

Marketing Plan for Champion Fit Equine



**Texas
Madisonville FFA
TX0498
2017**

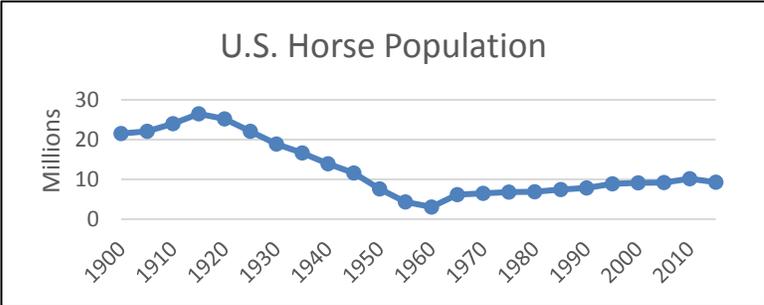
I. Description of Champion Fit Equine

Champion Fit Equine (established April 2016) is an equine care and boarding facility located in Madisonville, Texas. The business is owned by Mr. David Hammit but operated by Kassidy Lovell and Amber Jones, a mother-daughter team with a combined total of 18 years in equine therapy. Eight full-time employees work at the facility and veterinarian, Dr. Ryan Lee, visits two days a week to care for the clients' animals. The major focus of Champion Fit is to provide physical therapy and training programs so that equine athletes may compete at top physical condition. Madisonville FFA Marketing was approached by this fledgling company to investigate the best marketing channels for optimum growth and success.

II. Market Analysis

A. Industry Trends

From the domestication of horses around 3000 B.C., owners have sought to prove the merits of their animals.¹ Challenging other owners in competitive events matching horses' speed, endurance, agility, and strength became increasingly common place. Due to the invention of mechanized agriculture and transportation, the number of horses owned in the United States dropped each decade, from 1920 until 1960. But ownership began to increase again during the 1960's, when equine sporting events surged in popularity. As the number of horses competing increased, so did the number of horses needing treatment for injuries.² During the 1960's, human physical therapy techniques, which were first widely practiced during World War I when tens of thousands of injured soldiers returned home needing care, began to be applied to four legged athletes with favorable results.²



Today there are numerous equine competitive events held across the country. Over 2.7 million horses in the United States participate in shows or rodeos each year and an additional 800 thousand are used for horse racing.³ Thirty percent of horse owners in America participate in competitive equine events⁶ and membership in the United States Equestrian Federation, the governing body for most equestrian sports in the United States, is at an all-time high of 110,540 members. There are now ten colleges nationwide that offer degrees in equine rehabilitation studies,⁴ and the American College of Veterinary Sports Medicine and Rehabilitation was approved by

the American Veterinary Medical Association in April 2010.⁵ Veterinary rehabilitation is widely regarded as the fastest growing area in veterinary medicine.² Sales figures from rehabilitation-specific equipment manufacturers are on the rise.⁴ There is a definite trend for horse owners to seek out professional assistance and invest significant capital for the improvement of their horses. Most equine disciplines have seen faster times and enhanced performances due to the application of science in improving gear, nutrition, and training methods.

B. Status in the Current Market & Competitor Evaluation

There are numerous equine boarding facilities and training stables across Texas, but very few that offer the state-of-the-art rehabilitation services found at Champion Fit. A listing of the most similar competitors can be seen on the chart below. Each of these has a differing mix of services. There are many facilities not listed that offer individual, specific therapy options such as massage or acupuncture, and there are also many veterinarians across the state who offer lameness evaluation and treatment using joint injections, platelet rich plasma, or stem cell therapy. These companies, however, deserve special consideration because they specialize in injury recovery and equine sports medicine using swimming pools, water treadmills, vibration therapy, solarium heat treatments, massage, and laser machines, and are therefore directly competing with Champion Fit for customers.

Equine Rehabilitation Facilities in Texas					
Name	Location	Year Opened	Miles From CFE	Average # of Clients per month	Description (Strengths / Weaknesses)
Byler Performance Equine	Bellville	2001	80	12	Chiropractic, Cold Laser, Swimming
Vaughn Equine Center	Temple	2011	106	10	Swimming, Traditional Walker
EquiCare	Lampasas	2014	163	55	Cold Laser, EuroXciser, RLT Soft Tissue, Solarium, Spa, Swimming, Theraplate, Underground Aqua Treadmill
Cold River Equine Sports Medicine	Cresson	2016	181	35	Chiropractic, Cold Laser, EuroXciser, PEMF Therapy, Underground Aqua Treadmill
TM Reining Horses	Aubrey	2015	195	25	Chiropractic, Cold Laser, Massage, PEMF Therapy, Theraplate, Underground Aqua Treadmill
Stonewall Equine Rehab and Fitness (SERF)	Stonewall	2013	200	20	Chiropractic, Cold Laser, Underground Aqua Treadmill, EuroXciser, PEMF, Spa, Theraplate (Full Stall), Track
Parker County Equine	Weatherford	2016	208	15	Spa, Swimming
M&M Equine Spa and Rehabilitation	Poolville	2013	210	18	Cold Laser, EuroXciser, PEMF, Solarium, Spa, Theraplate
Equine Aqua Spa Center	Whitesboro	2014	215	55	Acupuncture, Chiropractic, Cold Compression, Cold Laser, ESWT Therapy, Indoor EuroXciser, Massage, Spa, Swimming, Solarium, Theraplate, Track
Running T Farms	Canyon	2012	520	15	Spa, Swimming, Underground Aqua Treadmill

