

Merchandising

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Staying No. 1 is not given

"It's better to be first than it is to be better." That's the Law of Leadership, the first of "The 33 Immutable Laws of Marketing" drawn up by Al Ries and Jack Trout. Being No. 1, the two authors and advertising gurus contend, is more valuable to a company than having a better product. It seems people simply assume that a No. 1 product is the best.

I generally agree, but must add my own immutable marketing law, "It's better to be first and best."

This is the position the Angus breed finds itself in today. Your American Angus Association is the largest beef breed organization in the world, about twice the size of the next association in terms of annual registrations. And, it continues to grow.

Some 60% of commercial cow herd owners report that Angus is the major breed or one of the major breeds used in their herds, and this has been increasing the past few years. About 35% of commercial producers use Angus bulls, and this figure has also been increasing about every year.

The American Angus Association owns the world's largest specification branded beef program, the Certified Angus Beef (CAB) Program. It too continues to grow at a very fast pace. In addition, there is a growing demand for high-quality cattle. Angus is perceived by the beef industry as the No. 1 producer of high-quality cattle. This has driven up the prices paid for Angus cattle, both registered and commercial.

So what is there to worry about? Well, in the long haul, being No. 1 isn't enough. Positions can change, and they do. If you don't believe that, look at what Japanese and German manufacturers did to the U.S. luxury automobile market. By manufacturing better, more appealing cars and backing them with better advertising, they stole the market from Cadillac and Lincoln. How many upwardly mobile, young Americans today long to own a Cadillac? Not many, despite the fact Cadillac was for years the top-selling luxury auto in the United States.

When I was growing up, Cadillac conveyed the image of wealth and sophistication. Zenith was then the "Cadillac" of television sets, Frigidaire the "Cadillac" of refrigerators, and Farmall the "Cadillac" of farm tractors. Yes, things change.

As wonderful as it is for Angus to be first, nothing guarantees us that position in the future. If I could recommend only one thing to Angus breeders to help this breed remain first with commercial cattle producers, it would be this: Work constantly to widen the spread in

value between Angus cattle and other breeds, and let your customers know what you get done. In other words, better breeding and marketing programs.

There is a lot of talk these days, from some academics and particularly among producers of non-Angus cattle, of the dangers of single-trait selection for marbling. They warn that in the rush to improve marbling, we don't want to fall into the same trap we did a

few years ago in the rush to increase cattle size. And they're right — many other things are important in the beef cattle business besides carcass quality. But with judicious use of expected progeny differences (EPDs), single-trait selection can be, and is being avoided.

Angus breeders who study their lesson can improve whatever trait they choose as they maintain, or even improve, other essential traits.

Fortunately the Angus quality beef image that helps support our first-place ranking is based upon something very real — the ability of Angus cattle to marble and grade U.S. Department of Agriculture (USDA) Choice more frequently, and with more consistency, than other breeds. This is not only a perception, it's a fact. Still, no pen of well-bred Angus steers has yet been able to produce 100% *Certified Angus Beef™* product, at least not that I am aware of. So we still have a way to go.

It may not be genetically possible to breed cattle that will all meet the CAB Program specifications, but that shouldn't deter us from having it as a goal.

Nor should we forget that commercial cattle producers must also have fertile, sound, well-muscled cattle that are efficient to produce. Without fertility, adequate milk, and efficient growth, marbling and carcass quality are of little use to commercial producers.

If this is beginning to sound like a cattle production article rather than a marketing column, then forgive me. But the fact is, marketing begins with production. A past president of IBM once defined good marketing as producing what people want to buy. It's not, he said, selling people what you like to produce.

So as you plan your breeding, advertising and merchandising programs, keep in mind that what you are actually doing is designing your marketing program.



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