

Merchandising

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Move up to relationship marketing

A salesman left the American Angus Association the other day very embarrassed. He made an appointment and came by to sell a service assuming that the Association sold cattle. He had no idea that we had no earthly use for his expertise. Had he bothered to find out he would have saved both himself and us a good deal of time and frustration.

There is a lot of wasted effort in marketing these days. Just because someone has a rural route address, a business assumes that the residents should be in the market for ammonium nitrate. People with a certain zip code generate the assumption they can afford a European vacation or play the stock market. All of us get calls virtually every day from someone who has made an assumption about us and as a result, is pitching a product to us without knowing anything about us other than our area code.

There is more of this kind of selling in consumer goods than in business to business products. Still, far too many businesses which sell to other business

people know too little or nothing about the prospects they call upon or ring up on the telephone.

It has long been accepted that the more a salesperson knows about his or her customers, the better prepared that sales person is to make a sale. Top-notch Angus marketers, too, understand the value in knowing a great deal about their customers — names, income and education level, the size of the operations, the number of cows they breed, even the name of their spouse and children, maybe even their birthdays.

Now there is "relationship marketing" which goes beyond mere customer knowledge, all the way to turning customers into friends and associates. It's outlined by Michael Kawleski in a recent issue *Agri Marketing*.

He writes that in relationship marketing a marketer constantly seeks to know and understand a customer, then offers products or services that meet the customers needs. He quotes Mike Krutza, CEO of Farm Credit Services of North Central Wisconsin,

who says, "Relationship marketing means getting in sync with customer goals, aspirations, needs and wants—whatever makes the customer's life better."

An example of relationship marketing in the Angus business is registered Angus breeders who help market their customer's feeder cattle. The breeders who do this recognize that a cattle producer with a one-bull herd of cows has few marketing options, and even larger producers need marketing help.

At least one breeder I know not only sells bulls to cattle producers, he pulls together the Angus feeder cattle from his customers and helps market them to feedlot operators and packers who are looking for, and will pay extra for, well-bred Angus-sired cattle.

Running such a marketing program is not easy. It would be a lot less complicated just to run ads, put on a sale once a year and let the customers fend for themselves. But bull buyers who know that if they continue to work with a particular Angus breeder they can be assured of a higher price for their feeder cattle, will be less critical of bull prices and more likely to be repeat customers year after year.

Angus breeders who develop relationship marketing, in whatever form, are likely to see their priorities change. They will spend more time asking customers "How are we doing?" and "How can we be of further help to you?" Breeders who are intimately acquainted with their customers and their cow herds will find that they are making breeding decisions with the needs of particular customers in mind. The result should lead to more satisfied customers and a stronger bond between buyer and seller.

Cattle breeders have always preferred to deal with people they know and trust. Relationship marketing just carries this a step further. In relationship marketing the seller knows the buyer as well as, if not better than, the buyer knows the seller. The relationship benefits both parties.



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