

How can horse business professionals adapt to new consumer demand?



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Equine industry in Finland

- 75 000 horses
- Approximately 3 000 full-time or part-time enterprises
 - Both small-scale (a few horses) and large-scale (~70 horses) businesses
 - This study includes stables with around 16 horses/stable



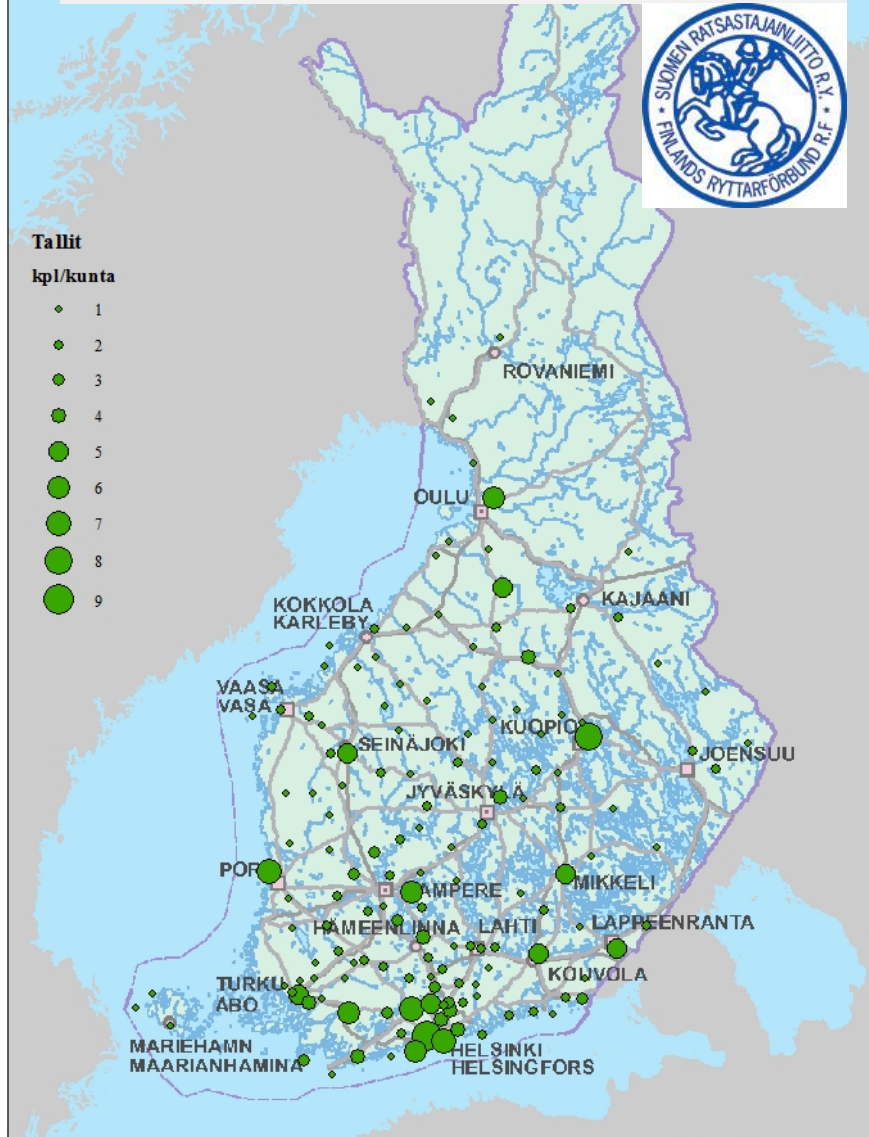
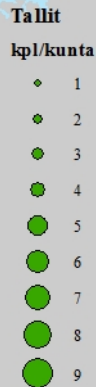
Menna Rantala



