



Why Clever Thoroughbred Marketing Returns A Windfall



KATRINA PARTRIDGE is a lawyer who has a university marketing & business development degree. She also loves horse racing & owns two fillies. So she combined her marketing expertise with her love of the thoroughbred and looked at what works best when various

industry players go out and try to drum up business.

IT'S IN THE EYE OF THE BEHOLDER

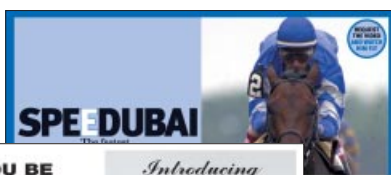
Darley Stud's 2003 advertising campaign, like the company motto, does indeed appear to have "winning ways". The campaign stands out not so much in its choice of stallions or its marketing department's command of catchy one-liners (and they're pretty good at those too) – no, its point of differentiation comes from the analysis of the industry it lives and breathes ... through the eye of a camera lens.

Complementing the more traditional stallion portraits, pedigrees and sire/progeny performances, Darley has embraced a range of candid shots of the horses and those who work alongside them. Who would have ever thought that such images – the child playing with a wooden horse in the golden sands of Dubai, a close up of the brow band of a halter, the haze of moisture across a wind-swept mane, a carrot placed atop a stable name plate, a race ticket fluttering in an idle breeze, acres of fence posts, a groom's hand resting across a gleaming hind quarter (amongst endless others) – could be at once so exquisite and also so evocative of what lies behind this billion dollar industry – the sheer love of an animal. Of note, the Darley website does not mirror the same format as that of its ads which is a pity as the campaign is an exceptionally powerful branding tool.

TRICKS OF THE TRADE

Another plus from Darley – this time their free pedigree analysis programme. Complementing the Darley Nicks Guide (a compendium of 6,000 pedigree references), each stallion prospectus contains a CD-ROM, the purpose of which is to assist breeders in selecting possible mates for their mares. As Darley say, "you enter the mare's name, and the CD will whirl away and come up with all the Darley-sired Stakes horses out of mares with pedigree similarities to your mare."

Pedigree analysts eat your heart out!



DARE TO BE DIFFERENT

A simple key to effective marketing is to offer a point of differentiation to your competition then stand by it, no matter what. Faced with increasing pressure from the international players, the Queensland-based Glenlogan Park came out fighting this year. Deciding against a game of Russian roulette using imported international champions (with service fees to match), Glenlogan chose instead to stand a strong line-up of proven local horses all of whom had excelled in the upper echelons of Australian racing. Glenlogan backed its stallions with realistic service fees and promised limited books to enhance each stallion's commercial viability.

The strategy was rolled out via double page advertising spreads in a number of thoroughbred publications. The ads threw down a series of challenges to breeders, following these with some cold hard facts about average returns on investment and a realistic evaluation of broodmare value. The ad campaign metamorphosed with each successive month as it incorporated reader responses and new data.

Glenlogan's campaign certainly stood in stark contrast to others we saw this year and, while its oft-times passionate stance conjured historical images of the patriotic "Aussie battler", its approach was refreshing in its honesty.

OUT OF LEFT FIELD

Looking for a different way of reassuring clients? Chatswood Stud has been quite creative in this regard. Based in Victoria they have had to contend with one of the worst droughts on record which has obviously had an impact on client's perception of the quality of Victorian grazing. To re-establish confidence and secure the stud's breeding/spelling/yearling prep revenues the Stud needed to prove to breeders that its pastures were equal to any other stud in Australia. Simple reassurances and claims wouldn't work, particularly when the media was countering their every move with sensationalist photos of parched earth and hollow backed cattle roaming road verges in search of feed.

So Chatswood called in an expert.

Not just any expert mind you but Peter Huntington of Kentucky Equine Research. The resulting report demonstrated that Chatswood Stud had a pasture content of 35.5% protein and a relative feed value of 190%. Apart from highly digestible energy levels, a well balanced calcium/phospho-

rous ratio and grass high in iron and copper levels, the results proved that the Stud's pastures were as good as any of their competitors in Australia.

Now THAT'S effective marketing!

WHERE EVERY DAY IS OPEN DAY

The number of overseas investors in the Australian thoroughbred industry continues to grow. In many ways this has more to do with the feats of the horses themselves rather than relying on the annual pilgrimage of the shuttle stallions or the active overseas marketing efforts carried on by various representative bodies, stud owners and thoroughbred auctioneers.

