

Market Evaluation: Data through August 31, 2009

Welcome to the end of the 2009 Season, one I can describe as tumultuous at best. About a year ago the economy upended and the wealth bottomed out. Industries of all type were forced to reconsider strategies and futures, then adjust their practices to stay afloat. The term “economic stimuli” was coined, spun, and exploited nationwide to disguise prices suddenly half of their former selves. The equestrian industry was not immune.

Without resorting to gimmicks like “equinomic stimuli” we have sold horses and weathered the storm fairly well. As we head into what is typically The Season for buying and selling horses there has been a notable surge in activity and interest in the majority of horses listed with us. Here’s what we’ve seen at The Exchange, plus tips on how to present your sale horse in this weakened market.

I. ExchangeHunterJumper.com:

The ability to mine the data from our web site reveals interesting trends in the industry.

A. TRAFFIC: Though not without bumps and gurgles traffic has been on the rise overall. **August 2009 saw 45,085 visitors to ExchangeHJ.com, up nearly 9% from August 2008. December 2008 recorded the lowest results of the period with 35,906 visitors;** reflecting not only the distraction of holidays, but also the complete upheaval of the economy.

1. A year ago the **Dow Jones Industrial Average** plummeted over 3000 points between September 8 and October 10, and fell another thousand points to **bottom out November 20 at 7552 points**, an event worth noting as December posted our lowest numbers of the year.

2. A **redesign of the site in January, 2009 saw an immediate 12% spike**, bringing traffic totals back to 40,000 visitors for the month.

a. The new design greatly increased the number of pages viewed per visitor: From 48,813 page views in December, to 67,025 in January. August 2009 logged 96,199 page views, an increase of 79% over last year.

Visitors are choosing to view 79% more pages (ie: more horses) than they were last year.

3. **April traffic set a record high with 44,613 visits and 93,082 page views. Traffic then dropped to 38,820 visitors in June; and then broke another record in August with 45,085 visitors.**

a. Puzzling at first these numbers indicate a **summer slump** brought on by school letting out and an overall increase in outdoor activities, including horse shows, that result in a decrease in computer activities and online horse shopping. Unfortunately, our host switched stat programs last year which means numbers from this time period are unavailable for comparison.

B. BEST/WORST DAYS: Monitoring monthly highs and lows for the site and horses, and correlating that data to our marketing activities helps us track the success of our efforts and the patterns of our internet users.

1. Best day each month (most visits recorded):

a. **Monday, June 1:** 5 horses and the home page logged their monthly highs.

b. **Tuesday, July 7 - Wednesday, July 8:** 10 horses plus the site logged their monthly highs.

c. **Wednesday August 12 - Thursday, August 13:** 13 horses and the site logged their monthly highs.

• This was the week we returned from Pony Finals, where we did a massive promotion, which looks to have paid off nicely. Additionally, two of our ponies in the Top 10 gave us lots to talk about!

2. Worst day each month (fewest visits recorded):

a. **Monday, June 22 - Sunday, June 28:** 10 horses, plus the site & home page logged lows this week.

b. **Friday, July 3 - Saturday, July 4:** 6 horses plus the home page logged lows.

• Holiday landing on a weekend. Next landmark was **Saturday, July 25** with 5 horses logging lows.

c. **Wednesday, August 26:** 8 horses logged lows on this date.

3. **Summary:** We have only collected data through June for this report and so far patterns are hard to discern, though it seems that the last week of each month is typically slower than the rest. Additional data in our next update will hopefully reveal more details.

C. POPULARITY OF TYPE: Here we compare the popularity of Hunters vs. Jumpers vs. Equitation Horses vs. Ponies

1. Hunters always have, and probably always will be, the most popular Type. **Hunters consistently return at least twice as many visits as any other Type.**

2. **Jumper listings are our second most popular category with Equitation a close third**, and every once in awhile stepping into second.

a. We are running very low on Jumper listings and eventually this will affect overall success of this Type. **It is the only group that shows the same Daily Average of Visits for August 2008 and 2009, all other Types have increased their Daily Average over that period.** We would like to build support for this category and encourage Sellers to list their quality Jumpers and Jumper Prospects - see how we have targeted and built interest for Ponies below. The benefit of listing now is there is very little competition in this category.

