

The Equine Business: Spectacular Growth of a new Equine Economy in France

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Introduction

- In the urban society, the utilitarian character of the horse **is irremediably finished**
- But the place of the horse avoids **decay through its redefinition as a sport and a leisure activity**
- **With this background, the rise and the diversification support the emergence of new business models**
 - equine services and product trade

Introduction

Scope definition:

What do we call an equine product in this presentation?

- Any tangible product that the rider can use when he/she rides, whatever the practice
 - Any tangible product that the rider can use to take care of the horse
 - Any service that can be sold to a rider (a trip, information ...)
- Anything that targets the consumer in the practice
- The **derived products and peripheral market**

Methodology:

- Analysis of statistics and bibliographic data
- Interviews of 10 equine business representatives

I. The Rise of the Equine Product Business

I.1. The profusion of products as an answer to the diversification of the equestrian practice

- Thus, the market can be defined by several phenomena:
 - Social spread of all things equitation
 - Rejuvenation (70% - 18 or younger) & feminization (80%) of the practice
 - Multiplication of the equestrian practices (32 kinds in FFE) and types of practitioners



II.2. An Equine Products Business that covers the whole territory

The rise of a highly specialized sector, on its way to be organized and structured

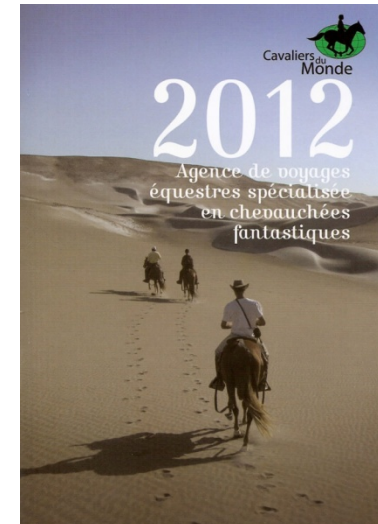
- A highly specialized equine products business has emerged
 - *The 2013 Directory of the Horse (L'Annuaire du Cheval)* indexes on the French floor **2470 companies**
- This sector gathers independent companies and some chains, essentially constituted by small to medium companies or distribution groups (Décathlon, Go Sport, Terres et eaux ...)



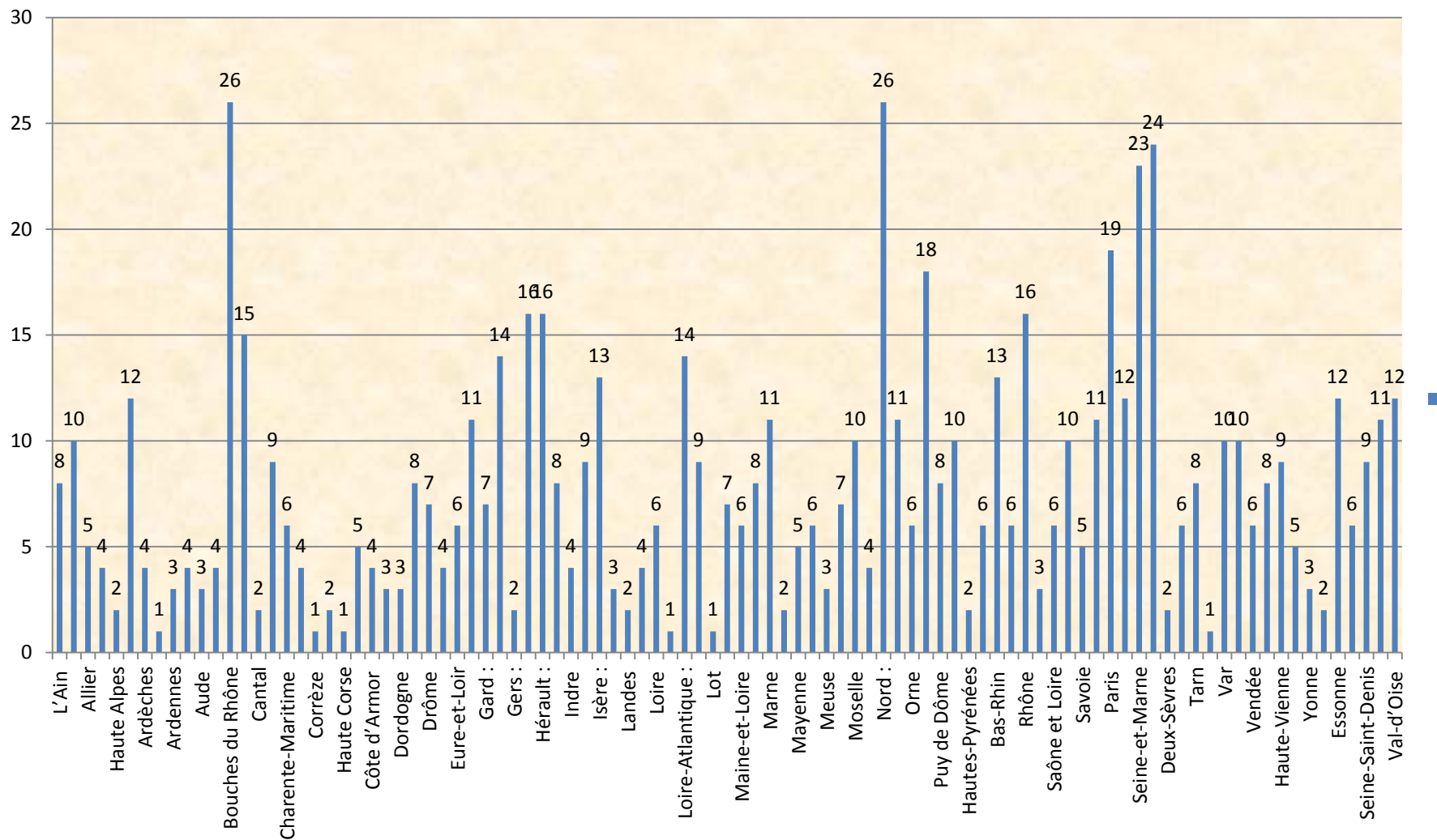
- The 2470 enterprises registered in the directory associate manufacturers, wholesalers, resellers in the following sectors:

- *Saddlers and Saddleries;*
- *Transportation;*
- *Infrastructures;*
- *Food and Nutrition;*
- *Health;*
- *Blacksmith's Trade (horseshoe manufacturers, not the farriers)*
- *Consulting Agencies;*
- *Arts and Media;*
- *Equestrian Tourism Agencies*

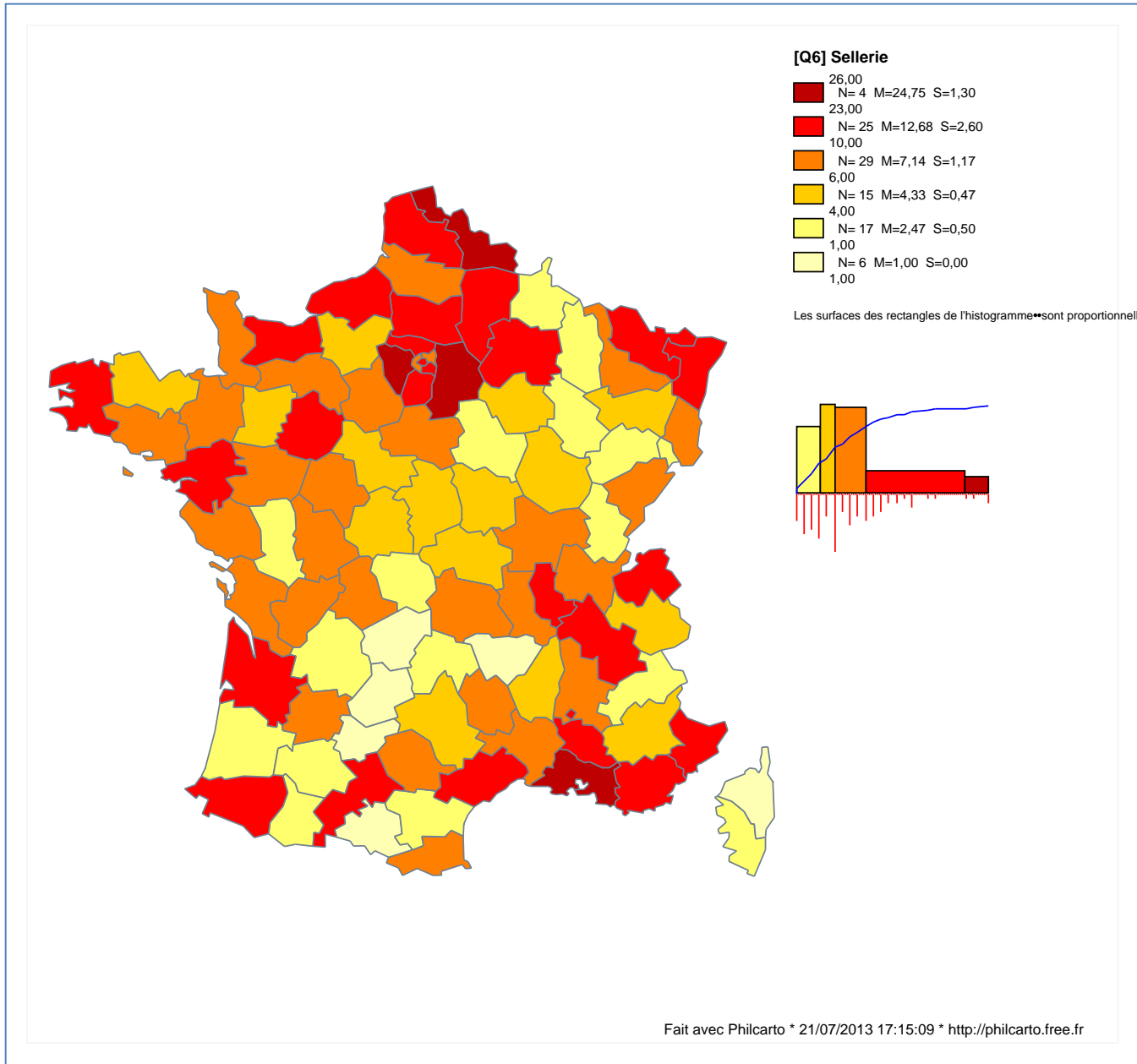
→ *The equine market, a meta market?*



b) A Diffusion on the whole French Territory, with some strong divergences: The Retailers Saddleries



Distribution of the retailers in France. Map : S.Pickel-Chevalier, 2013



III. Adaptation of the Equine Product Business, integrated into the Market Economy

III.1. The regards of professionals to the new trends of the market

Interviews with 10 top managers

- Arnaud Lièvre, director of the *Saddlery Butet*
- Carlos Biclet, director of *Cheval Shop*
- Christophe Lesourd, director of the OT *Cavalier du Monde*
- Hervé Hoffer, director of the grooming products brand *AJC Nature*
- Gaston Mercier, director of the *saddlery Gaston Mercier*
- Sandra Arderius, Communication manager, *L'Eperon* (magazine)
- Noémie Renard, Marketing director *CWD*
- Valentin Vielledent, director *Poney Materiel*
- Albert Joel, *bootmaker of Saumur*
- Claude Lux, author of 30 books about horses (technical books and novels for teenager) ; technical director of *Randonnée à Cheval* (Magazine)