1. <http://www.historyworld.net/wrldhis/PlainTextHistories.asp?ParagraphID=ayt>
 2. <http://veterinarynews.dvm360.com/canine-rehabilitation-inside-look-fast-growing-market-segment>
 3. <http://www.horsecouncil.org/economics/>
 4. http://study.com/articles/Schools_with_Equine_Rehabilitation_Programs_How_to_Choose.html
 5. <http://vsmr.org/about.html>

Each of the companies in this list are forerunners in a budding industry. The oldest facility opened in 2001 but the majority of these businesses are less than five years old. Despite the small field of direct competitors now, interest in equine physical therapy is growing rapidly. Champion Fit should be ever vigilant of new companies entering the market.

On average, Champion Fit serves 22 clients a month. Based on the client numbers reported during our investigative contact with competitors, this means Champion Fit is capturing eight percent of the equine sports medicine market in Texas. While this is a respectable showing from a company only a year and a half old, there is obviously room for growth. Champion Fit is barely using half their available stall space and can improve the return on investment on each of the therapy machines by using them to serve more customers.

Despite the growing popularity of equine sports medicine, there is still much untapped potential when it comes to recruiting customers. Many horse owners have never heard of the treatment techniques employed by Champion Fit. A mathematical analysis of the data our team collected reveals a maximum of 3,384 horses served by Champion Fit and its direct competitors each year. Considering there are 300,000 competition horses in Texas,⁷ the industry is capturing a dismal 1.1 percent of the potential market in the state. While competitors always bear watching, the bigger problem at present is not convincing clients Champion Fit is better than another company. It is educating potential customers that these training and recovery treatments exist and are worth the investment.

Equine Rehabilitation Facilities in Texas			
Name	Location	Strengths	Weaknesses
Byler Performance Equine	Bellville	<ul style="list-style-type: none"> • Oldest, most established business of this type 	<ul style="list-style-type: none"> • Less services than competitors • Fewest clients per month
Vaughn Equine Center	Temple	<ul style="list-style-type: none"> • Second oldest swimming facility 	<ul style="list-style-type: none"> • Pool is only water treatment option • Traditional walker causes more neck strain • Smallest customer base
EquiCare	Lampasas	<ul style="list-style-type: none"> • Only company to have RLT soft tissue regeneration • Second largest facility in the state • Veterinarian on-site daily • Covered arena 	<ul style="list-style-type: none"> • Underground treadmill not as safe as above ground • Many horses on site means higher potential to mix up therapy regimens or expose horses to illness through cross-contamination
Cold River Equine Sports Medicine	Cresson	<ul style="list-style-type: none"> • Wide variety of services including PEMF Therapy • More customers per month than Champion Fit 	<ul style="list-style-type: none"> • Underground treadmill not as safe as above ground
TM Reining Horses	Aubrey	<ul style="list-style-type: none"> • Established relationships with reining competitors • Offers on-site RV hook ups • Covered arena and PEMF Therapy 	<ul style="list-style-type: none"> • Heavily connected with reining discipline only • Owner time split between business and competitions
Stonewall Equine Rehab and Fitness (SERF)	Stonewall	<ul style="list-style-type: none"> • Owners are veterinarians • Has a 5/8 mile track • Has the only full stall theraplate in the state • Offers Pulsating Electro Magnetic Field Therapy 	<ul style="list-style-type: none"> • Remote location
Parker County Equine	Weatherford	<ul style="list-style-type: none"> • Specializes in hydrocare 	<ul style="list-style-type: none"> • Less services than competitors
M&M Equine Spa and Rehabilitation	Poolville	<ul style="list-style-type: none"> • Well known within cutting industry • Offers Pulsating Electro Magnetic Field Therapy 	<ul style="list-style-type: none"> • Owners time split between therapy business and competition cutting
Equine Aqua Spa Center	Whitesboro	<ul style="list-style-type: none"> • Largest facility, equine and human spa and salon • More types of services than any competitor • Has a one mile track and only with ESWT Therapy • Veterinarian on-site daily 	<ul style="list-style-type: none"> • Many horses on site means higher potential to mix up therapy regimens or expose horses to illness through cross-contamination
Running T Farms	Canyon	<ul style="list-style-type: none"> • Only service in geographic area 	<ul style="list-style-type: none"> • Underground treadmill not as safe as above ground • Less services than competitors

When comparing Champion Fit to these competing companies, we find that Champion Fit does have the advantage over all but two in the number and variety of services offered. Horses that would benefit from a variety of treatment methods can be served extremely well at Champion Fit. Champion Fit is the only company that has an above ground aqua treadmill. This allows for a full view of the legs during workouts, enhancing safety and permitting stride analysis. Unlike some competitors, Champion Fit provides 24 hour surveillance and a gated entry for security. Champion Fit also features constant communication with horse owners, with 24 hour video feed of each horse available. This is a service no other competitor provides. On the flip side however, having a veterinarian on the premises every day is an advantage others offer that is not found at Champion Fit. Two competing businesses have covered arenas, four offer Pulsating Electro Magnetic Field Therapy (PEMF), one Extracorporeal Shockwave Therapy (ESWT), and one Regenerative Laser Therapy (RLT). Champion Fit does not yet offer these therapies, does not have an arena, and does not offer chiropractic care: a service found at several competitors.

