EFFECTS OF SOCIAL MEDIA MARKETING ON SMALL-SCALE HORSE FARMS IN THE UNITED STATES

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ABSTRACT

Effects of Social Media Marketing on Small-Scale Horse Farms in the United States

In this project, we will work with a small-scale horse farm to develop a social media campaign to sell twenty horses of various riding disciplines, skills, and breeds to establish whether social media marketing is a viable option for hobby farm owners to market their goods and services. There is a significant need for the development of small scale agri-ventures' social media packages. While many operations have some sort of website, there are little to no resources available by extension services that help hobby farm owners market and advertise their animals or services. In this project, I will work with a small-scale horse farm to develop a social media campaign to sell twenty horses of various riding disciplines, skills, and breeds to establish whether social media marketing is a viable option for hobby farm owners to market their goods and services.

Key Words: Small sale horse farms, social media marketing

JEL Classification: M2, M3

AN INSIGHT INTO THE EQUINE INDUSTRY

The American Horse Industry is multi-faceted, serious, and economically significant industry across the nation. A pre-recession study conducted by Deloitte Consulting LLP, sponsored by the American Horse Council, found that the equine industry accounted for a direct economic effect of $39 billion on the US Economy. There are two million horse owners in the United States, and the horse industry pays $1.9 billion in taxes to the Federal Government. (American Horse Council , 2005) The same study also concluded that there were 9.2 million horses in the U.S. that are involved in various activities, with racing, showing and recreational purposes being dominant endeavors in the horse industry. Other activities involve farm or ranch work, rodeo, carriage horses, polo sports, police work, et cetera. (American Horse Council , 2005) There are 4.6 million people involved in the horse industry, with 46% of horse owners lying in a household income bracket of $25,000 to $75,000. The study dispels the notion that the equine industry is a place only for individuals who have a high income, because in the study, only 28% of horse owners have an annual income of over $100,000. (American Horse Council , 2005)

The objective of this research project is to establish whether social media is a viable marketing tool for the small-scale horse farm. Social media is easily accessed by the majority of the population and proves time and time again to be a substantial way for people to connect with others and receive information. According to a 2011 APHIS study, 37.7%of all residential or lifestyle livestock operations were predominantly equine and other equid based. (Animal and Plant Health Inspection Service, 2012) With that being said, the majority of them also have substantive off-farm income and other responsibilities they must attend to. The managers of these organizations often wear many hats, ranging from office manager to sales person to

emergency veterinary tech. However, if there is not a demand or established market territory and marketing plan for these enterprises, they will fail. Little to no research has been published about industry specifics of marketing in the equine industry, as is often the case in the agriculture sector.

History of Arabian Horses

The Pyramid Society is sub-section of the Arabian Horse Association, the breed association for this complex breed. Arabians are known for their athletic ability and companionship. They have very distinguishable body type and mannerisms. Egyptian Arabians are decedents of the stallions of Egyptians Viceroy Mohammed Ali and Abbas Pasha I. At one point in time these horses were scattered across the globe, and great lengths have been taken to purify and resurrect the ancient bloodline. (The Pyramid Society, 2015)

Royal Legend Arabians and Horse Center

Royal Legend Arabian Horse Farm is owned by Lisabeth Robertson and is located in Bryan, Texas. Royal Legend Horse Farm is known for its Egyptian Arabian horses, as well as being a small scale equestrian facility. It is a well-rounded facility that truly offers something for every part-time equestrian. I believe that Royal Legend is a phenomenal sample of a hobby horse farm in the U.S. It offers a diverse set of profit drivers and is run by a sole proprietor. Royal Legend Horse Farm operates on a small profit margin due to the high sunk costs of multiple horse ownership. One of the most important functions of the operation is horse sales. While Royal Legend is currently offering many types of horses for sale, the barn's main focus is still kept on Egyptian Arabian horses. (Robertson, 2013)

Proposed Marketing Plan

By creating a larger presence of Royal Legend on various social media and equine related websites which are generally free, this marketing plan will increase the farm's visibility as well as sell the current horses on the sale bill. By using the free services found at equinenow.com, uniform ads can be made for each horse on the sale list and easily distributed to Facebook, Instagram, and email. In addition to selling the horses on the sale bill, we also hope to use supplemental marketing messages to promote other services at the horse center, as well as strengthen the brand image.

METHODS

There are 25 horses of various ages, skill levels, disciplines, breeds, and pedigrees that Royal Legend Horse Farm seeks to sell within the next two quarters (Q4 2015, Q1 2016). Each horse will be treated as an individual sample. The horses will have pictures taken in a style suiting to the horse's breed and intended discipline. Each horse will have an inventory of skills that it currently possesses. Any significant pedigree data for each horse will be collected. The owner of Royal Legend Horse Farm will establish an asking price for each horse, as well as a bottom line price. A social media campaign will be developed using Instagram, Facebook, and Royal Legend's own website. Google Analytics will be added to the website and will be set to collect how people are getting to the site, and how much time they are spending on each specific page. Any consumer data obtained by these methods will be evaluated using a count of how many times people interacted with the page without obtaining any identifying information

about the consumer. If necessary, additional online ads may be placed in appropriate web forums such as Craigslist.

The data recorded hereafter will be the amount of time it took for the horse to sell, how much the horse sold for, and what kind of buyer demographics the horse's new owner fits into. Any trends in the data will then be processed and any trends will be rationalized by use of a Factoral ANOVA. In addition to that, correlations between set of covariates will be assessed and subsequently will be used to develop contemporaneous causal graphs using recent advances in computer science literature such as artificial intelligence and directed acyclic graphs (Spirtes, Glymour, and R. Scheines, 2000; Pearl, 2000). At the time of this writing, this research is pending Texas A&M University Institutional Review Board (IRB) approval. Data collection will begin as soon as IRB approval is given.

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