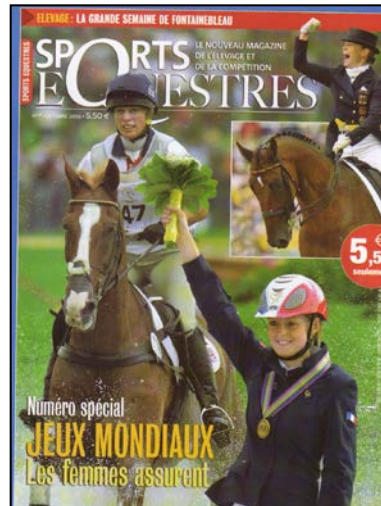
Report of the professionals regarding the evolution of the market:

- **The development of the market:** *“The market is getting mature.»* C. Lesourd
- **A professionalized and increasingly competitive market** « *Since my arrival, I have been observing a stronger competition, which main levers are the marketing strategies and an aggressive pricing.* » A. Lièvres
- A competition which is **reinforced by the current economic crisis.** S. Arderius.
- **Customers are knowledgeable, but still under the influence of opinion leaders and fashion** : « *amateur customers seem to be influenced by marketing incentives rather than by the performance and the technology of the product itself. But the foreign market is more sensitive to the high quality of the French products”* » A. Lièvre

II.2. Their strategies

a) The development of new products ranges

- **Saddlery like [Cheval Shop](#)**: middle range to high end products, by importing products from UK or Germany.
- **Retailer Chains like [Décathlon](#)**: 370 products for the equipment of the rider ; 231 products for the equipment of the working horse; 395 products for the body of the horse (grooming)
- **Press: [L'Eperon](#)** rejuvenates itself with *Sports Equestres*, the site *Cavadeos and Cavaliere* dedicated to younger generations.