C. Buyer Profile

A study conducted in 2014 by Brakke Equine Marketing found most horse owners are female, married, employed full-time, are over 45 years of age, and have a household income over \$50,000.⁶ Our survey of Champion Fit's clients closely matches this national profile. Champion Fit's customers are predominately married females (76%). Household revenue from our respondents was over \$80,000 a year. Champion Fit clients emerged from a wide variety of disciplines including roping, barrel racing, cutting, reining, jumping, racing, and dressage. Horses arriving to recover from an injury were just under half the clientele, while the remainder came for specific training programs designed to enhance performance. Texas is home to 92.1% of Champion Fit's customers. Age was heavy on the middle age ranges with clients primarily falling between 30 and 55 years of age. Customers were one hundred percent Caucasian. We found it interesting that despite the area population demographic of 22% African-American and 28% Hispanic, there were no African-American or Latino clients during the first year of operation. We attribute this to comparative lower income jobs held by these population segments nationwide,⁸ placing fewer in the income bracket most likely to use this service. Most respondents said they selected Champion Fit based on the services provided, because they received a referral, or knew the owner or managers. Specific survey questions and answers can be viewed in section E on the following page.

6. <http://www.animalagriculture.org/Resources/Documents/Conf%20-%20Symp/Conferences/2015%20Annual%20Conference/Speaker%20Presentations/Equine/Equine-Kleine-stateoftheindustry.pdf>
7. <http://aglifesciences.tamu.edu/animalscience/wp-content/uploads/sites/14/2012/04/equine-report-on-tx-horse-industry10.pdf>
8. <https://www.forbes.com/sites/laurashin/2015/03/26/the-racial-wealth-gap-why-a-typical-white-household-has-16-times-the-wealth-of-a-black-one/#5a17dbaf1f45>

D. SWOT Analysis of Champion Fit Equine (includes some comparisons to competitors)

Champion Fit Equine has several distinct advantages. **Strengths** include:

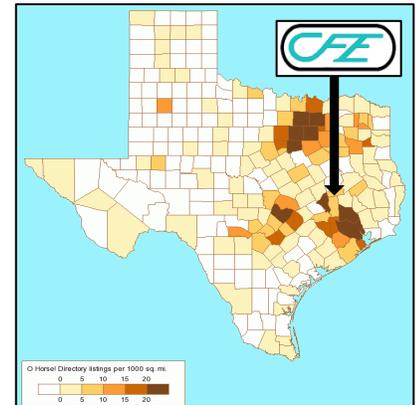
- Champion Fit has a large variety of equipment with more services provided on one site than most competitors.
- The facility has state-of-the-art equipment. This allows Champion Fit to apply the latest advances in equine sports medicine therapy and prioritize horse safety.
- The managers' experience in therapeutic treatment ranks them among the most knowledgeable in the field in Texas.
- The company has excellent customer satisfaction ratings and excels in customer communication.
- The facility is very secure. The gated entry and surveillance system can ease the minds of owners housing very expensive horses.
- All therapy sessions are performed by trained staff and all programs are custom built to the needs of each individual horse.
- The managers have compatible strengths allowing them to divide duties and apply their specific talents to build the company.

However, there are challenges to overcome. A candid assessment of Champion Fit's **weaknesses** reveals:

- Champion Fit is a new company and does not have a well-established customer base.
- Champion Fit does not have an arena on-site and thus loses some potential rodeo clients who want workouts in contest settings.
- PEMF, ESWT, and RLT soft tissue therapies found at some competitors are not offered at Champion Fit.
- There is not a veterinarian on-site everyday as is found in some competing operations.
- The company has significant investment costs in facility improvements and the purchase of training equipment. Without generating customers, the company will struggle to pay off debts.
- To date, Champion Fit has only utilized two marketing methods. Growing the company will require purposeful expansion of marketing.

Based on our analysis, Champion Fit does have several outstanding **opportunities**. These are:

- Champion Fit is located central to Texas' highest population areas and the most horse dense regions of the state.⁹
- More owners are beginning to see the benefits of equine training contracts and the use of these services is on the rise.¹⁰
- There is a trend in the United States to spend more money on the care of companion animals.¹¹
- The popularity of equine competitive events is at an all-time high in the United States.¹²
- Several horses treated at Champion Fit have gone on to improve times and win events. This presents opportunities to prepare customer testimonials that can be used in future promotions.



In conjunction with the previously listed shortcomings, we have also identified the following **threats**.

- There are two competitors with larger facilities and a larger number of established customers.
- The use of equine medical therapy is only partially adopted among horse owners. Some do not understand and some do not trust the technology and training methods available.
- There is a high likelihood of new companies entering this market as the popularity of applying sports medicine to horses grows.
- Using state-of-the-art technology requires specialized equipment and trained employees. There are other treatment options that are cheaper and customers looking for a lower price will opt for these substitutes.

E. Primary Research

Our team conducted two separate surveys while developing this marketing plan. To collect demographic and preference information on current clients, we sent satisfaction surveys to each client served by Champion Fit from April 2016 to April 2017, who had an e-mail on file in company records. A satisfaction survey was e-mailed to each client in May 2017 with two follow-up invitations sent to non-respondents in June and July. A total of ninety eight surveys were sent and thirty-eight surveys were returned. Questions are shown below in black and responses in red.