Irina Keinänen



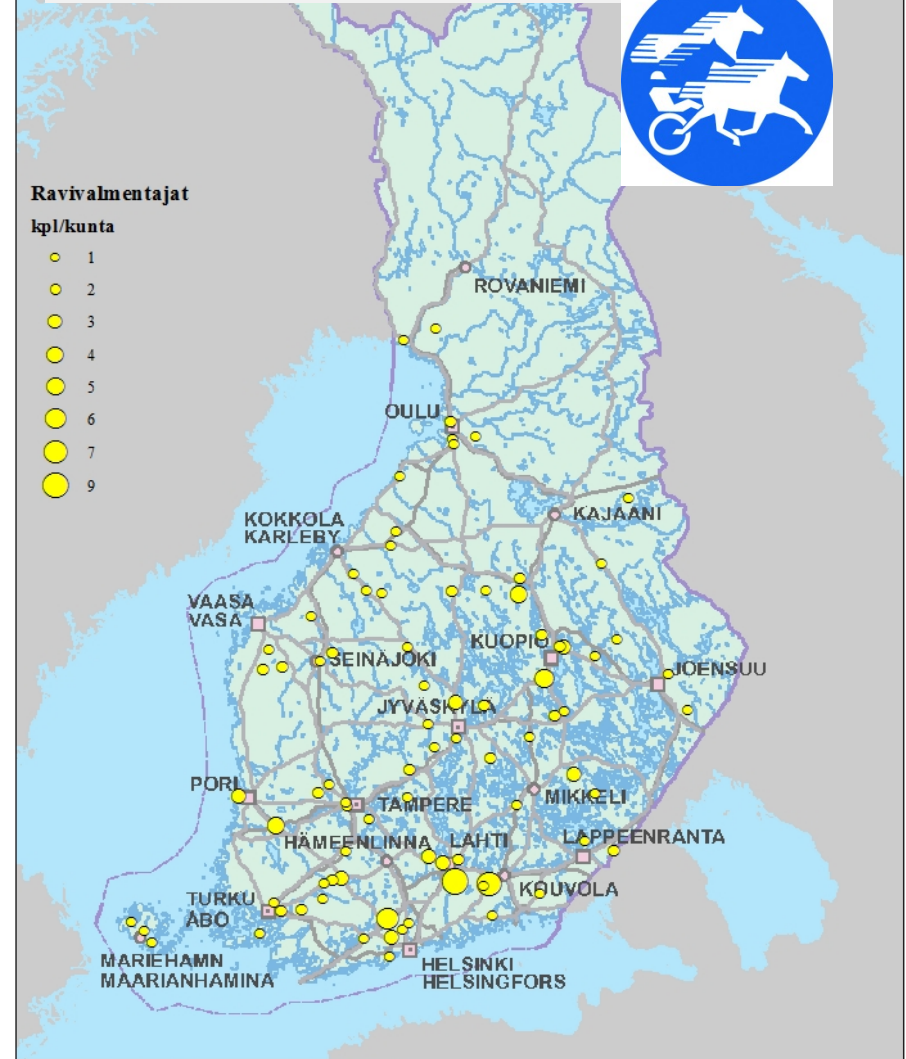
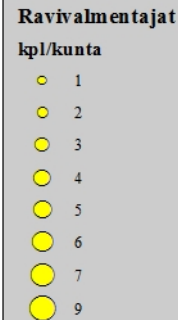
The Equestrian Federation of Finland / ~300 stables



0 75 150 300 Kilometriä

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The Finnish Trotting and Breeding association/ licensed trainers ~160



