

# Merchandising

by Keith Evans



## Use a FREE, NEW twist to empower your advertising

The single most powerful word you can use in your advertising is *free*. The second most powerful is *new*. Yet few livestock advertisers use either except to encourage people to write or to call for a sale book.

In a 300-plus page recent issue of a breed association magazine, I came across four offers of a free sale book; none were printed in type large enough to grab the reader's attention. When you stop to think, it's not such a tempting offer anyway since people who plan to attend an auction expect to get a free sale book.

One ad in the issue offered a free drawing for an open heifer at the conclusion of a sale — for buyers only. There evidently was nothing new going on with any of the advertisers, or at least you couldn't tell it from their ads.

If nothing else, the new and free combination can help advertisers do something that is too often overlooked in livestock advertising — generate sales leads. A sales lead provides the advertiser with the name and address of a person or company that might have an interest in buying cattle. Encouraging readers to contact you doesn't diminish your advertising message. On the contrary, it strengthens it.

An inquiry-handling service in San Fernando, Calif., made a study of market-lead sources. They found that 31% of leads generated by marketing programs came through advertising. Public relations programs were second, producing 23% of sales leads.

**An excellent way** to obtain leads from advertising is to use a coupon that offers the reader something new and free. I know that such coupons work. During the last dozen years or so that I was in charge of the American Angus Association national advertising program, we finally got smart enough to include a coupon offering to send readers something new for free.

The offer was made, as is still being done, in a coupon at the bottom right-hand side of the page. Thousands of readers tore out the coupons, completed them and put them in

the mail. Later we gave readers the option of using e-mail or a toll-free telephone number. Although many used those options, many still preferred to send in the coupon.

A breed association has few things to sell, so we resorted to surveying respondents to see if they had contacted an Angus breeder after they received the information, and an amazingly high percentage of them had. The follow-up process would be even simpler for an individual breeder. If you keep proper records, you will know when a respondent ends up as a customer.

Almost any well-designed advertisement will produce at least a few sales leads if it includes the advertiser's name and telephone number. But if you are serious about obtaining sales leads, you need more. Design your ad to include a coupon that doesn't look like an afterthought. Make it an integral part of the layout. Offer to send the reader something interesting and useful. It can be as simple as a new herd brochure, a listing of your bulls that have just come off test and their EPDs or a sale book if that's what you want to get into their hands.

**You can spice up** the offer with a free advertising premium that is no more extravagant than a pen or a letter opener. In fact, you don't want to offer something so nice that people send in the coupon just to get a prize. But a premium can entice the reader to make the extra effort to respond. The premium doesn't need to cost more than \$2 or \$3 — a small price to pay for a good lead.

Your coupon also should include your telephone number and your e-mail address. A toll-free number also will boost response. Toll-free telephone numbers are a great incentive and don't have to be expensive as long as they are used for business only.

Advertising response can do more than identify prospects. It allows you to test the pulling power of the publications in which you advertise. When you run the same ad in two or more publications, ask the publishers

to key the coupons. Inconspicuous initials like "PC" for a magazine named *Productive Cattleman*, placed in the corner of the coupon, will identify the magazine that produced the response. When you get telephone calls from people you don't know, ask them where they got your number. They won't mind.

With this system it won't take long to identify which publications are pulling the most responses per dollar invested. Just divide the cost of the ad by the number of responses it produces. Don't make a judgment on the basis of a single insertion. Keep track of responses for a year or more. This information will allow you to cut spending in publications that don't produce results and to concentrate your precious advertising dollars in those that do.

**Handle each response** promptly. Send the information you promised with your business card, a thank-you note or maybe a personal letter. Give particularly promising leads a follow-up telephone call a week or so later to ask if they received the information and if they have additional questions. Add each name to your customer or potential-customer file so they will receive the information you send to your regular customers.

Be patient. Don't expect quick sales from these responses. You may have to cultivate relationships for some time before winning new customers. The typical buying cycle — the time between when someone first learns about your herd and the time they actually come to inspect your cattle — can range from several months to several years. That's normal, so don't take people off your potential-customer list too soon.

Research shows that even the best businesses lose up to 15% of their customers each year. Generating sales leads through advertising and promotion and cultivating them properly will bring in some of the new business you need.

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