Customer Profile / Satisfaction Survey Answers			
1. Male (8 individuals or 21.05%) / Female (30 individuals or 78.95%)	Married (35 individuals or 92.11%)	Single (3 individuals or 7.89%)	
Age: < 30 (2 or 5.26%) 30-35 (7 or 18.42%) 36-40 (7 or 18.42%) 41-45 (8 or 21.05%) 46-50 (8 or 21.05%) 51-55 (6 or 15.79%) >55 (0 or 0%)			
Ethnicity: Caucasian (38 or 100%) Asian (0 or 0%) Hispanic (0 or 0%) African-American (0 or 0%)			
2. Annual Income of Household < \$40,000 (0 or 0%) \$40-60,000 (0 or 0%) \$61-80,000 (0 or 0%) \$81-100,000 (6 or 15.79%) \$100-120,000 (15 or 39.47%) \$121-140,000 (12 or 31.58%) >\$140,000 (5 or 13.16%)			
3. Where do you live? (In Texas 35 or 92.11%) (Other States 3 or 7.89%)			
4. What is your primary equine event? (Roping - 11 or 28.95%) (Barrel Racing - 11 or 28.95%) (Cutting - 5 or 13.16%) (Reining- 4 or 10.53%) (Endurance Racing - 2 or 5.26%) (Jumping - 2 or 5.26%) (Racing - 1 or 2.63%) (Dressage - 1 or 2.63%) (None - 1 or 2.63%)			
5. For what purpose did you first bring horse(s) to Champion Fit Equine? (Performance Enhancement - 20 or 52.63%) (Injury Recovery - 18 or 47.37%)			
6. How did you find out about Champion Fit Equine? (Referral from Associate - 16 or 42.11%) (Referral from Veterinarian - 11 or 28.95%) (Knowing/Visiting with Owner / Manager - 9 or 23.68%) (Facebook - 1 or 2.63%) (Website - 1 or 2.63%)			
7. With 1 being worst and 10 highest, how would you rate the quality of service you received from Champion Fit Equine? (10 - 26 or 68.42%) (9 - 11 or 28.95%) (8 - 1 or 2.63%)			
8. With 1 being worst and 10 highest, how would you rate Champion Fit's Communication with you? (10 - 27 or 71.05%) (9 - 10 or 26.32%) (8 - 1 or 2.63%)			
9. Why did you choose Champion Fit over other alternatives? (Selection of Services - 11 or 28.95%) (Recommendation - 9 or 23.68%) (Know/Trust Owner or Managers - 7 or 18.42%) (Excellent Communication - 5 or 13.16%) (Location - 4 or 10.53%) (Security - 2 or 5.26%)			
10. Do you have suggestions for improvement? (Add chiropractic - 6 or 15.79%) (Add a covered arena - 3 or 7.89%) (None - 29 or 76.32%)			

9. <https://www.horse.com/local/north-america/united-states/texas/map/>
 10. <http://www.thehorse.com/articles/10138/alternative-therapies-quality-or-quackery>
 11. <http://www.crossroadstoday.com/story/35006151/5-reasons-us-horse-equine-market-will-finish-strong-in-2017>
 12. http://www.humanesociety.org/assets/pdfs/hsp/soaiv_07_ch10.pdf

To help Champion Fit determine the needs and wants of potential customers, our marketing team conducted oral surveys during the 2017 Houston Livestock Show AQHA Versatility Ranch Horse Show and the AQHA and APHA Speed Event Shows.¹³ An oral screening question determined if the participant continued with the entire survey. Using this method, 342 were screened and complete documents were collected from 290 individuals. Survey questions and answers may be viewed below. We further visited via telephone with Dr. Ryan Lee, one of the leading sports medicine veterinary practitioners in the state. Finally, we also met with a focus group of Nancy Cahill, Dave Golden, and Gayla Nettles, all local ranch owners and individuals who train and show in AQHA world show events. All of these actions helped us determine how Champion Fit Equine could best meet the needs of potential customers in the equine industry.

Potential Customer Survey Answers

1. Would you consider using swim, spa, or vibration therapy on your horse? Yes (290) / No (52. These only answered 1A)
 1A. What is the major reason you would not choose these therapy options? (Unproven / Don't believe they work - 26 or 50%)
 (Too expensive - 16 or 30.77%) (Risk of injury during therapy - 8 or 15.38%) (Don't trust my horses with someone I don't know - 2 or 3.85%)
2. Gender Male (94 or 32.41%) / Female (196 or 67.59%) Age: 20-25 (14 or 4.82%) 26-30 (36 or 12.41%) 31-35 (47 or 16.21%)
 36-40 (55 or 18.97%) 41-45 (52 or 17.93%) 46-50 (49 or 16.90%) 51-55 (33 or 11.38%) 56+ (4 or 1.38%)
3. Annual Income in Household < \$40,000 (3 or 1.03%) \$40-60,000 (5 or 1.72%) \$61-80,000 (16 or 5.52%) \$81-100,000 (88 or 30.34%)
 \$101-120,000 (101 or 34.83%) \$121-140,000 (54 or 18.62%) >\$140,000 (23 or 7.93%)
4. Would you use sports medicine to heal injuries, improve times, or both? (Both - 222 or 76.55%) (Injury - 64 or 22.07%) (Times - 4 or 1.38%)
5. Which of these is the most important in selecting a therapist? Horse Safety / Security (108 or 37.24%) Proven Results (104 or 35.86%)
 Good Communication (71 or 24.48%) Latest Equipment (5 or 1.72%) Convenient Location (2 or .69%) Insured Facility (0 or 0%)
6. If you were buying one spa treatment for your horse with sore muscles, how much would you expect to pay?
 less than \$20 (16 or 5.52%) \$20-25 (61 or 21.03%) \$26-30 (103 or 35.52%) \$31-35 (59 or 20.34%)
 \$36-40 (41 or 14.14%) \$41-45 (6 or 2.07%) more than \$45 (4 or 1.38%)
7. How would you look for a therapist? (Ask Vet -159 or 54.83%) (Ask friend - 97 or 33.45%) (Ask association - 20 or 6.90%) (Internet - 14 or 4.83%)
8. What therapy would be most attractive to you? (Spa - 50 or 17.24%) (Swimming - 42 or 14.48%) (Cold Laser - 37 or 12.76%)
 (Massage - 27 or 9.31%) (Chiropractic - 24 or 8.28%) (Heat - 20 or 6.90%) (Don't Know-90 or 31.03%)