3. **Ponies have always been our lightest category, in entrants and interest, and we aimed to increase the popularity of this category.** A massive promotion for Pony Finals included profiling qualified ponies, extensive social networking, passing out "Equi Cards" at Finals, and follow up reporting on the event, resulting in a **28% increase in Pony interest in August, 2009, up 34% from numbers reported by Ponies in 2008.**

D. PRICE RANGES: Possibly the most interesting numbers to compile, popular Price Ranges can tell us not only about the state of the equine Buyer, but also about the economy in general.

Here are some factors to keep in mind as you consider the results:

- Due to its popularity, and thus large quantity of data, I have selected **Price Ranges among Hunters for comparison.**
- Just as it affects the popularity of Type described above, **the number of horses available in any one Price Range will affect its popularity to some degree.** We currently have a very strong showing of 6 Figure Hunters.

1. **The Low 5 Figure Price Range (Under 25K) remains our most popular category but showed recent decline,** down 13% from August, 2008 numbers.

a. I view this as a good thing. It has never been our desire to solicit this range of Buyer, which shows evidence of more window shoppers, hopeful children, and backyard types than others. I don't mind listing the show pony or older horse stepping down, or the quality youngster, but our focus remains on horses suitable for competition at a USEF Rated venue. **This decline in lower end interest shows our site continues to distinguish itself as a portal for the more quality horse.**

- While decline in interest for other Price Ranges paralleled the "Summer Slump" (see Section I.3.a), both the Low 5 Figure and Low-Mid 5 Figure Price Ranges dropped more dramatically, suggesting many of its visitors suddenly spent less time at the computer, such as happens when school lets out.

2. **The 6 Figure Price Range is the second most popular range on our site. It has grown almost steadily over the past year, up 22% from August 2008, and averages 11 visits each day.**

a. Only about 50% of our visitors elect to further sort horses by price once they hit the gateway "Hunters All" page, so **this survey tracks only 50% of buyer activity.** It can be safely assumed that the **average popularity of our 6 Figure horses is actually higher than 11 visits per day.**

b. The 6 Figure Range has often battled the Low-Mid 5 Figure Range for 2nd place in the popularity rankings, often matching it but never surpassing it. April 2009 showed the 6 Figures first triumph in this battle, and it has **held the 2nd place position consistently for the past 3 months** (June, July, August).

c. I'm very impressed with these results overall. Aside from attending a horse show their are few opportunities to expose your horse to the interest of multiple 6 Figure inquiries each and every day.

3. **The High 5 Figure Range concerns me: It is down 50% from the totals it was pulling in August 2008, and is currently tied for least popular Price Range in the Hunter Type.**

a. Popularity of the High 5 Figure range has dropped from third to sixth place in our site rankings over the past year. Combined with the rise in 6 Figure interest, historically a range less affected by economic downturn, I believe this to be the biggest tell on our economy. Many in this range lost considerable worth over the past year; home value, stock market, layoffs, etc, and others finally recognized the extent to which they were living beyond their means. As several factors suggest, including declined attendance at horse shows all season, many of our previously prominent equestrians have been forced to either forego their equine hobbies altogether, or budget them far more strictly.

- Things may be looking better: Traffic in the High 5 Figure range showed a welcome increase in August which brought numbers back to pre-recession levels. Additionally, Seller reports from September include a successful sale plus an offer on a horse in this price range.

II. Social Media:

This will be our first evaluation of the effect of Social Media and Viral Marketing on sale horse interest, and in truth it's my first foray into the field also. I am already more familiar with the concept, and more aware of the nuances, than when I began with this new marketing science in February, and I expect future returns to be even more impressive. I'm also still figuring out the best way to track the results and hope to flush the information out with more details in the future.

