



# Merchandising

► by Keith Evans

## There's pressure to constantly improve

*It is a never-ending process in beef seedstock marketing. As the overall quality of beef cattle increases, the pressure on individual cattle breeders to improve their breeding and marketing programs also increases. What was a valuable accessory for customers five years ago may well be regarded as standard equipment today.*

### Common benefits

Look at it from another perspective. Jim Budzynski, writing about herbicide producers in a recent issue of *Agri Marketing* magazine pointed out, "When we achieve 99.9% weed control, how much open room is there for [marketers to claim] 'better weed control'?" In other words, when every other herbicide marketer can claim that its chemical will kill 99.9% of the weeds, then that claim ceases to be a primary benefit to farmers.

To distinguish a product from a pack of similarly performing products, a marketer needs to provide additional benefits. That is the only way to maintain or to increase market share.

We don't have that same uniformity of product in the beef cattle business. But, in some respects, breeds and breeders have moved closer to product uniformity. Many benefits that were unique to one breed or one breeder in years past are commonplace today.

If your main advertising claim was once heavy weaning weights or heavy milk production, it may no longer attract much attention. Today nearly every one of your competitors can offer weaning weights that equal or exceed the maximum requirement of most commercial producers and cow milk production that meets or exceeds the demands of a particular marketing area. The same goes for other traits, such as birth weight and yearling weight.

Your customers still need virtually all of these important traits in their cattle, but

today they are standard equipment, not something special. To maintain your present customer base and to attract new customers, you probably will need to provide genetics that exceed anything you had to offer a decade ago. Breeders who don't feel the pressure to improve the genetic makeup of their cattle are in danger of eventually losing out to the competitors who do.

### The advantage of service

When it comes to satisfying customers and increasing market share, beware of putting your breeding program on autopilot. Furthermore, you should think of your breeding program as a service, not merely a method of producing cattle. Most

customers want more than just bulls or replacement females. They also want solutions to their problems, whatever they may be.

Always keep in mind that better genetics are not the only benefits for which your customers are looking. Many want service or more convenience than your competition

may be willing or able to provide.

We have talked about some of these intangible benefits before. They include such things as customer service before and after the sale or a guarantee of satisfaction that is backed up by a bevy of satisfied customers who tell their friends about their good experiences. It can be free delivery of bulls or a warm and friendly sales environment headed by a business owner who is respected within the cattle business and a leader in his community — or all of the above.

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Service levels are declining in many industries, according to an article in *Business Week* magazine. It is obvious in airlines, banks, stores, hotels, and some auto and implement dealerships. All of them, like registered cattle producers, are squeezed by narrow profit margins and pricing pressure. There are no surveys to tell us whether service levels have increased or decreased in the registered cattle business, but it is a fact that the businesses that can provide the best service — everything else being equal — have a distinct marketing advantage.

Consider your own situation. Do you buy insurance from the lowest-priced company or from an agent who knows you and your business and who has demonstrated the ability to provide the service you want?

### Improved focus

Budzynski offered several ideas that businesses can use to improve their focus on customers. A few of them apply to almost every registered beef cattle marketer.

- Make one of your missions that of getting, keeping and understanding customers.
- Get serious about asking your customers how well you are doing, then pay attention to what you learn.
- Keep records and use technology to identify which customers are most important to your business. At the same time, develop cost-effective ways to reach and to serve all your customers, even those who don't play such an important part in your business.
- Do what Budzynski calls "walk the talk." Meet with customers, ask them how you can better serve them, and incorporate their ideas into your breeding and marketing program.
- The pressure to improve never ends — at least, not as long as you remain in business.

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