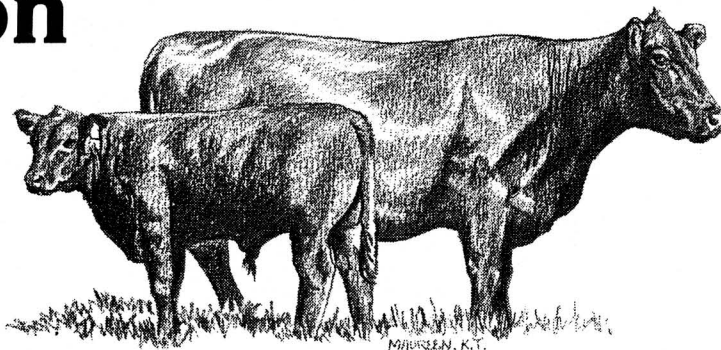


A Common Sense Guide to Merchandising



Possibly nothing is more important to the success of a registered operation, aside from having quality cattle, than a well-planned advertising and merchandising program.

Most registered Angus cattle are sold at the farm or ranch. Somehow an interested buyer develops an interest in you or another Angus breeder. He may or may not make a telephone call before he gets into his car or pickup, drives to a herd's headquarters and proceeds to purchase cattle.

It is no wonder, then, that nearly all successful Angus breeders have two merchandising practices in common.

(1) Their headquarters are attractive and clearly marked with a sign, and the route from the main roads to the farm or ranch are marked with simple easy-to-spot road signs if local laws allow.

(2) They plan herd advertising and merchandising programs a year in advance, which includes a flexible budget and a provision for advertising each month of the year.

Anyone who has tried to follow a herd owner's directions to his place knows the challenge this presents. "Turn right on the gravel road after you cross the second bridge, then turn left at the grove of trees, and we are the second white house on the left." Those directions may sound simple to the person who drives this route every day, but there is certainly room for confusion. For example, is that concrete culvert a bridge or not? Is that a graveled road or a private lane? Is that clump of trees in the corner of that field a "grove"? Is that abandoned white house back in the field counted as the first white house?

Directions Not Always Simple

Simple directions usually aren't simple for the person on the receiving end. How much better to be able to tell your potential

customer: "Take the highway 4 miles east of town, then follow our signs to our headquarters."

What's more, farm and road signs have value far beyond just directing potential customers to your place. Everyone who drives by one of your signs and your farm becomes familiar with your name and the fact that you are a breeder of registered Angus cattle. This name recognition and familiarity is valuable. Even if the people who read your signs aren't cattle breeders themselves, they know, in case someone asks them, that you breed registered Angus. It also means that cattlemen familiar with your name are more likely to read your advertisements.



by Keith Evans
Director of Communications
and Public Relations
American Angus Assn.

Farm signs don't need to be a major investment. You can order from the American Angus Assn. (at very reasonable prices) long-lasting, metal, color signs to put in your field, mount on your barn or hang at the entrance of your place. These, and signs sold by other commercial concerns, come pre-printed with your name, directions to your farm or whatever you choose. If you prefer, you can custom design your own road or farm signs and have them produced by a local sign shop. If you do this, keep the sign simple, with very few words and large lettering. A half dozen words are all you need on a large sign if it is to be read and understood from a moving auto. A good sign painting shop can help you with the design.

Think Quality

Remember, in your signs, your advertising and whatever else you do, think quality. The impression you make with everything connected with your business affects how potential customers perceive you and react.

Possibly nothing is more important to the success of a registered operation, aside from having quality cattle, than a well-planned advertising and merchandising program. While almost any advertising you do is better than none, advance planning and use of a budget can help you squeeze every drop of benefit from your advertising dollars.

To start your planning, you need a map and your sales records for the past three years. If you keep a card file of all your buyers—including at least name, address, when and what they buy from you—the job will be fairly easy. Put a dot on the map in

the approximate location of each sale for the past three years. The American Angus Assn. has done this for numerous breeders through the years in conjunction with advertising and merchandising programs. Without exception, the map has been a revelation to the breeder involved. What results is a graphic image of your primary cattle sales area. This is the area where most of your cattle are used and where you are best known. Unless you live near a major river or some other natural boundary, your herd almost surely will be in the center of this sea of dots.

Your primary responsibility when planning your merchandising program will be to communicate regularly with all the cattle producers and potential customers in this area. But don't limit your trade territory. People will travel many miles to buy cattle if they are convinced a particular herd has the kind of cattle that can help them increase their profits or solve a particular

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problem. You will want to do some state-wide and national advertising, too, even if you consider yourself to be a small breeder.

Advertising Budget

At this point you need a budget. There is no effective way to plan ahead for the next 14-18 months without knowing how much you will invest in your advertising program. Some people simply budget a percent of their gross sales of registered cattle for advertising, usually 5-10%. The ideal way to develop a budget is to decide what you want to communicate, to whom and how often, then budget the amount needed to accomplish this. If you are like most good advertisers, however, you will use a combination of the two or decide what you

would like to do, then cut it back to what you can afford.

Once you have completed this budgeting process, you are ready to get down to the specifics of when, where and how often you want to advertise. Begin with an evaluation of the media available to you. Decide what cattlemen in your area listen to and read. The newspapers, magazines and stations you depend upon for news and information about weather, markets, livestock and other farm news are probably a good indication of where you should advertise. Also, don't overlook local newspapers. These are usually well read, and the cost of advertising in them is relatively low to reach everyone in your primary sales area of 10-15 counties.

After you select the media for your primary target area, probably local newspapers and radio, move on to state and national publications. When you evaluate these publications, do it the way a professional advertising person does. Look at your cost for each 1,000 readers, not just the page rate. In some instances, you may discover to your amazement that you can advertise in one national publication at less total cost than advertising in two state-wide cattle publications. This way you reach thousands more potential buyers per dollar invested. One common mistake many cattle breeders make when buying advertising is to ask "What is the cost of a page?" instead of "What is my cost per thousand readers reached?" Cost-per-thousand isn't the only consideration when buying advertising, but it is an important evaluation of the efficiency of a publication.

Plan Your Message

Next step in your advertising plan is to put down on paper when you will advertise and what you want to sell or communicate to potential buyers at each time of the year. You may have open heifers to sell in the fall, bred heifers in the spring, bulls in late winter and spring. You may want to invite people to come by and look at a group of

bulls you will have on test. If you are the host for a field day, it might pay to let people know about this event and invite them to visit at a time when you are sure to have your farm and cattle looking their best. You will do most of your advertising prior to and at the time you have cattle for sale. But you will need some image-type ads to run throughout the year to keep your name before the buying public to explain your

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breeding program and establish your herd as the source of quality Angus breeding stock. Remember, frequency is important. It is better to use half or quarter pages regularly than to use full pages infrequently.

At this point you should be ready to start planning for the actual production of your ads. Talk with each publication and radio station you plan to advertise with well before your advertising year starts. They will make a rough schedule of your advertising and tell you when you will need to get copy and/or pictures to them for a particular ad. If they do their job right, they also will remind you of their deadlines at the appropriate time. This additional reminder will help assure that you have photographs taken and get anything else needed to produce an effective advertisement.

A well-planned advertising and merchandising program will get potential buyers to your place and help you sell cattle. It will, that is, if you also have your road signs and farm signs in place to mark the way for those interested buyers. 