A. Visits to ExchangeHunterJumper.com were tracked from the following mediums since February:

1. **Facebook:** We currently have 286 "Fans" on Facebook, a number that grows weekly. Thus, our updates automatically appear on 286 pages; it is seen by the fan and by any of the fan's friends that happen to wander by. **Since February, 2,276 visitors have followed Facebook updates to horses on ExchangeHJ.com.**
 - a. Ads on Facebook brought a rapid increase in fan base and we will run these promotions periodically.
2. **Twitter:** We currently have 387 "Followers" on Twitter and efforts have resulted in 298 visits to ExchangeHJ.com from Twitter.com
 - a. This is depressingly low for a platform that's been raved about incessantly in the media for several months. The jury's still out on Twitter, but my sneaking suspicion is it's a fad.
 - b. **However**, because "Tweets" are composed from a variety of platforms that are not Twitter.com (Tweetdeck & HootSuite to name a few), and because links are run through a shortening service such as "bit.ly" (which turns a link with 70 characters into 25 characters, so it can fit within Twitter's allotted 140 character maximum), **there may be a flaw in the number of referrals from Twitter tracked through our statistics, and it could be a great deal larger.** I am researching the details on this.
3. **ModernEquine:** This is our new blog, which I've finally found increased vigor for. I hope to make more impressive use of this medium over the next term but my few measly posts since February have encouraged 220 visitors to click over to ExchangeHunterJumper.com.
4. **Chronicle of the Horse Bulletin Board:** This still reigns as the most centralized and populated location of show horse enthusiasts on the web, and I make as much use of it as Forum rules allow . . . which is simply the existence of our web site URL in my signature. Sometimes, also, a popular horse will be mentioned there and Exchange traffic will soar. **Since February we have tracked over 2,600 referrals from COTH to ExchangeHunterJumper.com.**

B. In total, Social Networking & Viral Marketing delivered over 5,400 visitors to ExchangeHunterJumper.com; of this number 28% were new visitors to the site, and users viewed an average of 5.63 pages while visiting.

III. Movers & Shakers:

Here we recognize some of the more successful Campaigns over the past few months. Refer to the numbers on your horse's Marketing Report to estimate the success of your Equine Marketing Campaign. If your horse's numbers are posting far below our examples please contact us about what can be done to bring interest back up.

A. Top Performers:

First Month: By High	Second Month: By Daily Average	Third Month: By Daily Average	Fourth Month by Daily Average
As You Wish: High 267 (April)	Cardoso: Avg. 36 (High 58)	As You Wish: Avg. 38 (High 86) (Sold Month 4)	Shiloh's Way Too Pretty: Avg. 27 (High 72)
Likewise: High 183 (April)	Artlandis: Avg. 28 (High 56) (Sold Month 3)	Cardoso: Avg. 29 (High 71)	Henk: Avg 22 (High 40)
Artlandis: High 164 (May)	As You Wish: Avg. 25 (High 49)	Henk: Avg. 22 (High 46)	
Ashton: High 146 (July)	Ashton: Avg. 25 (High 41)	Odyssey: Avg 21 (High 44)	
Lucky Jack: High 145 (March)	Don't Think Twice: Avg. 24 (High 55)		
Don't Think Twice: High 137 (July)	Bond Girl: Avg. 22 (High 38)		
Cardoso: High 137 (June)	Henk: Avg. 22 (High 37)		

• Number of days in a horse's "First Month" of marketing can vary depending on date listing was submitted. This variance skews Daily Average for that month as horses listed for only 14 days have drastically higher averages than others due to initial popularity. Thus, "First Month" is sorted by that month's record high, while the remaining months are sorted by horses recording the highest average of visitors each day (with the record high in parenthesis).

