

# doing a better job

## MERCHANDISING

by Keith Evans, Director of Communications and Public Relations

It's late in the bull buying season. You still have a few bulls left to sell priced at \$1,300, about the minimum you need to make a profit. And as luck would have it, a potential buyer has just stopped by to look them over. He seems interested.

As the two of you stand there in the bull lot he hits you with, "Well they look pretty good, but your price is a little high. I can do better. Would you consider \$900 apiece for the three of them?"

The temptation is great. This guy looks like a hot prospect and if he leaves there might not be another. Uncertainty rears its ugly head and despite

the fact that you need the \$1,300 to make things pay, you mentally consider taking the offer.

When this happens to you it might help to remember two things:

First, if you take the offer you are establishing a new price for your bulls for next year. If you sell \$900 bulls this year, assuming that the market doesn't change, the buyer will expect to get \$900 bulls from you next year. What's more, he is likely to tell his neighbors not to worry about your advertised price, that you'll come down if the buyer just asks you to.

This becomes particularly important when you understand the second point which is, price is almost never the number one reason for buying or not buying a particular product. Price is usually a secondary buying decision.

Writing in an issue of *Agri-Marketing*, Gordon Bethards, an experienced ag products sales manager, points out that the most overworked buyer phrase is, "I can do better." And it is overworked, he said, because so many sellers fall for it. Instead of accepting this statement at face value, Bethards advises that you ask, "Well, how can you do better?" After you get the answer you may be in a good position to complete the sale, on your terms.

If the buyer tells you that he can buy bulls for such and such a price, you have the opportunity to explain that though your cattle may be priced a little higher, they aren't overpriced. You can then demonstrate the benefits you and your cattle have to offer.

Obviously bull buyers are price conscious. All of us are, and everything else being equal, most of us will buy at the lowest price. But almost never is everything else equal. Try as you may, you probably can't find another registered cattle breeder in your immediate market area who provides the same kind of product and service that you do. And if this is true, you may be losing more sales because of poor salesmanship than because your prices are too high.

Just the fact that you provide free delivery, a transferred performance registration certificate, a money-back guarantee, sound performance records and have a good reputation in the community can be much more powerful selling tools than price alone.

I know several breeders who will not sell any cattle for just a little more than commercial market price. They know that backing up a breeding guarantee can be costly. They replace a bull or refund the money on cattle they sell for almost any reason, if the customer is dissatisfied. They know that in the long run it is more profitable to ship registered cattle to the packer than to sell them as breeding stock at "bargain" prices. Furthermore, they won't tarnish their reputations and become known as cut-rate suppliers—someone to be counted on to always knock a few hundred dollars off their stated price.

This is not to say that you shouldn't give volume discounts, or sell heifers to 4-H and FFA kids at a cut rate. Just state your terms in advance in your advertising. And sometimes market conditions change. You do have to meet legitimate competition, so your established selling price can't be carved in stone.

But when it comes to drastically reducing your prices just to move bulls out of your lot, resist it. Let other producers have this non-profit business. You can't make a dime selling at or below the cost of production.

Remember, as Bethards points out in his *Agri-Marketing* article, "Volume doesn't count. Profits do!"

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