

Article for specific magazines within the equestrian business sector like "Equitrend" or "Reitsportmarkt" informing the international equestrian market about the expansion of Hölscher:

## **EQuest exports**

**The business Josef Hölscher GmbH & Co. KG (JHL) will export textile horse equipment to Denmark and Sweden as of September 2010. Several different trends promise a successful market growth for Hölscher's brand EQuest.**

Hölscher GmbH & Co. KG (JHL) is a producer for textile horse equipment. The company is known for high quality products and their A-brand EQuest. JHL is one of the last producers for horse rugs, saddle cloths, halters or ropes within Western Europe. The production is placed in North Rhine-Westphalia, Germany. With this project Hölscher will extend their representation in Europe and enlarge their strategic sales area.

**Current situation.** Today the majority of horse equipment is produced in Far East, especially in India. Almost all brands for horse-equipment have their products produced abroad, even A-brands sourced out the production resulting in cost savings. A couple years ago products with the label "made in China" had the image of being low quality. With the time the managers brought the quality standards to the foreign producers. Today most of the products produced in Far East fulfill EU-standards. Times of the economic crisis and the growing competition from foreign producers increase the pressure on JHL and require arrangements which increase sales. A promising strategy is exporting the assortment of EQuest to Denmark and Sweden. The choice for those countries is based on several different trends. Since a couple years the Danish and Swedish riders score high during international competitions and become more and more known for top performances, especially in dressage. Furthermore an immense growth of the horse population in Denmark has been recorded. In the last 6 years a growth of 50% was determined. In Sweden the horse population is the largest one in Scandinavia and has grown also steadily. It is estimated that the total market in Denmark counts about 200 specialized retailers and Sweden about 300 equestrian shops. Those rates indicate a growth of the market for horse equipment because any sport horse needs a halter, saddle cloths or a rug. Hölscher wants to make use of this opportunity and export EQuest products.

Experts presume the end of the financial crisis. Typically after the crisis an economic recovery and

upswing can be expected. The time of an economical boom is the optimal moment to enter the new markets in Denmark and Sweden.

**Strategy.** Hölscher differentiates especially in customer intimacy and high quality products compared to the competition producers from the Far East. This differentiation is the foundation for the strategic export planning. The customer and the customers' demands are very important factors to Hölscher.

As most brand label manufacturers in the international equestrian sector, Hölscher will assign local independent agents as representatives for the brand EQuest. This strategic step minimizes financial risks and almost no extra effort from Hölscher's side is needed. The agent is the direct contact partner for new Danish and Swedish recipients of EQuest products. Hölscher expects to enlarge their clientele portfolio with 40 new customers in Denmark and 50 in Sweden. New customers will be attracted on the fair SPOGA Horse in Cologne and through the local visits of the agent. A small marketing budget is provided to attract the brand awareness of the retailers. The strategy is to convince the retailer about the product, its qualities and possibilities. The retailer is the best salesman to the end-consumer (riders and horse owners). Professionals and experts stand to the quality of Hölscher/EQuest products and with the support of opinion leaders it is easier to assure the customer.

Furthermore Hölscher will improve their CRM strategy to optimize customer service and develop customer loyalty amongst their clients. For this Hölscher undertakes small but effective changes within their business organization which have influence on the CRM. Also a detailed plan is set for each customer stage to support the customers of each loyalty stage.

**Goals.** The goal is to win long lasting loyal customers in Denmark and Sweden. As a result of the exporting Hölscher predicts an increase of about 10% of their total sales. The brand EQuest will grow further as an A-brand on European level and compete with the market leaders for market share.