

## Marketing in a Down Market

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I know some people in the lawn and garden equipment business. As a result, I am a fairly regular reader of lawn and garden equipment trade magazines.

A big difference between these trade publications and registered beef cattle trade magazines is the editorial content. Nearly every article in the lawn and garden press is involved with marketing, advertising and selling. It's easy to see what's on the minds of the people who run these businesses. They are out to sell product, and at profitable prices. They have no interest in production because they're not involved in production. Marketing is their game—their only game.



Registered Angus breeders, for better or for worse, play two games. The first is production of genetic seedstock and the second is marketing. As we've discussed before, Angus breeders are involved up to the hilt with production. There's nothing an Angus breeder enjoys more than talking about genetics, particularly about the most popular bulls in the breed and their performance records.

Discussions among Angus breeders rarely center on marketing. When Angus breeders get together they don't get into animated discussions about how to create better advertising, or how to handle walk-in customers. Interrupt any two visitors around the ring at the National Western or the North American and there's little chance they'll be talking about marketing, unless one of them is an advertising salesperson.

The beef cattle breeder's preference for production over marketing is obvious at trade shows. When was the last time you saw a magazine with a trade show exhibit with people stopping by anxious to discuss advertising? On the other hand, the AI studs all have booths at major livestock shows and people flock to them to look at videos of bulls,

talk about beef cattle breeding and place orders for semen.

We are going through some tough times in the beef cattle business today. As a result, not every good registered bull produced gets sold at a profitable price. The Angus breed is in much better shape than most other breeds of cattle. Still, prices are down even for good Angus bulls. Now, I'm not suggesting that anyone neglect their breeding program. However, there are ways breeders can improve business that have little to do with genetics and bull selection.

In times such as these, commercial cattle producers are seriously on the lookout for ways to increase their income. But because prices are down producers of registered seedstock figure that since commercial producers are losing money, they won't be spending money for new bulls. So breeders decide to "save money" by cutting back on advertising and other marketing costs.

Just the opposite is the case, however. Advertising research, time and again, has shown that business managers who increase their advertising and promotion budget during a recession weather the downturn in better shape than their competitors. What's more, they come out of the downturn in far better shape to profit from improved market conditions.

It appears we have another year or two of low cattle prices — maybe more. The question is how can breeders manage their marketing programs to at least hold sales steady while they build for growth and higher prices that will carry on well into the next cattle cycle, three to eight years from now?

Let me list three suggestions:

1. Don't cut back on your advertising, expand if you can. Dollars spent now could be more effective than they were even a couple of years ago. Almost as many bulls will be needed this year as last year, yet they will be backed by generally reduced ad budgets. As a result, your efforts will be noticed more.
2. Plan more effectively. That's good advice anytime, but if you do have to cut marketing costs do it with a good plan that eliminates waste and maximizes your effectiveness.
3. Sell Angus advantages. When cattle producers are in a price pinch they look for all the help they can get. Angus price premiums, the Certified Angus Beef Program and Angus efficiency traits can help sell cattle to people who need these advantages more than they have in a long time.

I don't expect this magazine or any other breed publication to ever look like a lawn and garden dealer's magazine, full of marketing, merchandising and salesmanship articles. Cattle breeding and efficient production are normally the registered breeder's first business priority. Marketing, however, is just as important in the long run as production. And at this point in the cattle cycle it may well hold the No. 1 spot.