

Merchandising

by Keith Evans



The power of marketing — Part 3

One of the most successful restaurant owners in Houston, Texas, nearly went out of business in his early years before he discovered the marketing principle of positioning.

Edd Hendee, owner of Taste of Texas, has told his story many times. He and his wife had started a restaurant and were working night and day without making much progress. While attending a convention, he told his problem to a marketing consultant who asked him to describe his business and its objectives in 10 words. Hendee said he couldn't do it. "Then you are not focused enough to run a successful business," the expert said.

Hendee decided he would get focused. He gave up being a restaurant that provided all things to all people. Instead he determined to run a high-quality steak house. He contracted for the best beef he could obtain.

To dramatize his business conversion, he buried a chicken-fried steak near the front door and marked it with a headstone. His business has since grown far beyond his expectations.

What Hendee discovered is called *positioning*. He targeted the kind of customers he wanted and produced a product that would attract them and keep them coming back for more. Positioning is as important to your registered Angus business as it is to restaurants or any other business with product to sell.

Consider Wal-Mart, the world's largest retailer. It is positioned as a seller of brand-name products at low prices. Customers are attracted by Wal-Mart's prices and its promise that if a customer has a problem, the company will make it right. They don't compete with retailers like Neiman Marcus, Marshall Field or Bloomingdale's. The marketing position for these stores is upscale and pricey. Customers don't frequent them for bargains. What's more, Wal-Mart and the upscale retailers don't compete with each other. They each have carved out a niche of their own through positioning.

Careful positioning is essential for products like the Geo Metro and the Cadillac DeVille. General Motors makes both automobiles, but that is about all the two cars have in common. The Metro is positioned as the most basic auto transportation available. The DeVille is positioned as pure luxury and prestige. Advertising for the two automobiles appears in very different media and offers completely different benefits. To put a Metro ad in *Fortune* magazine would be as much a waste of money as advertising the DeVille in a supermarket tabloid.

As a breeder you need to position your registered Angus business. If you are only selling bulls to commercial producers, that's one specific market and one position. If you also market registered females to other registered producers, that's a second set of customers and a second position. To do all of the above and also sell registered bulls or semen to other registered breeders requires a third marketing program and a third marketing position.

On a small scale, many registered producers are like General Motors in that they produce several products that sell to different types of clients, and each product is sold to a different type of customer who responds to different benefits.

A friend of mine in the registered cattle business told me what a revelation it was when it first dawned on him that he was selling two products, bulls to commercial cattle producers and registered females to other registered breeders. "I realized," he said, "that I was wasting my money advertising registered females in my state livestock association magazine and advertising bulls in the national breed magazine." Those registered breeders weren't interested in buying bulls for a commercial herd — in fact, they were selling bulls, too. On the other hand, commercial cattle producers had no interest in registered replacement females.

To start the process of positioning your cattle, write a positioning statement. In 10-15 words state what your business is about. A simple one for many breeders could go like this: "We breed and market performance bulls for commercial producers to sell at average market price." With positioning such as this, it becomes clear who your customers will be. It helps define what media you will need to use to efficiently reach these potential customers. It gives you a good indication of what benefits you need to feature in your advertising and promotion. It even indicates how much bull-sale income you can likely expect.

In addition to a positioning statement for your own use, write a positioning slogan that explains quickly what your business is about. One of my favorite positioning slogans is the one Zenith used when they produced, in my opinion, the best television sets available. It claimed, "The quality goes in before the name goes on." For years John Deere has repeated, "Nothing runs like a Deere," which communicates quality and reliability. Another slogan I like is "Built Ford Tough." It has helped sell more trucks and pickups than any other brand.

What slogan would suit the cattle breeder with a positioning statement like the one I outlined? Maybe, "Performance Bulls You Can Afford." It is not the greatest, but you get the idea. You know your product and your goals; sum them up in a slogan.

Once you have a positioning slogan, use it everywhere. On your road signs, on your pickup door, your cattle trailer, your checks and business cards, and certainly in your advertising. Let every possible customer know that you market "Performance Bulls That You Can Afford." Build your breeding and marketing programs upon it.

One successful advertising executive taught his employees that a business that stands for everything actually stands for nothing. He defined positioning as sacrifice — deciding what is important and what can be left behind.

So stake out your position in the competitive registered beef cattle market. Focus on what is really important in your production and marketing program, and don't worry about leaving the rest behind. Be the best at something, because you can't be all things to all customers.

Keith Evans