0 75 150 300 Kilometriä

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Methods

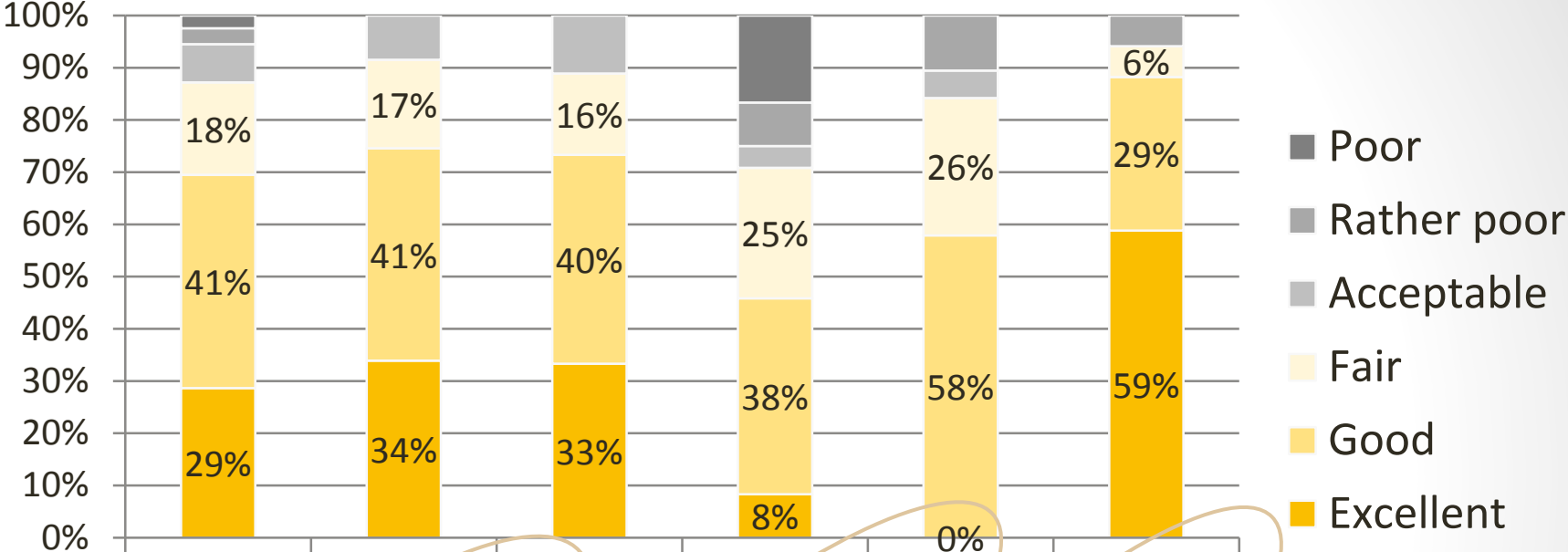
- The main targets of the study; *how the entrepreneurs see*
 - **demand**
 - **profitability**
 - *now (2013) and in the near future (2018)*

1) **Survey 2/2013**

- 166 respondents
full-time or part-time equine entrepreneurs

2) **Work-shops; 20 participants (entrepreneurs)**

How the entrepreneurs see the demand 2018?



All respondents (166)

