

Now Is No Time to Whisper Down A Well

There are two times during a cattle cycle when the advertising budgets of registered livestock producers suffer most — when times are bad and when they are good.

During a downturn when sales drop and expenses build, advertisers often succumb to the temptation to use all or part of the advertising budget to pay bills. Sometimes there is no other choice. Research does show, however, that advertisers who maintain their program during the lean years benefit more when the upturn comes than those who cut their advertising.

On the other hand, it is easy to see why some advertisers reduce their advertising outlay when they are able to sell about everything they produce at profitable prices. It seems obvious to them that there is little need to invest advertising dollars in customer development when they already have all, if not more, customers than they need.

Here are some reasons why you should continue, if not expand, your advertising program now while demand for Angus breeding stock is strong.

1. You may decide to expand your business. If you do you will need more customers than you have today. By purchasing bred females you can have added seedstock to sell within a year. It is difficult to build a much larger customer base in less than 12 months.

2. The boom will pass. If demand is good, supply will eventually expand to fill it. In time you will need all the goodwill and name recognition you can get.

3. Old customers leave. It is a fact of life. You must replace about 10 percent of your customer base each year. If you don't continue to create interest in your herd and attract new potential customers you may run short of buyers later.

4. You might scare off potential competitors. If you lower your profile when prices are high someone may perceive that there is room in your market area for another registered breeder, or a larger one. On the other hand, if you have a

strong advertising campaign they may figure the competition is too tough in your market.

Certainly the nature of your advertising program might change in times of strong demand. You don't want to advertise cattle for sale when you can't deliver. In this enviable situation your program should switch to institutional rather than for-sale advertising.

In other words, promote your herd, your breeding program and your name rather than specific animals for sale. Design a program to build top-of-the-mind awareness in potential customers.

Some time back, a friend of mine sent me this quote by Jim Webb of Grinnell Mutual: "He who has things to sell, and

goes and whispers down a well, is not so apt to get the dollars, as he who climbs a tree and hollers."

There is probably no time during the beef cattle cycle when it makes economic sense to "... whisper down a well." The dollars you save will likely come back to haunt you as reduced customer demand later on. You need to be up in that tree making noise year after year — in good times and bad.

It is especially important in good times. That's when you have the money to invest in the future, which is exactly what good advertising and promotion is — an investment in the future of your Angus business.

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