA shows.

2). The second group targeted consisted of AQHA members who had never shown in any AQHA-approved show. The response was much more favorable with 4.3% attending the event.

Classified advertising

Classified advertisements were run in pilot areas promoting free educational material and the ownership event. The response rate was extremely low - an average of 4 people per event. This form of promotion was not successful from a monetary perspective.

Bring a friend

We encouraged the registrants to bring friends or family that were also interested. Most people brought one to two guests with them. 60% of the friends or family that attended were not members of AQHA. This helped to show us these events have great potential for member recruitment as well.

The Event

- Focused on Three F's

- Backside tour

 - Groups of 10-15

 - Spent approximately 2 hours in one trainer's barn

 - Discussed a typical day in a race barn, training costs, investments options, conformation, tips for finding a trainer, etc.

 - Would a trainer know what was appropriate/beneficial to talk about? Give them a guide of suggested topics prior to arrival of the group

- Short seminar and question/answer period to provide further education and contact information for questions they may have later.

 - Equine nutrition

 - Veterinary issues for racehorses

 - Tax concerns for horse owners

 - Insurance options

 - Racing rules

 - Information on upcoming local race horse auctions

 - State racing programs

- Lunch at the races
 - VIP seating
 - Free lunch and admission

- Free educational material
 - Guide to Owning Racing American Quarter Horses*
 - Enjoy a Day at the Races*
 - Handicapping Guide*
 - Tax Concerns for Horse Owners*
 - Conformation booklet
 - Anatomy booklet
 - AQHA brochure
 - MBNA America Challenge brochure
 - First Timers Guide to Racing*
 - Any state or track information

- Mentor owners involved all day to answer questions and make connections with potential owners

- AQHA staff on hand as well

The Follow Up

- Sent a DVD of *Owning a Racing American Quarter Horse*
- Sent a personalized letter expressing AQHA staff's interest in assisting them further
- Phone call to those who expressed the most interest in purchasing soon
- Sent an invitation to upcoming sales

Moving On

As we recruit new owners, we must remember the retention phase of the plan. Some important topics are listed below:

Since most current owners have been in the business for 10 or more years, when will we likely lose a new owner? When they are just starting out. Reach out to them and offer support.

Who can make new owners feel they belong? Develop a welcome network for new owners. Ask current owners to call new owners and offer assistance.

What would help to keep them in contact with your organization? A newsletter or section of current publication that is dedicated to owners. Package educational articles on important topics (insurance, taxes, trends, etc.)

Who can provide even more support? Current owners. Identify current owners who will continue in a mentor program for new owners. Host events to bring them together at sales or major events.

What can your association/track do to recognize them? Provide additional benefits to racehorse owners – free admission to the track, owners' newsletter, invitations to social events just for owners, etc.