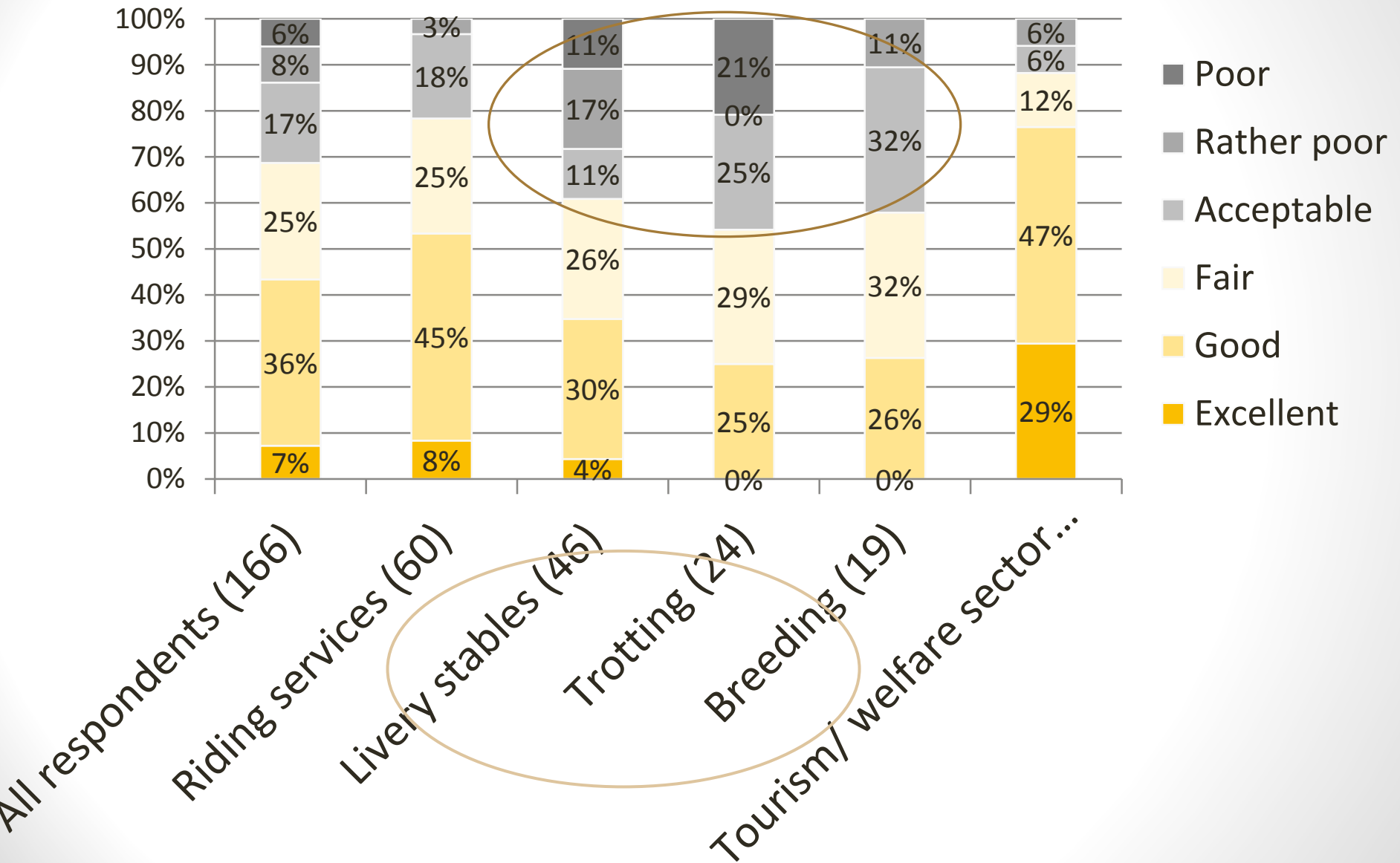
Riding services (60)
Increasing demand

Livery stables (46)

