

Everyone who owns a horse business ideally wants to make money or, at the very least, have it be self supporting. This presentation is designed to help you do just that without spending a fortune.

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Why is it so hard to make a living with a horse business?

#### Yearly Cost of Supporting the Average Horse

Not including tack, training, lessons, showing or medical care

Feed (\$10 per week) \$ 520

Hay (\$12 per week based on 3 bales @ \$4 each) 624

Shavings (\$16 per week based on 4 bags @ \$4 each) 832

Grooming Supplies (fly spray, hoof treatments and shampoo) 142

Dewormer (12 per year @ \$15 each) 180

Shoes (every 6 weeks @ \$70 each) 2,130

Vaccinations (2 per year @ \$45 each) 90

Teeth Floating (2 per year @ \$100 each) 200

Coggins (1 per year) 30

Total \$ 4,784

#### The Starting Point

Assessing where you are and what you have in hand.

Things you need to know at the start of any marketing campaign:

- The size of your market.
- How many direct competitors you have.
- Your annual gross or anticipated annual gross.
- How much profit you make off each customer and service.
- How much new customers must spend for you to make a profit.
- How many customers you presently have.
- How many new customers you can handle without hiring additional personnel, increasing the size of your facility or purchasing additional horse or equipment.

### The Size and Composition of Your Potential Market

Name of the Location (nation, province, county, or city) you plan to sell your products or services to

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Size of the area in square miles: \_\_\_\_\_ (relevant if customers come to you or you go to them.)

Less important if you plan to do business via internet or catalogue sales.)

Total Population of area: \_\_\_\_\_

Number of Females: under 8 yrs \_\_\_\_\_ 8-14 \_\_\_\_\_ 15-18 \_\_\_\_\_ 18-29 \_\_\_\_\_  
30-40 \_\_\_\_\_

45-55 \_\_\_\_\_ 56 & up \_\_\_\_\_

Number of Males: under 8 yrs \_\_\_\_\_ 8-14 \_\_\_\_\_ 15-18 \_\_\_\_\_ 18-29 \_\_\_\_\_  
30-40 \_\_\_\_\_

45-55 \_\_\_\_\_ 56 & up \_\_\_\_\_

Size of geographical area \_\_\_\_\_ sq miles

### Total Annual Household Income

(the number of families in this geographical area that make each of these amounts)

Below \$25,000 \_\_\_\_\_

\$26,000 - \$35,000 \_\_\_\_\_ \$50,000 - \$75,000 \_\_\_\_\_

\$36,000 - \$40,000 \_\_\_\_\_ \$75,000 - \$100,000 \_\_\_\_\_

\$40,000 - \$50,000 \_\_\_\_\_ Above \$100,000 \_\_\_\_\_

Horses in this area -(information may be available through dept of agriculture or provincial horse council and breed associations)

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Total Horse population in this geographical area \_\_\_\_\_ head  
# of Quarter Horses \_\_\_\_\_ Thoroughbreds \_\_\_\_\_ Arabians \_\_\_\_\_  
Warmbloods \_\_\_\_\_ Saddlebreds \_\_\_\_\_ Paints \_\_\_\_\_  
Drafts \_\_\_\_\_ Appaloosaa \_\_\_\_\_ Paso Finos \_\_\_\_\_  
Miniatures \_\_\_\_\_ (Add other breeds your business may require)

Riding styles and the number of people in the area for each -(information is available through the various riding associations and magazines aimed at each discipline)

Western Pleasure \_\_\_\_\_ Hunters \_\_\_\_\_ Reining \_\_\_\_\_ Jumpers \_\_\_\_\_

Tennessee Walkers \_\_\_\_\_ Dressage \_\_\_\_\_ Cutting \_\_\_\_\_ Driving \_\_\_\_\_

Quarter Horse \_\_\_\_\_ Arabians \_\_\_\_\_ Roping \_\_\_\_\_ Eventing \_\_\_\_\_

Therapeutic Riding \_\_\_\_\_ Trail \_\_\_\_\_

Distance from the largest concentration of this population to your place of business \_\_\_\_\_ miles (relevant if customers come to you or you go to them. Less important if you plan to do business via Internet or catalogue sales.)

Number of direct competitors that are between you and the largest concentration of your target market \_\_\_\_\_ (How many similar businesses are closer than you to the largest concentration of your target market?)

Number of the following in your market area:

Tack Shops \_\_\_\_\_ Farriers \_\_\_\_\_ Haulers \_\_\_\_\_

Boarding Facilities \_\_\_\_\_ Available Stalls \_\_\_\_\_ Show Facilities \_\_\_\_\_

Riding Instructors \_\_\_\_\_ Trainers \_\_\_\_\_ Equine Veterinarians \_\_\_\_\_

Equine Massage Therapists \_\_\_\_\_ Equine Dentists \_\_\_\_\_ Equine Acupuncturists \_\_\_\_\_

Breeders\* \_\_\_\_\_ Feed Stores \_\_\_\_\_ Horse Insurance Brokers \_\_\_\_\_

\*(This may need to be broken down by each individual breed if your business focuses on a particular breed)

Number of Horse or Riding Specific Local Magazines or Tabloids \_\_\_\_\_

Number of Other Magazines or Papers Aimed at Your Target Market \_\_\_\_\_

Showing Opportunities in Your Discipline

Number of shows requiring little travel from home per year: Schooling \_\_\_\_\_ Rated \_\_\_\_\_

Number of shows requiring you to travel more than one hour from home: Schooling \_\_\_\_\_ Rated \_\_\_\_\_

Number of colleges/schools that have riding team: Colleges \_\_\_\_\_ Middle/High schools \_\_\_\_\_

Number of colleges or schools that may be interested in sponsoring a riding team: Colleges \_\_\_\_\_ Middle/High schools \_\_\_\_\_

### Identify The Goals

What do you want to accomplish with your marketing campaign?