- **b) Search for the best value : quality/ price**, exacerbated by the good level of consumers knowledge (via Internet,virtual community, blogs..) and the **uncertainty regarding how persevering will be the beginner**
→ High turnover : why investing a lot if he/she gives up?

A PICTURE THAT ILLUSTRATES THAT CHAINS ALSO IMPROVE THEIR RELATIONSHIP WITH CUSTOMERS, AND BET ON OPEN INNOVATION

Fouganza studies the use of the saddles : HELP-US!



c) Innovation :

- Saddlerie Butet (saddle of learning Practice) ;
- Vans Fautras (lots of innovation prices)
- Free Jump: automatic stirrup
- Hit Air : Equestrian Airbag

d) Marketing positioning : companies that choice the top of the range

(saddlerie Butet) have a constant obligation to maintain the quality, insisting of the **french production** and look for labels :

« *Entreprise du patrimoine vivant* » / « *Living heritage companies* »

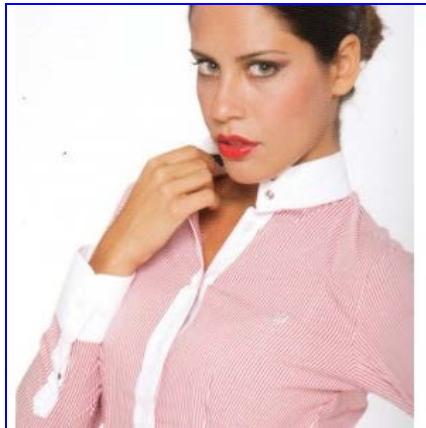
Saddlerie Butet, Gaston Mercier, Hermès, bookmaker of Saumur Albert Joël

e) **Ethics** : **ATER** (Agir pour un Tourisme Responsable/ Act of Responsible Tourism -**Cavalier du Monde**) ; Organic products (**AJC Nature**)



f) Comfort and ergonomics : The contemporary rider is sensitive to the **ergonomics and convenience of the products** (light and synthetic products, leather easier to wash, lycra in horse pants...)

g) Safety : The utopist requirement of the zero risk and the new rules give opportunities to develop several ranges, from low to top, of safety products using **innovation** (helmet, safety gilets... integrating the fashion !)



- **g) Design** : the sensitivity to the fashionable products, less conservative and adapted to the children, teenager and women, **leads the brands to renew the codes of the equestrian style**, sometimes in opposition with the traditional schools.

- **Gaston Mercier** : *« I have been the first to introduce colors into my saddle, for women, 20 year ago ! »*
- **Albert Jöel** : integration of colored leathers in his custom-made boots, at women request



III. The strategies and tools

III.1.) Integration of the main trends :

a) The media dedicated to girl-teenagers

- **Specialized Press** : –*Magazine Cavalière*- ; *Cheval Girl*; *Cheval Star*...
- **Remaked classical movies with girls instead of boys** : *Flicka*; *The new adventure of Black Beauty*, *The Yough of the Black Stallion*...
- **New movies, TV series, books** : *Zaina*, *Harley' Hill*, *Grand Galop (Saddle Club)*, *Heartland*, *Horseland*, *hundreds of novels*...

→ **Halo effect**

b) Anthropomorphism : lots of products are for the well be of the horse, often **according to transferred human criteria**, instead of horse criteria (Destrier : « *Etre soi; Etre lui* »/ « To be yourself; to be him »)



c) Surfing on the Ethology trend

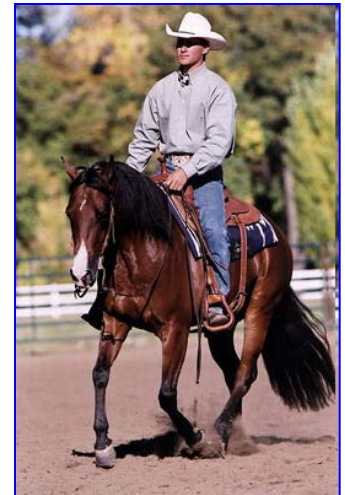
- In front of the **ambiguity of horse riding** (the paradox to love but also use and dominate the animal –Tourre-Malen), there is a **marketing use of the ethology practice**, especially appreciated by women
- Creation of **lots of so-called ethological products** : outputs of marketing strategies and fashion
 - *Tether, stick and halter*
 - *Mat to ride bareback*
 - *Educational DVD and e-learning*
 - *Ethological style : cap, polo with logos and famous names*



