

## World's Best Marketer Is Focused, Keeps Costs Low

Some of you out there may actually remember the words to an old popular song, "It ain't what you do, it's the way that you do it." I don't think the writer had advertising in mind when he penned these words, but he could have.

In fact, a man named Sam Walton could have authored the phrase to describe why his company, Wal-Mart, is today the top retailer in the nation. It recently pulled ahead of giants that were established long before Sam opened his first store not too many years ago.

Despite the fact that Wal-Mart is the top retailer it doesn't spend the most on advertising. In fact a recent *Advertising Age*

article that ranked major corporations on their advertising investment in 1991 placed Wal-Mart 70th on the list. What's more, 11 other retailers spent more for advertising than No. 1 Wal-Mart.

How is it possible to be No. 1 in your field, and growing, and yet be eleventh in advertising expenses? The company is able to do this, some experts believe, because Sam Walton's management does two things very well.

First, Wal-Mart cuts non-productive costs to the bone. There are no fancy offices or executive perks. Money is used for things that return profits like sophisticated computer systems and incentive programs for employees. Walton is a former department store clerk, himself. He worked early in his career for another self-made man and one-time Angus breeder named James Cash Penney. Having worked as a clerk at Penney's, Walton knows how much these people influence customers.

Wal-Mart is so efficient that operating expenses amount to only 16 cents for every dollar of sales. This compares with 27.9 cents for second place Sears and 22.2 cents for third place K-Mart. This means they can sell for less than the other retailers and still make more profit.

Second, the company is focused. It doesn't try to be all things to all people. It sells what people want most and prices it low. Its motto is, "We Sell For Less — Always." Because it doesn't have to run weekly advertising sections touting special sale items to lure people into stores, Wal-Mart's advertising can concentrate on its main sales message, "We sell for less — Always." As a re-

sult it spends less on advertising, which contributes to lower costs and higher profits. Still, the company makes more consumer impressions with its main advertising message.

The Wal-Mart example is one that registered cattle breeders may want to emulate. It is obvious that keeping costs low is important. The trick, of course, is knowing when not to cut corners. I wouldn't begin to try and tell anyone how to keep farm and cattle production costs low. But there are ways of doing it in advertising and promotion.

Study your media so that you know what is the most efficient way to reach your potential customers. You can reduce ad-

vertising and promotion costs by using only those media that reach potential customers effectively and efficiently. On the other hand, trying to do some things on your own can be costly in the long run.

Good photography is one example. Spending \$400 for photographs by a professional photographer may double the readership of your ads. The same goes for hiring a professional to help you lay out a marketing program and design and write your ads. All black and white, one page ads aren't created equal.

"It ain't what you do, it's the way that you do it."

You may be able to reduce ad costs by doing more work yourself particularly if you have a small operation. A lot of people hate to make sales calls and follow-up telephone calls on sales. But it may be your most efficient way to sell cattle.

And finally, you need to be focused. This means to know exactly what your market is and exactly

who you want to reach. If you can describe your operation and business philosophy in 10 words or less, then you probably are well focused. If you can't, you may be wasting valuable time, money and effort.

All of your competitors are in the seedstock business, they all breed cattle and sell bulls and advertise and promote. Not all are focused, however. If you are, then your goal is simple and your advertising message short and easily understood. The more simple and easily understood your message, the easier and less costly it is to communicate to your customers and potential customers.

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