Trotting (24)
Uncertain prospects

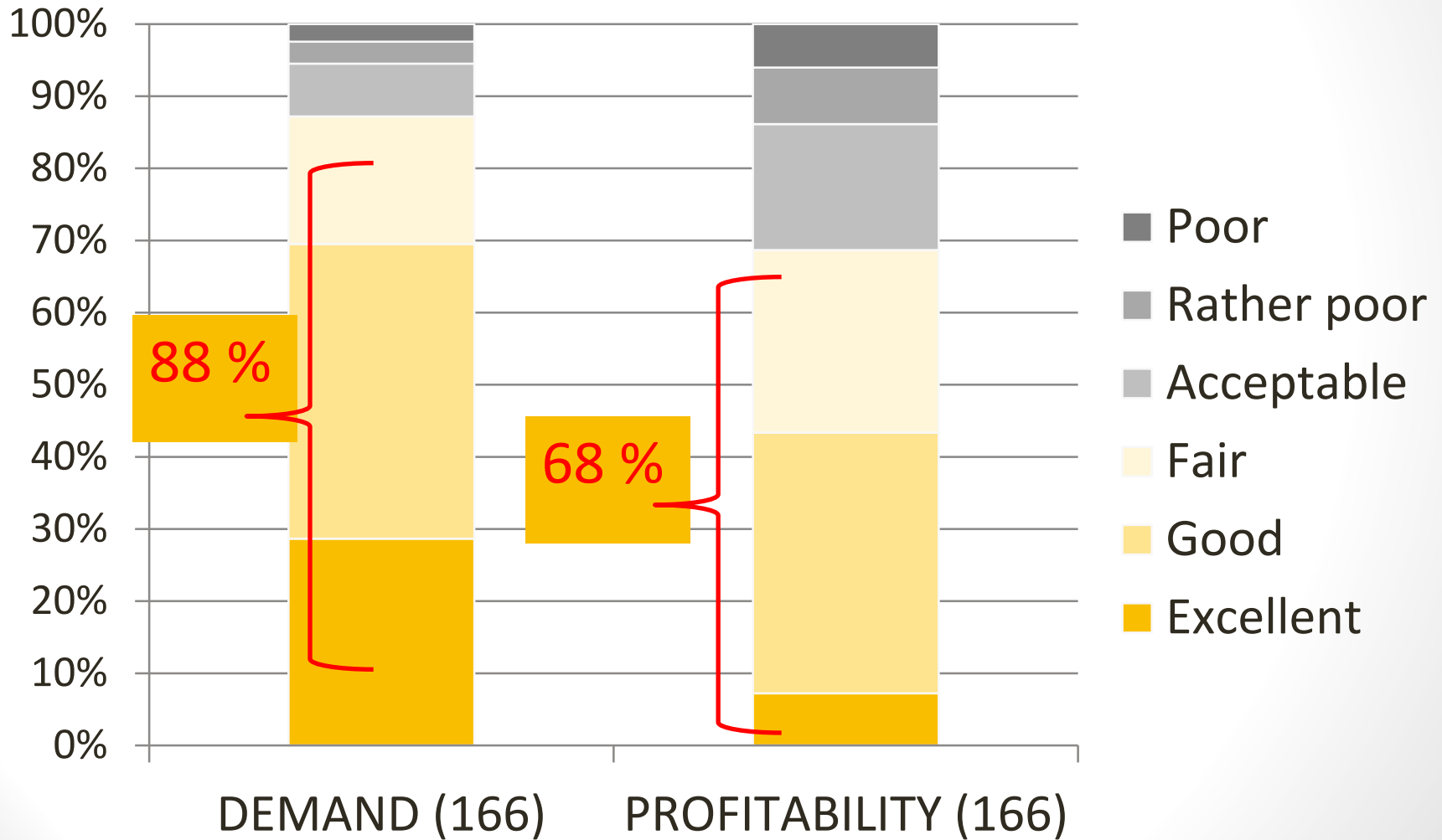
Breeding (19)
Tourism/ welfare sector (17)
Growing interest

How the entrepreneurs see the profitability 2018?



Demand 2018

Profitability 2018



Profitability

- The demand and profitability correlates, *but*
 - **Entrepreneurs estimate the demand to develop better than the profitability**

-> Leads to the question: how to improve profitability?

-> Profitable business assists to adapt to the demand of new customers

Difficulties of the pricing policy

- **Right pricing is the most important part of the profitability**

-> Brings possibilities to investments: facilities, horses, staff...