1. To qualify as a Top Performer Month 1 a horse must receive at least 135 visits in one day during the first month of marketing. The average high for all horses studied in this report was 116 visitors in one day. Low Performers in this category achieved highs in the 60s, both of these horses are jumpers.

a. I have separated results for ponies as they receive less attention overall:

Top Performing Ponies for Month 1 include: Andromeda: High 117 (May); Believe in Blue: High 98 (August); Pennies from Heaven: High 93 (May). **Average high for ponies included in this report was 76 visitors in one day. Low performers in this category achieved highs in the 50s.**

2. To qualify as a Top Performer any other month horse must average 20 or more visitors each day.

a. This becomes increasingly difficult with each month that passes if listing is never updated with fresh media and information. **Please continue to update us on your horses, we'd like to see this number increase across the board.**

b. Results measure horses registered in the new Campaign format. Currently there are not many with 4 months of marketing under their "girth", and the latter columns should flesh out in the next report.

B. Notable Campaigns:

1. **Cardoso & Henk** routinely remain in the top spots each month. Both of these horses are advertised as suited for hunters, equitation and jumpers and so are featured in all categories. **Clearly, versatility is an asset.**

2. **Shiloh's Way Too Pretty:** This pony has achieved a site record - she is the **first listing to ever top their first month's high in a later month**, a success achieved in correlation with a top finish at Pony Finals.

a. Pretty began her listing as a green pony with an okay picture and a lackluster First Month high, but bounced back with new pictures from each show and constant updates to her page. The culmination, plus the publicity we were able to drive with the Pony Finals success, was a **record high of 72 visits in one day in the 4th Month of marketing, and a jump in her Daily Average from 17 visits per day Month 3, to 27 visits per day Month 4, and quite a bit of recent Buyer interest in this pony.**

3. **Broc on Broadway:** A plain bay pony in Canada is not the easiest sale we have, but we've been kept updated on where this pony will be and notified of his success all summer, which, admittedly, has been a lot. The result is an impressive average of 16 visits each day for Months 3 & 4, and monthly highs of 41. **These highs rank among the top results for those months among ponies and horses. I also have confirmed interest in this pony.**

4. **Bond Girl: Great example of what good pictures will do for your listing.** Not our fanciest horse but came with several attractive, quality photos plus a series of shows to promote for the summer, and made the Top Performer list Month 2.

IV. Sales & Interest:

A. Sales: Three horses and two ponies have reported confirmed sales since July for a combined total of nearly \$.5 million. An additional two horses were placed in a contracted lease-to-buy situation which is scheduled to expire soon and will bring total sales to over \$800,000.

B. Interest: After a very strong July, August was especially quiet despite large increases in site traffic. September quickly picked up with inquiries to The Exchange from Buyers looking in the 6 Figure price range each week. Two of our Large Ponies have been sat on and one is scheduled to go out on trial plus has additional interest lined up. Another Large Pony has confirmed interest with a request for DVDs, and had previously reported other serious interest this summer. Two of our Sellers are dealing with very slow moving Buyers; a Hunter that finally did sell, and a young Jumper that's been tried and loved but is still waiting for commitment. A 6 Figure Hunter in the northeast has been ridden twice, gone on trial and is awaiting vetting, and I have 6 Figure Jumper Buyers heading that direction for a trial in two weeks. Two of our Chicago area barns have reported lots of interest and potential for trials in the next few weeks - our great support in Chicago means there are a half dozen horses to visit here, and this is clearly working in our clients' favor. A client in the Southeast just reported two inquiries in one day on her Mid-High 5 Figure horse, and an offer on a High 5 Figure horse that is not too far off of the most recent asking price.

1. Reports on interest your horse receives assists us in determining which efforts are producing the greatest return interest, and helps us track weaknesses and strengths in the market across the country. Please inform us of any interest you have in your sale horses: Let us know if you're receiving quality responses, or time wasters; tell us what is deterring Buyers in their responses so we can be sure we are targeting the right rider; inform us each time the horse is tried so we can report back to our other Sellers and recommend ways they can achieve the same results.