III.

Business Proposal

A. Mission Statement and Key Planning Assumptions

With a clear understanding of the current situation for Champion Fit Equine, trends in the industry, and gathered insight from existing and potential customers, we are ready to look to the future. This future focuses on opening new channels for introducing customers to the services Champion Fit provides. Word of mouth referrals and social media/website marketing provided enough clients to support positive growth during the first year of operation. The business has yet to hit the level of clients, however, that will provide sufficient revenue to pay back start-up loans within the twenty year contract. Entering year two, Champion Fit's major goal needs to be expanding the customer base. All of the work put into building the company will be pointless if the business cannot become solvent. To help the company make a mental shift, realizing marketing is not an incidental inconvenience but essential to the company's survival, we suggest a company mission statement of "E3: Effort Equals Excellence". This will remind all employees that just as exertion and hard work from animals during training builds good results, attention to marketing and quality during the building phase of the company will pay dividends in the end.

As we outline the best growth plan for this company, we must emphasize that all strategies are based on some important key assumptions. If the owners are not fully committed on these points, this marketing plan will prove ineffective.

- This plan is designed to be implemented for 12 months, beginning January 1, 2018 and ending December 31, 2018. All projections and budgets are based on the assumption that the plan will be followed for the specified time period.
- This plan assumes that a qualified labor force will be maintained. To date, finding experienced workers has not been a problem as the company is located in a community with several horse ranches. Champion Fit must continue to proactively prevent errors by making sure trained personnel are working equipment and monitoring horses at all times. Even one accident could cause a public relations nightmare.
- This plan assumes the company will maintain excellent communication with existing clients and sustain at least a 90% repeat customer rate (currently 97%). Keeping existing customers is easier than finding new ones and will be critical in reaching financial goals.
- Implementing this marketing plan will require some increased travel. The owner must be willing to add at least one part-time employee to cover this requirement.
- This growth plan will require Champion Fit to spend more financial resources and man-hours on company promotion than in the past. Executing these strategies will require money and effort in the short term but will yield positive results overall.

B. Measurable Goals

With these key assumptions in place to guide all proposed actions, we are pleased to introduce the following goals.

Short-term goals to be completed by December 31, 2018:

- Increase the number of clients to an average of 34 per month.
- Pay at least 5% of the loan principle as well as the interest for 2018.
- Increase veterinarian referrals by at least 10%.
- Film and utilize videos featuring results from satisfied customers.
- Add chiropractic care to the services offered.

Long-term goals to be considered within the next five years:

- Add a covered arena, PEMF, ESWT, and RLT soft tissue therapy machines.
- Have a veterinarian on-site every work day.

C. Target Market

Correctly identifying population segments that have the best potential for becoming new customers is vital to meeting these goals. The objective is to use marketing resources to specifically reach those who are most likely to respond, maximizing the return on investment. Great care has been taken in this plan to focus expanding marketing efforts on middle-aged, upper income, competitive equine owners who are willing to invest top dollar to make sure their equine athletes have every advantage available.

One of the most important objectives to bear in mind when selling high-end products is that the customer has to be convinced the benefit is worth the extra cost. In a service related industry, seeing is believing. Champion Fit's 97% repeat customer rate shows that individuals are impressed when they see the quality of the equipment, the detail that goes into each horse's custom care, and what this care can do for their horses. The key is to convince equine owners to see for themselves what equine sports medicine is about. Thus all promotions will emphasize introducing clients to advancements in equine therapy, allowing them to see for themselves that Champion Fit delivers outstanding results.

IV. Strategies and Action Plan

A. Product

Specific services provided by Champion Fit and the price of each are listed in the chart below.