d) Multiplicity of practices : option for commercial niches

- Needs of individual social recognition is expressed to the consumption, that help community identification (Mafesoli) >> **lines of products to testify of the membership to the different equestrian « worlds » :**
 - **Endurance style** : lively or fluorescent color, symbol of dynamism, performance (close running)
 - **Poney Games, Horseball** : teenager style, “**borrowing to the team sport style**”» V. Vielledent, Poney Materiel
 - **Dressage** : classicism, elegance
 - **Jumping** : sport, elegance, competition
 - **Western** : « American dream » : cow-boy and freedom myth

...



III.2.) The incentive processes in the sale

The word of mouth isn't enough anymore.

- a) Keeping the opinion leaders via contacts and sponsoring –especially fashionable champions, (Kevin Staut, Nicolas Tousaint, Isabel Werth) « *with whom we have constant direct contacts, like their private mobile phone* » N.Renard, CWD;
- b) Integration of modern medias and use of a good visibility : logo, colors, facebook, twitter, forum “*We have chosen red and black color, to be sure to be easily found on Shows, like Paris*”. C. Biclet, Cheval Shop.



c) Integration of the increasing E-business (selling by internet) :

- **AJC Nature, Cavalier du Monde, Pony Material** : majority of the sells ;
- **L'Eperon** : creation of an internet site, beside the journal : **Cavadeos.com** « *We don't believe in the death of paper, but into complementarities of paper and digital technology* ». S.Arderius.
- **Cheval Shop, Décathlon, Padd, Horsewood** : important sites with referencing of all the products
- Even traditional companies (**Butet, Gaston Mercier**) insist on the importance of a **performing web site**.

d) Development of customer loyalty

-**Specific loyalty card** : **Décathlon, Go Sports**

-**Vouchers** : For each euro spent, system of accumulation of points to be transformed into purchase vouchers : **Cheval Shop**

-**Sponsoring** : if you bring a new customer to the web site, you get vouchers. **Cheval Shop**



Fouganza

SELLE ROMÉO
EXISTE EN NOIR OU MARRON

499€00

- Confort optimal grâce à un siège en mousse injectée
- Cuir vachette pleine fleur
- Arçon injecté semi-souple

Tailles : 17,5 et 16,5

A découvrir ! >



CHEVAL-SHOP

Ventes en ligne : www.cheval-shop.com - Boutiques : Nantes & Paris

III.3.) The customer approach: direct and customized relations

The modern medias doesn't destroy, and **maybe even reinforce**, the need of direct and personalized relations with the customers. Even if they finally buy on internet, real contacts are need :

- **Shops : Cheval Shop** : 3 shops, 2 saddler-trucks, 2 new shops in 2013
- **Exhibitions**, to keep real and direct contacts with customers : **AJC Nature**, **Poney Material**, **l'Eperon** « *If we miss the important Shows, as Paris or Equita'Lyon, our customers think that we don't exist anymore* » AJC Nature
- **Be attuned and reactive** : emails, newsletter, telephone.



Conclusion

- The economy of equine products and services **business reaches its maturity by adopting professional Mkg strategies and integrating the global trends** of the market of the consumption products
 - *Development of ranges, with integration of the diversity of budgets and needs ;*
 - *Adaptability, flexibility ;*
 - *Direct and personalized relations ;*
 - *Visibility, marketing strategies ;*
 - *Differentiation, customer loyalty*



- The adaptation of the small and medium family companies is a **necessity to survive**.

>> **Quality and ethic positioning (“Made in France”)** give the possibility to maintain production in France, with use of high technology for a better profitability (laser cutting in Butet saddlery)

- Nonetheless, **the balance of forces between family companies and international groups is difficult :**

- **Competition with the delocalized productions** for « fashionable » products where design override quality
- **Fragility of the family small companies increased by the good value of the products sold by the chains**, like Décathlon, which is also specialized into ingenious innovations...

>Those evolutions require the **increase of the professionalization of the new players**, where passion for horse is important but not enough anymore.

Question : Are we evolving toward a new kind of management ?