



# Merchandising

► by Keith Evans

## Communications can produce sales

*The growth of your registered beef cattle business depends almost entirely upon your marketing communications program. That's just one conclusion drawn from a new marketing study completed in March 2002 for the Agri Media Council of the American Business Media (ABM). The council and ABM are associations for business media and agricultural media companies.*

### Brand awareness is important

It shouldn't be news to anyone that advertising and marketing communications sell products. Some 68% of the survey respondents reported that they first learn about products through magazine, newspaper, television and radio advertisements, and Internet promotion. Given the fact that buyers are often reluctant to admit that advertising influences them, this is indeed a high figure.

Furthermore, it is reinforced by other parts of the survey. A whopping 64% of those surveyed said they had one or two brands in mind before they visited agricultural dealers to look at new products. Another 29% said they sometimes had brands in mind before they went to see a dealer. Only 7% said they rarely or never did. This is simply top-of-mind awareness.

Marketers must establish top-of-mind awareness in potential customers before they can expect an inquiry or visit that might result in a sale. Being thought of first and favorably when potential buyers are ready to buy seedstock doesn't guarantee a sale; however, it does virtually guarantee the first crack at a potential customer's business — an essential first step. There is not much money to be made in being the last resort for customers.

Registered cattle breeders must recognize that they are dealers as well as producers. You not only own and manage the factory, you also run the store. You are a dealer. Understanding this role is important because 63% of those surveyed said they look to dealers as a primary source of information.

It is true that virtually all beef breed

associations support their members with advertising and promotional campaigns. But customers can't order bulls or replacement heifers from the association any more than they can order a tractor from the factory. As you have experienced in your own business, the good dealers are the ones you buy from.

### Print is effective

Agricultural publications proved to be most effective at informing potential buyers. Some 59% of the farmers and ranchers surveyed said they first learn of products through the advertising and editorial pages of farm publications. That means the ads that you place and the magazine articles about you and your operation are probably the most effective ways for you to reach new customers.

According to the survey, the next most important source of product information, a distant second at 19%, are agricultural suppliers or dealer representatives. You want yourself and your business to be known as the best source in the area for information about cattle production and about your breed.

Farm show exhibits are in third place, at 11%, as a source of product information. Take every opportunity you can to exhibit your cattle to potential buyers, and be on hand to answer questions and provide useful information.

On the other hand, farmers and ranchers use a wide source of media to keep informed about their business. Although 82% of the sample reported that agricultural magazines and newspapers are their favorite source (we will discuss this in detail next month), they also depend heavily upon newsletters, farm

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show exhibits and seminars, dealers, sales representatives, conferences (not part of trade shows), agricultural radio, and television shows. Web sites are at the bottom.

But take these results with a grain of salt. Not every media is perfect for marketing every registered herd. For example, farm radio doesn't score very high in any of the media categories. Skeptics might attribute this to the fact that publishers of newspapers and magazines sponsored the study. More likely is the fact that high-quality farm radio is not equally available throughout the nation. In your particular area farm radio might be one of the best ways to inform potential customers about what you have to sell and when it is available. In another, radio might be of limited value. But this is true to one degree or another of most media. No registered breeder can avoid the need to carefully evaluate all media before deciding what to include in a marketing plan.

A good example is Web sites. They are ranked last as sources of continuing education for farmers and ranchers. But Web sites can't be overlooked. It is true that many farmers and ranchers generally don't have or don't take the time to search the Web for information. Anyone who does knows how time-consuming and frustrating it can be.

On the other hand, marketers who use the Internet as an extension of their advertising and marketing program should be well-rewarded. The survey found that more than 80% of farmers and ranchers go online to obtain additional information about an advertised product in which they are interested. Some 44% reported that they frequently or very frequently go to a marketer's Web site for more information. Another 39% said that they sometimes do. Breeders not only need a well-designed Web site, they need to include the address prominently in their advertising.

It has been my experience that registered seedstock producers tend to overvalue word-of-mouth advertising. They also believe too strongly in the old saw that if they breed high-quality cattle, buyers will beat a path to their doors. There is no question that recommendations from satisfied buyers and an outstanding genetic product are important to the success of every registered breeder's program. But this survey highlights what outstanding marketers have known for a very long time — a sound business communication program is pivotal for growth and success.

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