You see, it's the horses themselves that ignite people's passion around the world – not so much the industry that stands behind them. Certainly, one could not exist without the other – but we need to be clear about who's the main attraction! The spring influx of top-quality stayers for the Melbourne Cup for example has done much to promote local racing. Local celebrities such as Choisir and Falvelon who traversed the ocean to take on – and beat – the best in the world only reinforced the point.

Asia in particular has recognized the value of the Australian thoroughbred. The importance of the Asian investment dollar should be ignored by breeders at their peril. This was clearly demonstrated at this year's Easter Sale where the outbreak of the SARS virus in Asia was said to have cost vendors approximately AUD\$6-8 million in sales.

A company that has recognized the importance of the international dollar – and the difficulty some potential buyers may have in "just popping down" to their local horse stud to view a potential mate for their mare is SireCam (www.sirecam.com.au).

SireCam is an advanced web streaming site dedicated to the thoroughbred breeder. "Huh?" I hear the technophobes say. Well, it's basically a website that allows you to view video footage of stallions parading plus selected foals. You can choose to view the footage via the web (also known as 'web streaming') or you can download the file to your desktop.

SireCam understands the importance of technology in both communicating a message and connecting readers and to this end, the site also offers a choice of languages – English, Mandarin, Cantonese, Japanese and Arabic.

There's a forward thinking company!

'HONORABLE GUEST'

While Funny Cide may have lost this year's Belmont Stakes to Empire Maker, the Kentucky Derby winner's cult-level status and much photographed group of "everyday owners" has done wonders for the struggling syndication business in America. Unlike America, Australia's syndication business is flourishing and per capita Australia is the world's leading country in terms of thoroughbred racehorse ownership.

The syndication business can rightfully take some of the credit for ensuring that accessibility to owning a thoroughbred racehorse is a well-established feature of our society. According to figures released in 2001, there were more than 1,600 registered syndicates in Australia as well as a large number of co-ownerships, partnerships and leases¹. The same Report estimated that there are on average 3.6 owners for every metropolitan-trained horse and 4.4 owners for every horse trained outside Australia's major cities.

Due to the growing number of people wanting to race a horse, syndicators have had to become increasingly sophisticated in their client management programmes. They not only have to evaluate and purchase quality horses but they need to have the runs on the board to also attract investors to pay for them. The group they target doesn't always

include your everyday owner who can wander down to the races on a Saturday afternoon to watch their horse go round. A large percentage of owners may have never had any previous dealings with horses, they may be based interstate or overseas, and some may own as little as 5% of a horse. Despite this, these investors share one thing in common – they want to be personally valued in the ownership process and they demand just as much information about their horse whether they own 5% or 80%.

To meet these expectations and manage the process successfully the customer relationship management (CRM) programmes of some of the leading syndicators is starting to resemble the Japanese definition of 'client' – that is, where the client is treated as an 'honorable guest' rather than just someone who pays the monthly training fees.

The unique and highly personalized information and client service system offered by Lawton Thoroughbred Racing (www.harrylawton.com.au) offers a case in point. The system – known as How's Your Horse (tm) – allows owners to stay in touch with their horse's progress right throughout its entire racing career. Accessible via the internet, the system is easy to use and is a valuable source of information for any owner. By entering a unique user ID and password, clients gain secure and private access to current and past information about their horse including its pedigree profile, vet reports, progress reports, barrier trial schedules and results, race nominations, weights, acceptances and results, trainer feedback and photograph portfolio.

It's technology with a personal touch.

It's the CRM model of the future.

Of course racetrack results drive interest more than anything else and on that score the Vinery Syndicate is overwhelming the rest. Its horses seem to win at will.

A VIEW FROM ABOVE

But, speaking of websites, have you had a look at Tim Martin's? (www.martinracing.com.au). The usual suspects that appear on almost all trainers websites are in evidence – stable results, background to the trainer, buyer information etc – but the key to this site is its proffered interaction with the user. First it allows owners (in fact, anyone that visits the site) an opportunity to view the stable's horses from a series of network cameras which have been installed above the main breezeway. Talk about a view from above – and in terms of appeal to owners who want to watch the daily routine of their horses but who can't actually be there – well, it doesn't get much better than this.

Second, to attract new owners – the site has sections devoted to frequently asked questions and a photographic tour of the daily routine of a horse in training. Existing owners also have access to confidential information about their horse via a password protected site.

Third, the site is offered in both Chinese and Japanese. Multilingual language sites do not just recognize the changing make-up of the Australian owner's ranks but they are a clever ploy for someone wanting to on-sell proven colts to the Asian market.

What better way to attract interest than advertising in your potential client base's native language?