Services offered by Champion Fit Equine		
Aqua Pacer Treadmill	Above ground treadmill. The buoyancy of the water lessens the weight bearing load on limbs. Improves cardiovascular fitness, strength, and flexibility. The clear panels on the sides allow the therapist to see all four legs, assuring proper posture and gait are being employed.	\$35 / session \$33 package of 10 \$30 / if boarding
Swimming Pool	Excellent cardiovascular workout with little trauma to joints and tendons. Excellent workout for post-surgical recovery or for horses rebuilding muscle after EPM or Laminitis.	\$15 / session (\$13 for 10) \$12 / if boarding
ECB Cold Salt Water Therapy	Excellent for injury recovery – reduces inflammation, swelling, and pain.	\$35 / session (\$32 for 10) \$30 / if boarding
Theraplate Therapy	Uses small circular pulses to increase circulation with zero impact. Excellent for horses with leg injuries.	\$15 / session \$10 / if boarding
EuroXciser	Builds strength and endurance. Horses move freely between a set of gates. Much safer than traditional tied-up walkers.	\$15 / 30 min. session included if boarding
Solarium Therapy	A system of large red lamps that give off infrared heat helps the horse overcome stiffness and fatigue. Also increases circulation and helps the horse relax.	\$10 / 30 min. session \$20 w/ Theraplate
Laser Therapy	Reduces injury associated pain. Speeds tissue repair by stimulating the flow of nutrients and oxygen to the injured area. Increases the production of joint fluid for better lubrication and easier movement. Maintains flexibility in scar tissue.	\$55 / full body \$40 / pre or post show
Track	Provides workouts on a cushioned, well-maintained surface.	\$15 / horse
Respiratory Therapy	Helps horses work through respiratory infections to increase oxygen intake.	\$25 / 30 min. session \$35 w/ Theraplate
Active / Passive Stretching	Facilitates the reduction of tension which often builds as a result of muscle fatigue.	\$75 / full body
Boarding	Includes stall, shavings, hoof cleaning, grooming, and daily workouts on the EuroXciser. Fed twice a day with costal hay and Lone Star feed. Supplements supplied by owner.	\$22 / day + \$2.50 per feeding for alfalfa hay

Champion Fit offers an impressive variety of services, allowing for a holistic approach when designing a custom therapy plan. This is an important strength the company should work to maintain. Almost 30% of customers surveyed listed this as their number one reason for choosing Champion Fit. Out of the services that competitors offer that Champion Fit does not, chiropractic care was the most requested by clients. We suggest that Champion Fit add chiropractic care to its list of therapy options. A licensed equine chiropractor already lives in Madisonville. Dr. Robert Tieperman owns a human chiropractic clinic in Madisonville and accepts equine patients by appointment after hours. Developing a partnership with Dr. Tieperman to come to Champion Fit regularly will be mutually beneficial as Champion Fit gains a new treatment option and Dr. Tieperman is presented a new source for customers. We do not suggest adding a rodeo arena, Pulsating Electro Magnetic Field therapy machine, an ESWT, nor a RLT therapy machine at this time. While adding these services and facility upgrades may be kept in mind for as long term goals, they are not severely restricting the customers' desire to choose Champion Fit at present. Considering the company is not yet on track to pay current loans, we do not recommend taking on additional debt at present. Using skillful marketing during the second year of operation to find customers in need of the currently offered services is the immediate priority at this time.

B. Position

Champion Fit is seeking to position themselves as a premium conditioning, healing, and care facility. By investing in high quality equipment the company is on the right track to meet this goal. The company does have the strategic advantage of being among the first to offer these service in Texas and has an excellent mix of treatment options. Acting quickly to develop partnerships with equine owners in the area is important. Horse owners show great loyalty when they are satisfied. If Champion Fit can build trusting relationships now and have success with clients, this will pay great dividends for years to come.

C. Price

The wide range of answers in our survey indicates that there is lack of knowledge among horse owners of the typical price of therapy services. Despite this unfamiliarity, the survey results do indicate Champion Fit's pricing level to be suitable for current market conditions. Thirty-eight percent of the respondents said they would pay at or above the current rate for a spa session. This indicates that Champion Fit is targeting upper income owners while not excessively narrowing the pool of customers. Champion Fit's investment in high-quality equipment and the personalized, professional care given every animal demands a premium price. The company should not engage in a price war with companies who offer less high-tech services. With that said however, market conditions, in this case, lend themselves to the successful use of introductory pricing to attract first-time clients. Thirty-five percent of all survey participants selected a price just one category below current levels. Attracting these customers with an introductory offer and allowing them the chance to see the impact sports medicine can have on optimizing performance could prove highly effective.

While price is an obvious consideration for potential clients, promotions should emphasize how Champion Fit can save owners money in the long run. Strengthening muscle groups can avoid costly injuries and therapy can get injured horses back to competitive condition and earning premiums in a shorter time period. We also applaud Champion Fit's decision to offer a reduced price for a package of ten sessions, which encourages repeat visits. The chart below compares Champion Fit's prices to other facilities that offer similar services. The purchase price of each machine is listed, as well as the approximate number of therapy sessions required for Champion Fit to break even on the purchase.

