

Sample Marketing Plan (Condensed) For A Breeding Stallion

August 1, 2006

Background Information for this example:

Joe and Janie Smith are small breeders standing a red roan Peptoboonsmal son that has earned \$100,000 in NCHA winnings. This coming year will be his first breeding season. They plan to cover their own mares with him, but ideally they want to sell 50 breedings at \$2,500 to outside mare owners, while they continue his cutting career under their current trainer.

I. Environmental Analysis

A. Marketing Environment

- 1. Competition:* Other stallions within the horse industry are our general competition, most specifically those that are red roan, money-earning sons of Peptoboonsmal
- 2. Economic forces:* Our budget allotment is \$20,000 for the first year of marketing. Since we can only spend \$20,000 a year on marketing, we will need to pick and choose between the marketing outlets and make the best decision to get the most out of our money.
- 3. Technological forces:* Our facility standing the stallion will need to be able to accommodate however many mares are booked to your stallion. Our facility can only accommodate 50 mares a year. If we were to book 100 mares, we will call on the stallion station in northeast Texas and have them handle the breeding.
- 4. Sociocultural forces:* The cutting horse market is strong for finished horses and prospects. The breeding industry within the cutting industry is also strong. With competitors, owners and trainers looking for the next champion, people are willing to spend the money to increase their chances of getting the right concoction. This is in our favor. We have a proven horse that people are able to get in on prior to having several seasons worth of colts. Likely, they will want to sneak in on a good thing.

B. Target market (to whom do we want to market)

Since our stallion is a cutter, our target market is the mare owners and potential offspring buyers in the cutting horse industry. We should also take advantage of the overlap of industries. Some cutting-bred horses make nice working cow horses or ranch horse versatility horses. We will need to market to the industries that have the most appreciation for our horse's lineage and proven ability, namely the ones listed above.

C. Current Marketing Objectives and Performance

This is the first year we will be promoting the stallion. We want to announce to as many people as possible that the horse is at stud, and that he is worthy of breeding their mare to him. Since we haven't officially started marketing, we are relying heavily on word of mouth by telling people that he is being offered at stud.

Our current marketing performance is low and needs improvement.

II. Marketing Analysis

Since we know our environment, the next step is the marketing analysis. The following are our strengths, weaknesses, opportunities, and threats. *The following scenarios use our example stallion.*

A. Strengths: With a stallion that has been proven in the show pen, we have an automatic strength. The horse can obviously do something and do it well. More than likely, people will be talking about a horse that has been winning, generating buzz. Since our audience is somewhat familiar with our horse, some of our work has already been completed for us.

We are very strong in our business dealings. We are known for our workability and honesty. People can be assured that they will get what they pay for. We need to capitalize on this and make every effort to continue to be known for good business dealings and for treating our customers right.

B. Potential weaknesses: With a young stud like we have with earnings but no progeny, a mare owner may decide to take their mare to a different stallion that has offspring that are winning. Also, not having previous progeny, it is difficult to know what type of mares to cross our stallion on to get the best outcome.

C. Opportunities: With this nice of a stallion, we have the potential of contributing great genetics to the horse industry, and making our monetary investment in the horse pay off.

D. Possible threats: The competition from other well-known producers is going to be strong. An additional issue that we need to address is soundness, both in the arena and the breeding shed. Currently, there are no soundness issues, but they are delicate animals, and the chances of something damaging happening are unfortunately high.

E. Match your strengths with your opportunities: With a stallion that people are able to see win, we will be likely to sell breeding to him, and in the future have good sales on his offspring. Additionally, we have the reputation of being honest and easy to work with, so our customers will come back to us.

F. Converting weaknesses and threats: For stallions with few or no progeny, which is what may discourage a mare owner from breeding to our stud, it's mostly a waiting game. We need to constantly remind mare owners of the strengths of the stallion and talk specifically on the things we think (or know) he will pass down to his foals.

If the horse becomes injured and is no longer able to compete, he will retire to the breeding barn. If he is injured beyond ability to perform breeding duties, the insurance policy will take care of his breeding value.

III. Marketing Objectives

- A. Introduce the stallion's attitude, accomplishments, and pedigree.
- B. Announce him standing at stud.
- C. Sell 50 breedings.