### The Target Market

Who do you want to hit with your marketing efforts?

### The Strategy

What actions are you going to take to reach your goals?

### Marketing Actions Include

#### Advertising -

Print Ads in Magazines, Newspapers, Prize Lists, etc.

Electronic Ads on Radio and Television

Booth at Trade and Retail Shows

Discount Coupons & Other Sales Incentives

#### Marketing communications --

Brochures

Posters

Postcards

Informational/Promotional CD's, DVD's, & Video Tapes

Newsletters

Flyers

Menus

Signs

Banners

#### Public Relations -

Press Releases

Articles

News Stories

Appearances on TV and Radio (that are not directly paid for)

Demonstrations  
Charitable Events  
Additional Marketing Strategies -  
Creating New Services for Existing Market/Clients  
Creating New Services for Additional Market  
Repackaging or New "Spin" on Existing Service  
Retreats  
Group Activities

What's in it for the Customer  
The Biggest BENEFIT You Offer

Benefit vs. Feature  
Benefit: What the customer ultimately wants to gain.  
Feature: A device or modification that provides a benefit

Feature	Benefit
Gelding	Consistent Temperament
Quality Instruction	More Effective in Less Time
Standard Transmission	Better Gas Mileage
Label Dresses in Smaller Sizes	Improves Self-Esteem

Benefits Appeal to an Emotional Need  
Benefits are your promise to make the client or someone they care about:

- Smarter
- Prettier
- Sexier
- Thinner
- Happier
- Healthier
- Wealthier
- More Popular
- More Successful
- A Better Parent

Timing is Everything

When are you going to begin your marketing campaign?

How long is it going to last?

Are you going to place all of your ads to run at the same time or are you going to spread them out over the entire length of the campaign?

When are you going to send out press releases, articles, schedule appearances on radio and television?

When do you need to have your marketing communications materials ready? When are you going to distribute them?

When? When? When?!!

#### The Budget

There is no need to panic. The Budget is simply a matter of determining how much can you comfortably afford to spend per month, quarter, half-year, full year?

Don't worry, if all you can afford is \$25 a month, there are ways to effectively market your business.

How are you going to spend your money

Advertising?

Marketing Communications?

Public Relations?

Special Events?

### Cost Per Contact

While it is not a hard fast rule, advertising and marketing professionals use the cost per contact - the amount it actually costs you to reach each individual potential customer - as a guideline for determining the value of an ad, article, television or radio appearance, post card, flyer, consumer or trade show.

### Calculating the Cost per Contact 1 - Print Ad

#### Print Ad Cost:

Production—artwork, copywriting, and layout \$ 250

Placement—Cost of space for a print ad (or time for a TV or radio spot) 1,500

Total Cost \$1,750

#### Circulation

—Number of subscribers and newsstand purchases for each issue of the publication. 62,000

Cost per contact:  $\$1,750 \div 62,000 = \$0.03$  each

### Calculating the Cost per Contact 2 - 100 Flyers

#### Flyer Cost:

Production—artwork, copywriting, layout and printing \$ 50.00

Placement—Cost of postage (for 75 flyers @ \$.37) 27.75

Total Cost \$77.75

Circulation — Number of People on Your Mailing List — 75

Number of People who frequent the places

You posted the flyer—300\*

Cost per contact:  $\$77.75 \div 375 = \$0.12$  each

\*Not everyone who goes into the places where you posted the flyer are necessarily going to see or read it, nor are they all going to be your customers. Generally speaking you can only count about a 25% rate of potential customers among the total who see the flyer. So your cost per contact may actually be approximately \$.40.

### Note:

The greater the number of readers who match the demographics of your target market, the more cost effective a publication (or other medium) is. For example, if only 20,000 of the previous sample magazine's readership, matches your target market, your cost per target market contact

(people who are most likely to become clients) is  $\$1,750 \div 20,000 = \$0.09$  each. 3 times more per contact.

### The Why of it All

Knowing why you decide on a specific marketing effort and your expectations for that effort will help you to become better at making marketing choices. Writing down why you have made each choice, allows you to go back and see if your expectations were met, and if your rationale was sound.

### Measuring the Results

What are you going to use to determine if each marketing effort you use during your campaign works? What will you need to know to make sure that you only repeat those things that worked?

### Possible Measurements

- How many phone calls did you get after each ad, article, flyer, etc.?
- How much has your gross increased?
- How many new clients do you have?
- How many existing clients have increased the number of times they use your services or increased the different types of services they use?
- Whatever type of measurement you use, be consistent. Use the same measurement each time, and make certain that EVERYONE in your business knows what you are using and keeps accurate track.

### What Next?

Once the marketing plan has been put together, and set down on paper, get busy EXECUTING it.

No marketing plan will work if you don't put it into action.