	Price Comparisons					Return on Investment	
	EquiCare	Equine Aqua Spa Center	M&M Equine	SERF	Champion Fit	Champion Fit's Cost	Sessions to Break Even
Aqua Treadmill	\$35 / session	N/A	N/A	\$40 / session	\$35 / session (\$33 for 10) \$30 / if boarding	\$ 105,000	3,000
Swimming Pool	\$50 first swim \$25 thereafter	\$35 / session	N/A	N/A	\$15 / session (\$13 for 10) \$12 / if boarding	\$ 135,000	9,000
ECB Cold Salt Water Therapy	\$35 / session	\$35 / session	\$50 / haul in \$40 / if boarding \$35 / if training	\$40 / session	\$35 / session (\$32 for 10) \$30 / if boarding	\$ 75,000	2,143
Theraplate	\$20 / session \$10 / if boarding	\$20 / session	\$25 / haul in \$15 / if boarding \$10 / if training	\$20 / session	\$15 / session \$10 / if boarding	\$ 45,000	3,000
EuroXciser	\$15 / session included if boarding	\$30 / session (indoor walker)	\$50 / haul in \$40 / if boarding \$35 / if training	\$15 / session included if boarding	\$15 / 30 min. session included if boarding	\$ 135,000	9,000
Solarium Therapy	\$15 / session	\$20 / session	\$20 / haul in \$10 / if boarding Included if training	N/A	\$10 / 30 min. session \$20 w/ Theraplate	\$ 65,000	6,500
Laser Therapy	\$50 / session	\$35 / session	\$50 / haul in \$40 / if boarding \$35 / if training	\$40 / session	\$55 / full body \$40 / pre or post show	\$ 85,000	1,546
Boarding	\$20 / day	\$20 / day	\$22 / day	\$25 / day	\$22 / day	\$230,000	10,455 days

D. Place

Champion Fit's location is central to two very large population centers and the most horse dense counties in the state. When considering this, along with the larger concentration of therapy providers in central Texas, the geographic focus of this marketing plan becomes an easy decision. Champion Fit should focus on markets along the I-45 corridor. The 43 counties in this region are home to 147,519 horses.¹⁴ Using the statewide average of 30%, an estimated 44 thousand of these are competition horses. The geographic focus can be adjusted later but for the second year of operation there is no reason to overextend the company when so many potential contracts exist close to home.

E. Promotion

As we transition to outlining specific promotional strategies for reaching marketing goals, we should take a moment to point out some marketing possibilities we investigated but dismissed. First, this plan does not utilize radio, television, or newspaper media. These would not be a wise use of resources as this type of marketing is too general. We are catering to a specific target group of competitive horse owners.

We also investigated investing in a Search Engine Optimization package so that Champion Fit's website could be more easily found on the internet. Typical costs for SEO packages range from \$7,200 to \$30,000 per year.¹⁵ Based on our marketing surveys, we feel this action will not produce sufficient results for the amount invested. Only 4.8% of respondents said they would use an internet search engine to look for a therapist and very few owners would trust a valuable horse to a company randomly found online. What we did discover is that in this type of business, referrals are key to marketing. With so much at stake, most horse owners will only proceed with validation from an organization or person they trust. With these considerations in mind, we recommend the following as excellent marketing options for Champion Fit Equine.

1. Produce customer testimonial videos

A year in business has given Champion Fit a valuable commodity, a core group of loyal and satisfied customers. Champion Fit should reward selected customers with compensation packages of free services in exchange for video testimonials. The cost associated with producing the videos is higher than printed advertisements. However, our team feels this one-time fixed cost is worth the investment as 80% of all internet traffic will be video content by 2019. Videos links are opened 19% more often than image ads and click through rates increase by 65% as consumers prefer videos four to one. 62% of small business owners said video marketing was effective for them.¹⁶ Three months of banner advertisements should be purchased on Equestrian Weekly, a once a week electronic newsletter sent to members of the United States Equestrian Federation. This newsletter is sent to 190,000 members who compete in 29 disciplines and spend \$1.4 billion annually caring for their horses.¹⁷ These videos will also be available from Champion Fit's webpage, Facebook, Twitter, and will be used in direct sales. Presenting these videos, featuring how past clients saw improvement in their animals' performance, will introduce owners to the benefits of equine sports medicine, capitalizing on a crucial component in this market: peer recommendation.

2. Enhance relationships with veterinarians

The need to build a better relationship with area veterinarians quickly became apparent as our team evaluated Champion Fit Equine. Our potential customer respondents said a veterinarian referral was the number one reason they would select a specific therapist. To date, however, the only equine veterinarian providing referrals for Champion Fit is Dr. Ryan Lee. Champion Fit can't afford to miss this boat any longer. The company should hire an employee to seek out equine veterinarians within the target geographic area. They should be visited, given promotional videos, offered flyers to display in their clinics, and should be invited to an open house at Champion Fit Equine. The event will include a meal and a demonstration of the therapy services available. When veterinarians understand the types of services offered and build a relationship with the company, they will be much more likely to refer patients who need therapeutic care.

14. https://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1,_Chapter_2_County_Level/Texas/st48_2_018_018.pdf

15. <https://searchenginewatch.com/sew/how-to/2267471/how-much-should-you-spend-on-seo-services>

16. <https://blog.hubspot.com/marketing/visual-content-marketing-strategy>

17. <https://www.usef.org/partners-advertising/advertise>

3. Introductory Pricing

As was mentioned previously, introductory pricing can be used to attract new clients. New customers should be offered a 40% discount on any treatment of their choice when using Champion Fit for the first time. While the customer is under no obligation to return, the company's 97% repeat customer rates makes this a gamble worth taking. The research data indicates that this discount will entice some of the 62% who may otherwise avoid sports therapy because of the price, allowing them the chance to become convinced customers.

4. Attend the Houston Livestock Show Quarter Horse Show with portable treatment options

It is not uncommon for equine owners to be skeptical of these therapies until they see the results. Champion Fit can use their loyal customers who show in the Quarter Horse Show at Houston to expand their customer base. Setting up a contract to provide massage, stretching, laser treatments, respiratory, and solarium treatments at the end of each competition day will cause curiosity in neighboring stalls. Worried that their competitor may be gaining an advantage, those unfamiliar with these techniques will no doubt ask questions. In some cases, treatments may be requested on the spot. Being present at this type of event will, in and of itself, introduce the company to new prospects. If this strategy is successful, it can be expanded to include the Texas State Fair or other equine shows in the fall.