IV. Strategies

A. Target Market

Target market 1: the cutting industry. This is our ideal audience. While we would love to have the entire horse industry calling for bookings, realistically, cutting industry will be the most likely to breed to our stallion. For a cutting horse, the cutting industry is a good starting place, and we can branch out from here.

Target market 2: the performance industry. Other aptitudes have an appreciation for the cutting bloodlines, such as the working cow horse industry, versatility ranch horse events, and reiners.

Target market 3: the ranching industry. Ranch owners that use their horses for daily livestock work need horses with cow and athleticism. With the stud fee being a reasonable amount, this may be a good alternative industry to market toward.

B. Marketing Mix

The Horse: This horse is proven in the cutting pen. While he has no colts currently on the ground, the audience can see his potential and hope to get the same thing if crossed on the right mares.

Price: He is a winning Pepto son, which substantiates his being offered at stud. Without having proven offspring, the stud fee has to remain low. As the horse becomes a proven producer, the stud fee will increase. This is a good time for mare owners to get in on a good upcoming stallion.

Promotion: The current audience is cutting competitors (that have seen the horse go in the arena) and word of mouth recipients. The majority of the promotional budget needs to go toward generating new customers through the chosen advertising outlets.

V. Marketing Implementation

A. Marketing Organization

The marketing plans are fresh. With no previous marketing to deal with, we start with a clean slate. One person needs to be in charge of overseeing all the marketing and be in control of the marketing decisions that need to be made. Only one horse will be marketed, so the decisions will have to do only with him. It is important for us to delegate each task to a specific person, so either Joe or Janie will be in charge of each task.

There will also be the hired professionals that need to be communicated with. We will have a marketing consultant from RanchForeman, Ltd. and an independent photographer working for us. It will be very important for us to stay in touch and communicate with them as needed.

B. Activities, Responsibility and Timetables

1. Logo/Slogan creation

A logo and slogan for the stallion's breeding campaign will be created by the advertising firm. *RanchForeman, Ltd. with the guidance of Joe Smith.*

Project completion: September 1, 2006.

2. Photography

In order to properly prepare to advertise, photos will be taken by a professional horse photographer recommended by RanchForeman, Ltd.

Shane Rux with the guidance of Janie Smith.

Photos of stallion will be taken September 3, 2006.

3. Magazine Advertising

Advertising will be created and submitted by RanchForeman, Ltd., with the guidance of Joe Smith.

- a. Quarter Horse Journal: Full-page ad each month for 11 months
- b. Cutting Horse Chatter: Full-page ad each month for 11 months
- c. Performance Horse: half-page ad each month for 11 months

4. Web Advertising

Web advertising will consist of a Web site with search engine submission, Google AdWords, and Yahoo! Search Marketing.

The Web advertising will be created and submitted by RanchForeman, Ltd., with the guidance of Joe Smith.

The Web site will go live October 1, 2006 and the search marketing will continue from October 1, 2006-September 30, 2007.

5. Stallion Fliers

Stallion fliers will be purchased with one side printed. We will print the backside with pedigree and performance information, allowing for changes to the stallion's record as needed, while conserving our budget.

Stallion fliers will be created by and purchased from RanchForeman, Ltd., under the guidance of Janie Smith.

Fliers should be complete September 15, 2006.

6. NCHA Futurity Class Sponsorship

A futurity class sponsorship will be purchased for the upcoming 2007 NCHA Futurity.

Class sponsorship will be purchased from NCHA under the guidance of Joe Smith.

VI. Evaluation and Control

A. Financial Controls and Performance Standards

The following are our performance standards and financial controls:

1. The total advertising budget will consist of 20% allocated to startup expenses (logo/slogan design, photography/stallion fliers), 60% magazine ads, 10% to Web advertising, and 10% to sponsorship.
2. Evaluation consists of
 - Web site statistics
 - Web advertising statistics
 - Record of all comments and inquiries about stallion (be sure to ask and include how they heard about the stallion).

B. Monitoring Procedures

To analyze the effectiveness of the marketing activities, the actual performance will need to be compared to our plan's objectives.

1. Monthly reviews and meetings will be conducted for the first six months, then reviewed quarterly.
2. Either Joe or Janie Smith will be responsible for deciding on what changes should be made in activities, responsibilities, budget expenditures, and timetables as the results are reviewed in each area.

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