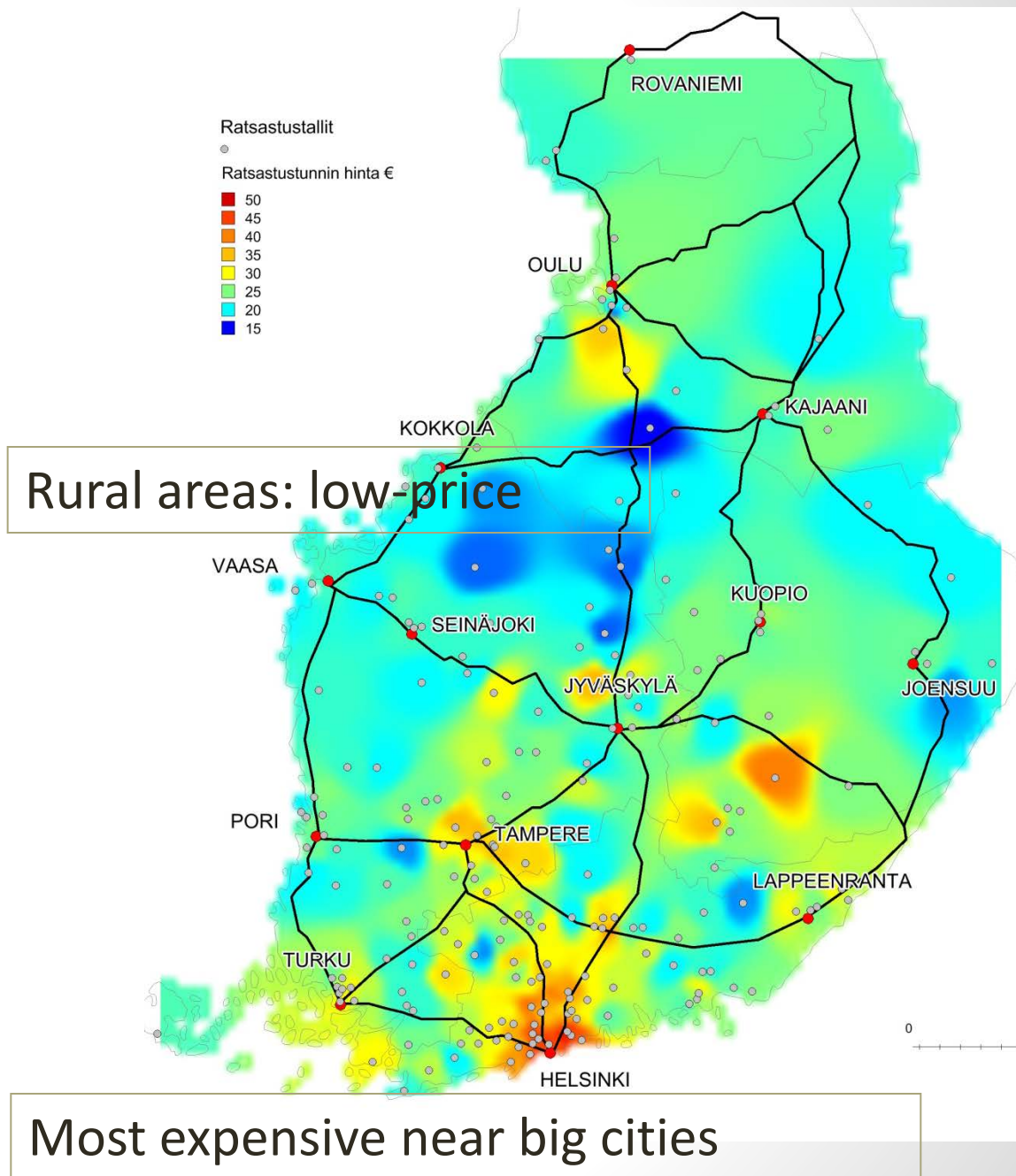
-> Better quality of business

-> Customers are satisfied and happy

- Why the pricing is so difficult?
 - Unique cost and income structures
 - Personal relationship between customer and entrepreneur; “like friendship”

Case: price of the riding lessons

- Survey to riding schools: what is the price of one riding lesson?
- 227 respondents
- Average 27 euros, varies between 15-50 euros / one lesson



Study`s conclusions about the factors that affect the demand

STRENGTHS

- Horse attraction
- Enthusiasm
- Variety of horse activities

WEAKNESSES

- Business skills; pricing, marketing, financial planning
- No data about markets

OPPORTUNITIES

- Business planning; differentiation and focus strategies
- Marketing and brand management

THREATS

- The world economy
- The media; can affect the attitudes of the general public a lot

How can horse business professionals adapt to the new consumer demand?

- 1) **By understanding the whole equine industry**
- 2) **See the possibilities**
 - Specialized services and new potential customers
- 3) **Business skills and quality of business**
 - Including marketing and brand managing
- 4) **Co-operation between different kinds of enterprises**
 - -> Horses provide leisure and activities to each one;
long-life hobby

Thank you for your attention



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