

Merchandising

by Keith Evans



Designing an advertising plan

Some registered breeders place the job of drawing up an advertising plan on the same level as figuring their income tax. The difference, of course, is that if you don't pay your income tax, the Internal Revenue Service (IRS) soon sends out someone to collect and to see that you are penalized for your neglect.

But the breeder without a marketing plan gets no orders from the authorities to shape up or pay the price. This may be why so many seedstock producers limp along with no idea of how to systematically meet the challenge of attracting new customers through advertising.

It's a shame, because making an advertising plan is not like rocket science or gene mapping. It is a fairly straightforward process that pays real dividends. So let's look at how

you might design a program that specifically fits your business.

■ Do the research

First, do all the research you will need; then set aside a time and a place where you won't be interrupted. The first time you make an advertising plan, you may need two or more sessions. After your first plan has run for a year, it is fairly simple to make updates and improvements.

The first research project should be a sales map that illustrates your current market area. We discussed this in detail in a past column, but basically it works this way.

On a map place a dot in the location of every

customer to whom you have sold cattle in the past three to five years. Your primary market area is the cluster of sales near the bull's eye (your place).

You may designate that as your primary market area or decide that it should include more area.

Certainly the map will point out areas where you may need to expand.

When the plan is complete, you'll want to ensure that every cattle producer within this area gets a sales message about you and your herd at least six times a year; eight times is better.

■ Message vehicles

Next, contact every publication, radio station and TV station that covers this area. Get

their advertising rates and the number of cattle producers each can reach. Don't overlook any media. This includes county-seat weeklies and all other local newspapers, weekly shoppers, area farm or livestock publications, state publications or radio networks, and national magazines.

Have each break down their rates to the cost of reaching 1,000 cattle producers within your market area. If they can't do this, then you will have to estimate their coverage yourself.

Also check the cost of printing and mailing out direct-mail pieces and personal letters. Direct mail can often compete with advertising on a cost-per-unit basis, and it allows you much more freedom.

Knowing the cost to reach 1,000 cattle producers allows you to compare the relative efficiency of various media.

■ Set your budget

Third, determine your 12-month advertising budget. Some breeders figure their budget as a percentage of their gross seedstock sales. For example, if you sell \$40,000 worth of cattle a year, a 10% advertising budget would be \$4,000. Others simply pick a figure they are comfortable with; others decide what it will take to get the job done, then budget that amount.

You'll likely use a combination of these while also keeping an eye on what your competition is doing. But never operate without a budget.

■ Set a calendar

Fourth, make an advertising calendar. Write down the times of year you will be selling cattle. You may sell cows and calves at one time of year, bred heifers at another, and bulls at still another. It will take special advertising for all three times.

What's more, you must take into account when buying decisions are made. Remember, it can take months of advertising and promotion before a potential customer decides to contact you. Therefore, you'll want to advertise three to four months in advance of sale time.



Since advertising deadlines can be up to 45 days ahead of the publication date, you'll need to take this into account when making out your calendar. For example, planning to run an October ad will be meaningless if you don't have the ad ready and in the hands of the publication at the possible August or September deadline.

■ Allocate the funds

Finally, take all this information and start allocating advertising dollars.

It will soon be obvious what size ads you can run and when. As you go along, you'll find that it's possible to increase the number of potential customers you can reach by eliminating or cutting back on some less-efficient media and putting this money to more efficient use.

What's more, when you have a plan, you can often take advantage of frequency discounts. Most publications give a discount when you contract to run four to six ads within a 12-month period. Radio stations also offer frequency discounts. In some instances it may pay to run enough ads to obtain these discounts.

The most important goal of your plan is to reach a high percentage of potential customers within your primary market area. Once you've covered the primary market area to your satisfaction, use the rest of your budget to expand your primary market. This might mean using state and national publications with wider circulations or expanding your use of local media.

Write it all down, along with the deadlines for each publication and broadcast station you are using. What you will have is a little gem, an advertising plan that you can follow for the next 12 months.

Each month check the plan to see what advertising preparation or insertions need to be done that month. Also look ahead. Knowing when ads are due will give you time to have photos taken, copy written and effective layouts made long before the deadline.

Then be prepared for adulation by the media people with whom you advertise. When you provide them — 30 days in advance of deadline — high-quality photos, the benefits you want to emphasize in an ad, and the information to back up the claims you will make in the ad, they will be amazed.

What's more, their advertising

department will have ample time to prepare an ad to your specifications and to provide you with a proof, which you can read and correct before the ad appears in print.

As you approach the end of the first year, evaluate your efforts. In fact, if you build in ways to test the pulling power of your ads and the various media, you can almost immediately begin to evaluate both your advertisements and the relative merits of the media.

Checking can be as simple as including a coupon in your ad that is keyed to the particular publication and issue. One breeder I knew simply asked new people who telephoned, stopped by his farm or purchased cattle at a consignment sale how they heard of him.

An advertising plan will give you confidence in what you are doing and will help make your advertising budget work harder for you. Planning your advertising may actually become a pleasant experience, something quite different from figuring your income tax.