5. Initiate "Girls' Day at the Spa" referral plan

To understand this strategy, we have to remember that the group we are trying to reach is 70 to 80% female. Market research shows that, as caregivers, women constantly think about and shop for others in their lives.¹⁸ By creating "Day at the Spa" gift packages, Champion Fit can offer current female customers a chance to show kindness to friends. The package will include complimentary wine and pedicures while female customers' horses receive spa therapy. To qualify for this promotion at least half the group must be new customer(s). "Day at the Spa" packages must be scheduled in advance so that Champion Fit can arrange for a pedicurist from City Nails in Madisonville to be present. The program will be advertised on Facebook, the website, and on-site. The goal, of course, is to allow new customers the opportunity to become familiar with the services Champion Fit provides.

V. Budget

Expected changes in marketing expenditures are outlined below. This budget is a summary of expected costs and returns for each promotional strategy and serves as an overview of this marketing plan. Specific details on each line item of the budget may be viewed at <https://goo.gl/ASRbMr>. Increasing marketing expenditures may feel unnerving to owners not accustomed to active product promotion. The price of doing nothing however, is much higher as little used equipment represents minimal return on investment.

PROMO #	EXPENSE ITEMS	COSTS	INCOME ITEMS	INCOME	NET GAIN
1	Video Production (RDM in Bryan)	\$10,500	1.6 New Customers per Month	\$29,880	\$8,480
1	Customer Compensation (discounts)	\$1,500			
1	3 Month Banner Ad (Equestrian Weekly)	\$4,800			
1	Pamphlets & Posting Videos (w /Labor)	\$4,600			
2	Veterinarian Sales Calls (Labor & Fuel)	\$4,800	2 New Clients per Month	\$29,520	\$17,850
2	Caterer & Furniture Rental for Open House	\$6,870			
3	Introductory Pricing (40% discounts)	\$700	+ 3 Sessions / Mo.	\$1,260	\$560
4	Labor Negotiating HLSR Contracts	\$240	35 Sessions @ Show, 25 from Contacts Made @ Show	\$7,000	\$1,870
4	Labor Visiting w/ Clients, Unloading, etc.	\$1,040			
4	Rent Trailer, Travel, Hotel, & Meals (2 trips)	\$3,100			
4	Commercial Passes to the HLSR	\$750			
5	Develop and Print Promo Materials	\$960	8 horses per month x \$135 per horse per session	\$12,960	\$8 (will grow next year – no repeat of chair cost)
5	Labor and Payment – City Nails	\$4,640			
5	Two Pedicure Chairs w/ Delivery	\$3,800			
5	Wine, Soda, and Accessories	\$3,100			
5	State of Texas Alcohol Retailer Permit	\$452			
TOTALS		\$51,852		\$80,620	\$28,768

While not marketing expenses directly, we must account for the increase in variable operating costs such as labor and feed that will occur as the facility gains new customers and thus, cares for more animals. Our projections show this plan will bring 153 new horses to Champion Fit in 2018. Assuming that 20% of these will board with the facility and that the 153 new animals will receive an average of 25 treatments a year each, this will increase input costs by \$7,000 in 2018. Therefore, final return on marketing expenses equals **\$21,768**. This represents a return of \$1.42 for every dollar invested.

VI. Evaluation

The most effective use of this plan will be accomplished through regular assessments of progress. The budget chart lists projected results per month. Tracking these benchmarks will allow Champion Fit to gage the impact of each individual strategy throughout the year and determine if overall sales goals will be met. Meeting these monthly targets will result in paying off 5% of the loan principle in 2018 and increasing the average number of customers to 34 per month. If a specific promotion yields a negative return after six months, it should be suspended.

If sales fall short of goals, a contingency plan lies in reaching out to local entities who don't show competitively, but maintain large horse herds, such as the Texas Department of Criminal Justice, Parson's Mounted Calvary at Texas A&M University, nearby rodeo stock contractors, and 2E Stables at Huntsville State Park. There is also contingency potential in bovine and canine therapy. Champion Fit is located in one of the most cattle dense regions of the state. In Madison County, cattle outnumber people 4 to 1. Eleven purebred ranches operate in Madison County and well over 100 ranches exist in a 50 mile radius. Show cattle can be worked in a similar manner to horses, helping them develop muscle tone and recover from injuries. Likewise, spa, swimming, laser, theraplate, and solarium therapies can be used for dogs experiencing arthritis, inflammation, and snakebites. Establishing good relationships with local veterinarians and groomers can serve as a referral source for bovine and canine patients, as well as equine clientele.

Champion Fit should continue to seek customer feedback. We recommend using the survey techniques our marketing team incorporated in developing this plan. Our consultants will be happy to complete ongoing studies, making sure marketing efforts align with consumer preferences and that Champion Fit is gaining the best possible results. We compliment Champion Fit Equine on recognizing the need for effective marketing and hope you will utilize Madisonville FFA Marketing in the future, as your business grows and prospers.

18. <https://www.forbes.com/sites/bridgetbrennan/2013/03/06/the-real-reason-women-shop-more-than-men/#469e8d3074b9>