

Make Your Ad Dollars Work Harder

A friend of mine reported a recent Angus production sale this way: "Terrible day. Potential buyers were limited. Sold only 22 out of 60. Virtually no AI sired cattle and a very weak advertising program."

Talk about a recipe for marketing disaster. This particular Angus breeder, like a good many others, has probably been able to get his Angus cattle sold in past years, even though they lacked popular pedigrees and were backed by weak promotion. He may not have received top prices or even average auction sale prices at his previous production sales, but the strong demand for Angus cattle probably carried his program. But things have changed.

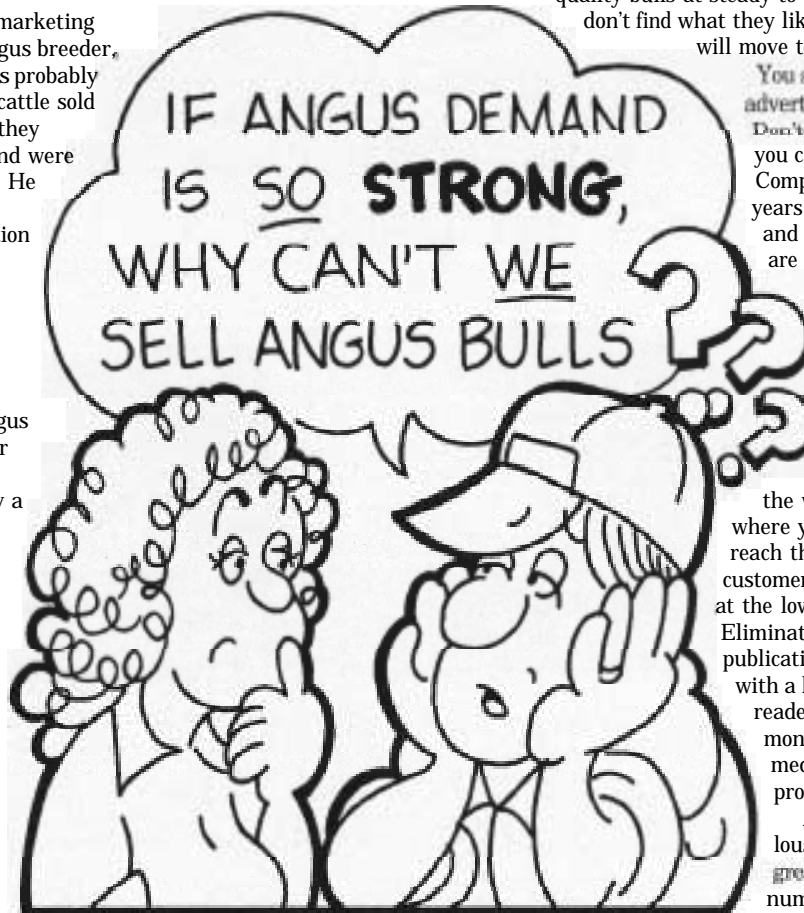
It's true, demand for Angus cattle has grown steadily for nearly a decade. This was reconfirmed in February by a survey that has been conducted annually since 1989 by Rockwood Research. The researchers found that 65 percent of today's cow herd owners have Angus as the dominant breed, or one of the dominant breeds, in their herd. This compares with 57 percent in 1989.

Asked what breed of bulls they have purchased in the past 12 months, 39 percent of those who purchased bulls said they had purchased at least one Angus bull. This compares with only 27 percent in 1989. Asked what breed or breeds of bulls they intend to purchase in the next 12 months, 43 percent said they will buy Angus bulls, compared to only 25 percent in 1989.

These figures illustrate the improved demand for Angus cattle over the last eight years. But what some of us overlook is that Angus breeders have responded to this demand by boosting the number of Angus bulls for sale. In 1989 Angus breeders registered 156,697 head of cattle of which just over 59,000, or 37.8 percent, were bulls. This compares with the 1995 fiscal year when members registered nearly 225,000 Angus, of which just over 92,000, or 41 percent, were bulls. We have increased annual bull production by some 64 percent since 1989.

Increased bull production, coupled with declining beef prices, means that now is not a good time for Angus breeders to cut back on quality or marketing. Even though more people will be

looking for Angus bulls this year and next they will also have more bulls to select from, and they will sell the calves these bulls sire for less money. Consequently, buyers will demand higher quality bulls at steady to lower prices. If they don't find what they like at one place, they will move to another.



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You say you can't afford to advertise and market more? Don't kid yourself. Fact is,

you can't afford not to. Competition the next few years is going to be tough, and those who can't meet it are likely to lose business to those who do.

If you can't advertise more, then determine to be better and more efficient. Examine your ad budget carefully and cut out

the waste. Advertise only where your message will reach the most potential customers in your market area, at the lowest possible cost. Eliminate marginal publications, or publications with a high cost per thousand readers, and invest the money in more efficient media. Make every dollar produce more results.

Also be smarter. A lousy advertisement and a great one cost the same number of dollars per page, or per broadcast minute. The most efficient

thing you can do is improve the quality of your advertisements. A few hundred dollars spent with a professional to make your ads more effective should be a wise investment.

You can also invest more of yourself, instead of more of your money. Writing letters, making telephone calls to prospects, and visiting customers and potential customers is time-consuming, but these activities require relatively little cash outlay, and they sell cattle.

The idea is to get through the next two marketing years without having to suffer through one of those "Terrible Days" as described by my cattle marketing friend.

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