

BATTLE OF THE EQUINE BRANDS

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Synopsis:

Within equestrian sport the KWPN, ISH, Selle Francais, HANN, are all breeds of horse, (overseen by studbooks), which in effect act as sport horse brands. A studbook outlines the characteristics of the breed, records pedigree and implements appropriate breeding programmes acting as a market place brand. As with other brands, good brand management is vitally important for the long term success of the brand. For sport horse brands, such good brand management involves breeding programmes and grading systems. The three main equestrian disciplines of show jumping, dressage and eventing are included in the summer Olympic programme. Show jumping has the greater number of international competitions per year and the highest prize money purses. The studbook (brands) achieve a world ranking for each discipline. Kapferer's (2004) Brand Value Chain implies that brand assets may lead to brand strength leading to brand value (financial return) and Agrawal's (1996) stance that brand leaders can command higher prices. The aim of this paper is to review prices achieved at these select event horse auctions in light of brand competition rankings to ascertain if brand prices (value) reflects brand performance in competition (brand strength). This study involved desk top research of brand competition rankings and elite/select eventing auction prices. Preliminary analysis of elite/select auction results would suggest that across the brands, auction prices are higher for brands that have better performance in the show jumping and dressage rankings than eventing rankings, even at elite/select event horse auctions. A more complete analysis of auction results will be presented. Within in the event horse market, brand leadership in competition performance by the ISH brand does not result in higher brand value (prices) in the market place, even at elite/select event horse auction. For the ISH brand, efforts to increase brand value should focus on improving brand performance in other competition disciplines i.e. show jumping. From a theory perspective the links in the proposed brand value chain should be tested in various markets.

Abstract:

Nike, Puma, Asics are all sporting goods brands that are globally recognisable. Within equestrian sport the KWPN, ISH, Selle Francais, HANN, are all breeds of horse, (overseen by studbooks), which in effect act as sport horse brands. A studbook outlines the characteristics of the breed, records pedigree and implements appropriate breeding programmes acting as a market place brand. "The pedigree of a domestic animal is essentially a marketable brand" (Turner, 2010, p.225). As with other brands, good brand management is vitally important for the long term success of the brand. For sport horse brands, such good brand management involves breeding programmes and grading systems. The three main equestrian disciplines of show jumping, dressage and eventing (dressage, cross-country and show jumping combined in one competition) are included in the summer Olympic programme and hence these are the three main competition markets for sport horses. However show jumping has the greater number of international competitions per year (1,214), FEI Annual Report (2013) and the highest prize money purses, sometimes exceeding \$1 million as in Las Vegas, compared to international eventing competitions (543), with a prize fund of £250,000 for the Badminton Horse Trials.

Within the marketing literature, the assumption generally made is that the value added through the customer associations and perceptions subsequently translates into monetary value for the brand. This is evident in Kapferer's (2004) Brand Value Chain which implies that brand assets may lead to brand strength leading to brand value (financial return) and Agrawal's (1996) stance that brand leaders can command higher prices.

In the sport horse markets previous research by Hennessy and Lambkin (2012) reported average prices paid for ISH horses in the UK market were 49.5% lower than those paid for some European sport horse brands (KWPN, HANN...). Reasons put forward for paying a premium price the KWPN brand was for brand management practices, linked with their brand reputation, their World rankings in both show jumping and dressage.

Previous research in the area, considered general sport horse sales/ auctions, however in recent years elite or select event horse auctions have been held in respective studbook jurisdictions. The aim of this paper is to review prices achieved at these select event horse auctions in light of brand competition rankings to ascertain if brand prices (value) reflects brand performance in competition (brand strength).

METHODS:

This study involved desk top research of brand competition rankings and elite/select eventing auction prices.

The World Breeding Federation for Sport Horses (WBFSH) rankings are accepted as the standard competition rankings for comparing brand performance. Points are allocated to horses for performance in international competitions, with the top 6 ranked horses per studbook (brand) contributing to the annual brand rankings in the disciplines of show jumping, eventing and dressage. These were analysed for the years 2004 through to 2014.

A comparison of price results from elite/select eventing auctions was also conducted.

RESULTS AND DISCUSSION:

The KWPN (Dutch Warmblood) studbook is the most successful studbook in

the production of show jumpers in recent years it has a very strong performance in the production of dressage horses and an improving profile in event horse production. The ISH (Irish Sport Horse) studbook was the most successful studbook for the production of event horses, but performed poorly in the discipline of show jumping and dressage. The SF (Selle Francais) studbook achieved varying success in both show jumping and eventing. The HANN (Hannoverian) studbook achieved high rankings for dressage and eventing. However preliminary analysis of elite/select auction results would suggest that across the brands, auction prices are higher for brands that have better performance in the show jumping and dressage rankings than eventing rankings, even at elite/select event horse auctions, For example in 2014 the average price at KWPN studbook eventing auction was €16,000 compared to ISH eventing auction average of €9,701. A more complete analysis of auction results will be presented.

CONCLUSIONS:

Within in the event horse market, brand leadership in competition performance by the ISH brand does not result in higher brand value (prices) in the market place, even at elite/select event horse auction. Reasons for this may include: a lack of relevance of eventing rankings, perceived differences in brand management practices and the difference in prize money available between the competition disciplines. For the ISH brand, efforts to increase brand value should focus on improving brand performance in other competition disciplines i.e. show jumping. From a theory perspective the links in the proposed links in the brand value chain should be tested in various markets.

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