

Each Year You Must Replace 15% of Your Old Customers

Despite your best efforts, you will probably lose 15 percent of your customers every year. They stop buying for many reasons: death, a change in management practices, going out of business, or plain dissatisfaction with the product you sell.

Over the years, records show this customer loss is inevitable, Dave McMahon, registered breeder and Budweiser distributor from Fort Smith, Ark., told members of the Livestock Publications Council at their last meeting in Kansas City. It is as true, he said, for the beer business as for the cattle business.

The obvious implication is that you, as well as nearly every other successful business person, must replace 15 percent of your customer base each year just to stay even. Businesses which plan to grow at a modest rate of five percent a year need to increase customers by 20 percent a year.

If, for example, you have an active customer file of 100, your program must be geared to bring in from 15 to 20 new buyers every 12 months. A small breeder might be able to do this through personal contact. But a larger breeder with a larger customer base probably won't have the time or the resources to sell, one-on-one, on this scale. To replace those customers will almost surely take a mix of ap-

proaches blended into a well planned program of advertising, direct mail, personal selling and a variety of public relations tactics.

Remember, attracting new customers and maintaining old ones involves two different programs. Some programs can and do overlap, but for the most part they are separate.

Maintaining and satisfying present customers requires excellent customer ser-

vice. You have to look after customers, keep them satisfied, know what they want and need, and continue to provide it.

Attracting new business requires that you reach out to people who know little or nothing about you and your operation. The program must be designed to convince potential customers that you and your cattle offer value for dollars invested, that you stand behind your product, and are a good person to do business with. You provide them with benefits that you and your cattle offer, and reasons why they should buy from you rather than the breeder they last did business with.

What's more, nearly every registered Angus breeder has at least two separate markets. They sell bulls to commercial cattle producers and Angus seedstock to other registered Angus breeders. It is seldom that a marketer can reach these people through the same media and methods.

But this is all part of marketing, part of being a producer of registered Angus cattle. You identify markets, set goals, and then develop effective programs to reach these sales goals. One of these goals must be to attract 15 to 20 percent more new customers each year to replace those you have lost and to generate the new business you need to grow and prosper as a registered Angus breeder.

